

such as the assumption of the Newfoundland debt, the revaluation of our assets and liabilities which are expressed in other currencies and the addition to our general reserve against active assets--we find that we have a cash surplus of \$287 million as compared with the budgetary surplus of \$111 million. To this we should add other receipts that do not constitute revenue, such as the increases in the trust accounts for the payment of annuities and pensions, and the increase in various other accounts on our books that we cannot treat as revenue. We must also take into account the repayments of loans and advances that have previously been made. These various receipts have added another \$200 million to our cash. On the other hand, we must take into account heavy disbursements this year that do not appear on our books as expenditures. The largest of these has been the advances to the foreign exchange control board to acquire gold or United States dollars, which have amounted to \$160 million. We have also disbursed \$104 million in loans to the United Kingdom and other governments abroad, after taking into account repayments that we have received from such governments on other loans. We have also made substantial loans to the Central Mortgage and Housing Corporation and under the Veterans Land Act for housing and settlement purposes. Adding these and various small additional items of a similar character, we get a total of cash disbursements other than budgetary expenditures of \$420 million. This leaves a cash surplus of \$67 million, apart from security transactions. This year the net sales of securities out of our securities investment account, the account through which we employ our surplus cash balances, have totalled \$430 million. Adding this to the \$67 million cash surplus that I have just mentioned, we have a total of \$497 million available to reduce outstanding public debt. Actually we used \$486 million for this purpose, the remaining \$11 million being our estimated increase in cash balances at the end of the year.

Financing Operations

In my budget address of October 29 last I outlined most of the major transactions in what has been a notable record of financing during the present fiscal year, and here I need only finish that outline and summarize the results for the year as a whole.

At that time I referred to the campaign just beginning for the sale of the fourth series of Canada savings bonds. That campaign proved highly successful; to date approximately one million buyers have purchased a total of \$304 million of this fourth series. I wish again to pay my tribute to the splendid work which has been done both by voluntary and professional workers in promoting the sale of these bonds.

On March 1 this year three separate transactions took place. An issue of \$550 million of $\frac{3}{4}$ per cent six months treasury notes was sold at par to the Bank of Canada to refund a similar issue maturing on that date. On the same date a \$325 million issue sold in 1948 and held very largely by the banking system became due and was refunded by an issue of \$325 million 3-year $1\frac{1}{2}$ per cent bonds sold at 99.30 to yield 1.74 per cent per annum. Also on March 1 a new issue of \$100 million of six months deposit certificates bearing interest at $\frac{3}{4}$ of one per cent per annum was sold to the chartered banks at par.

The results of our financial operations and of certain other factors on our funded debt for the fiscal year as a whole may be