

Railway and Steamship Companies

46. There was a net increase of \$81,717,000 in loans to the Canadian National Railways in the fiscal year 1947-48. Advances of \$53,550,000 were made for the retirement of funded debt of the Company held by the public. Advances for the purchase of capital stock of Trans-Canada Airlines totalled \$15,100,000. Advances of \$11,000,000 were made pending Parliamentary approval of the appropriation for the Railway's 1948 deficit. An advance of \$5,886,000 was also made for capital purposes of the Railway. Repayment of amounts due to the Government under various Hire-Purchase Agreements covering railway equipment acquired in previous years aggregated \$3,819,000.

Sundry Government Agencies

47. Advances to the National Harbours Board for capital purposes at Vancouver and Montreal were reduced during the year by \$26,000.

48. The net increase in the fiscal year in advances for Soldier Settlement and Veterans Land Act purposes amounted to \$35,966,000. This increase was occasioned by net advances of \$38,066,000 under the Veterans Land Act, less the sum of \$2,100,000 written off and charged to Consolidated Deficit Account.

49. Net advances to sundry Crown companies increased by \$9,146,000. The main items contributing to this change were as follows: advances aggregating \$22,500,000 to the Central Mortgage and Housing Corporation; \$2,500,000 representing capital surplus of Export Credits Insurance Corporation; reduction of \$5,000,000 to the Commodity Prices Stabilization Corporation and a reduction of \$9,100,000 in advances to the Agricultural Prices Account.

Provincial and Municipal Governments

50. Loans in this category decreased during the fiscal year 1947-48 by \$63,629,000. This reduction reflects the adjustment authorized, under The Western Provinces Treasury Bills and Natural Resources Settlement Act, in the indebtedness of the four western provinces to the Government of Canada. Of this reduction, \$55,416,000 was charged to the Reserve for Possible Losses upon the Ultimate Realization of Active Assets.

United Kingdom and Other Governments

51. Net advances under this heading increased by \$381,731,000 during the fiscal year 1947-48. The largest single item in this category consisted of the advances under the United Kingdom Financial Agreement Act, 1946, aggregating \$368,000,000. At March 31, 1948, the Government of the United Kingdom had drawn down \$1,008,000,000, out of a total loan of \$1,250,000,000 authorized by this Act. The Canadian dollar obligation of the Government of the United Kingdom under the authority of The War Appropriation (United Kingdom Financing) Act, 1942, was reduced by \$111,285,000, leaving a balance outstanding at the fiscal year end of \$331,479,000.

52. Advances made during the fiscal year to foreign governments and their agencies pursuant to agreements made under the Export Credits Insurance Act increased by \$130,830,000. Advances were made to the various countries as follows: Belgium \$16,000,000; China \$20,046,000; Czechoslovakia \$10,315,000; France \$49,945,000; Netherlands \$28,536,000; Netherlands Indies \$5,900,000; and Norway \$1,906,000. In addition unpaid interest was consolidated and added to the loans under the terms of the agreements in the amount of \$248,000 in the case of Belgium and \$150,000 in the case of Norway. Belgium repaid \$2,112,000 during the year.