

64. It will be noted that in order to arrive first of all at a figure representing the cash funds provided from current operations (i.e., the excess of revenues over budgetary expenditures), an adjustment must be made for items included in revenues which do not represent cash receipts and also for items included in expenditures which do not represent outlays of cash. When these adjustments are made, the net balance of cash funds remaining out of current year's revenues is found to be \$727·0 million.

65. To this total should be added an amount of \$351·9 million representing repayments of loans and advances, \$1·9 million representing repayments of balances arising from agreements of sale in respect of Crown assets, \$85·2 million representing increases in various insurance, pension and guarantee accounts, and \$14·9 million representing increases in sundry suspense accounts.

66. The total of all these items is \$1,180·9 million, which with cash on hand at the beginning of the fiscal year would represent the total cash funds available to the Government after taking care of the year's budgetary expenditures. The lower half of the table shows how these cash funds were applied or disbursed and the balance remaining at the end of the year.

67. It will be noted that of the total funds available the sum of \$634·0 million was spent in the acquisition of active assets—\$625·2 million by way of increases in loans and advances, \$2·6 million by way of increases in investments and \$6·2 million by way of increases in working capital advances. The sum of \$43·1 million was accounted for by a reduction in deposit and trust accounts, \$5·6 million by a reduction in deferred credits, and \$0·7 million by cost of loan flotations which will appear as expenditures in future years as it is amortized over the term of the relevant loans.

68. Of special significance is the fact that the remainder of the cash which was disbursed during the year, namely \$946·1 million went to reduce the amount of Government securities outstanding in the hands of the public. The net retirement of funded debt amounted to \$584·5 million, but there was an increase of \$48·4 million in floating debt, making net retirement in total debt of \$536·1 million. In addition, however, an amount of \$410·0 million of Government securities was purchased from the public and transferred to securities investment account.

NATIONAL DEBT

69. It is estimated that the gross unmatured funded debt (including Deposit Certificates, Treasury Bills and the estimated refundable portion of personal income tax and excess profits tax) of the Government of Canada outstanding at the close of the fiscal year 1947-48 will amount to \$15,957,381,000, details of which may be found on page 54. Other liabilities consisting chiefly of Deposit and Trust Accounts, Insurance, Pension and Guaranty Accounts are estimated at \$1,243,689,000. The gross liabilities of the Dominion on March 31, 1948, therefore, are estimated at \$17,201,070,000. On the other side of the balance sheet there are active assets estimated at a total of \$4,996,525,000, consisting of cash, loans, advances and investments, less a reserve of \$173,253,000 for possible losses on their ultimate realization. If the amount of net active assets is deducted from the amount of gross liabilities, there results a figure of \$12,377,798,000, representing the estimated net debt of the Dominion as at March 31, 1948.

70. The decrease in the net debt for the year is estimated at \$669,958,000. This of course is the amount already reported as the over-all estimated surplus for the fiscal year 1947-48.