

*Canadian National Railways (including Air Canada)*

Outstanding advances and loans of \$2,593 million to the Canadian National Railways (including Air Canada) are \$230 million more than at March 31, 1971.

During 1971-72 the government made available \$228 million to the Canadian National Railways and \$27 million to Air Canada and received payments of \$24 million from the C.N.R. and \$1 million from Air Canada.

The government made advances of \$177 million to the C.N.R. for capital purposes and loans of \$14 million to Air Canada for capital purposes.

To assist the C.N.R. to finance further capital expenditure during the year, the government purchased \$37 million of the 4 per cent preferred stock of the company. This stock is issued under the authority of the Canadian National Railways Capital Revision Act, 1952 in an amount equal to 3 per cent of the gross revenue of the company.

At March 31, 1971 temporary loans of \$20 million were outstanding to the C.N.R. in respect of its 1971 deficit. Additional loans of \$13 million were advanced during the year for its 1971 operations. The 1971 deficit of \$24 million will be charged to the 1971-72 budgetary expenditure by parliamentary approval leaving a balance of \$9 million.

TABLE 52  
(in millions of dollars)

ADVANCES TO CANADIAN NATIONAL RAILWAYS (INCLUDING AIR CANADA)	Balance at March 31, 1971	Net transactions 1971-72 (preliminary)	Balance at March 31, 1972 (preliminary)
Canadian National Railways—			
Capital Revision Act, 1952—			
Preferred stock.....	1,204.1	36.8	1,240.9
Twenty-year obligation.....	100.0		100.0
Refunding Act, 1955.....	541.1	172.4	713.5
Financing and Guarantee Acts.....	197.4		197.4
Interim financing of income deficit.....	20.0	-11.0	9.0
Loans for maintenance, repair and acquisition of passenger equipment.....	1.6	-0.2	1.4
Temporary loans—acquisition of bonds.....	40.8	5.0	45.8
Canadian government railways.....	17.0		17.0
	2,122.0	203.0	2,325.0
Air Canada—			
Financing and Guarantee Acts.....	239.8	14.0	253.8
Interim financing.....	0.9	13.0	13.9
	240.7	27.0	267.7
	2,362.7	230.0	2,592.7

TABLE 53  
(in millions of dollars)

ADVANCES TO, AND REPAYMENTS BY, CANADIAN NATIONAL RAILWAYS (INCLUDING AIR CANADA)	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Advances—			
Purchase of CNR preferred stock..	33.5	36.8	3.3
Temporary loans to CNR.....	9.5	5.0	-4.5
Refunding of debt (CNR).....	40.0	172.4	132.4
Financing and Guarantee Acts (Air Canada).....	117.0	14.0	-103.0
Interim financing—			
Air Canada.....	3.9	13.9	10.0
Canadian National Railways.....	22.0	13.2	-8.8
	225.9	255.3	29.4
Repayments—			
Maintenance, repair and acquisition of passenger equipment.....	-0.4	-0.2	0.2
Interim financing—			
Air Canada.....	-9.6	-0.9	8.7
Canadian National Railways.....	-12.0	-24.2	-12.2
	-22.0	-25.3	-3.3
	203.9	230.0	26.1

At March 31, 1971 temporary loans of \$1 million were outstanding to Air Canada in respect of its 1971 operations and have been repaid by the company. An additional \$14 million was advanced during the year for its 1971 operations.

*Central Mortgage and Housing Corporation*

The balance of \$5,706 million at March 31, 1972 is \$668 million more than at March 31, 1971. Loans and advances of \$870 million are partly offset by repayments of \$202 million.

Advances include \$731 million for direct lending, limited dividend and public housing, \$61 million for sewage treatment projects, \$39 million for university housing projects, \$31 million for federal-provincial projects and \$8 million for urban renewal.

Repayments include \$172 million for direct lending, limited dividend and public housing, \$19 million for sewage treatment, \$6 million for federal-provincial projects and \$1 million for university housing projects.