

5. THE CASH POSITION

The government's cash position is affected not only by the budgetary transactions explained in some detail in preceding sections but also by non-budgetary transactions and changes in the government's outstanding unmatured debt. Although there was an estimated budgetary deficit of \$617 million in 1958-59, the government's bank balances increased by \$166 million during the same period. This increase was the net result of the budgetary deficit of \$617 million, a cash requirement of \$646 million for non-budgetary transactions and an increase of \$1,429 million in outstanding unmatured debt (after taking into account transactions in the securities investment and sinking fund accounts).

Non-budgetary receipts and credits relate to transactions which result in increases or decreases in the government's assets and liabilities and do not appear in what might be called the government's income account for the fiscal year nor do they enter into the calculation of the annual budgetary surplus or deficit. However, in considering the full scope of the government's financial operations and in measuring their effect on the government's cash position and their impact on the economy, non-budgetary as well as budgetary transactions must be taken into account.

The increases or decreases in the government's assets and liabilities have been described in detail in the section entitled "Statement of Assets and Liabilities of Canada". On the assets side the non-budgetary transactions consist, for the most part, of loans and advances to, and repayments by, Crown corporations and other government agencies and funds (including the old age security fund), national, provincial and municipal governments, international organizations, veterans and other borrowers. On the liabilities side they relate mainly to receipts and payments in connection with the many deposit and trust accounts, and annuity, insurance and pension funds held or administered by the government.

The following statement summarizes the non-budgetary transactions for 1958-59 and indicates how they, together with the budgetary transactions and changes in the unmatured debt position, affected the government's cash position. For purposes of comparison, the corresponding figures for 1957-58 are also shown.