

Financial assistance provided by the Government to the National Harbours Board and charged to expenditure under the category Government Owned Enterprises totalled \$509,000, divided as follows: \$67,000 for the operating deficit of Churchill Harbour and \$70,000 for the operating deficit of Quebec Harbour; \$264,000 for non-active advances to meet the deficit of the Jacques Cartier Bridge at Montreal; and \$2,000, \$55,000, \$3,000, \$24,000 and \$24,000 for capital expenditures at the Harbours at Churchill, Quebec, Three Rivers, Saint John and Halifax.

The elevators at Port Colborne and Prescott operated at a profit during the year and \$87,000 was paid to the Government.

OTHER CHARGES.

40. Total expenditures in this final category are estimated at \$83,540,000 compared with \$29,386,000 in 1946-47.

41. Most of this is represented by the amount of \$75,000,000 which has been credited to the general reserve to meet possible losses on the ultimate realization of active assets. This is an increase of \$50,000,000 over the amount of \$25,000,000 set aside for this purpose each fiscal year since the account was established in 1940-41. During the year, \$55,416,000, representing the write-off of the Western Provinces' Treasury Bill indebtedness was charged to the reserve as provided for by The Western Provinces' Treasury Bills and Natural Resources Settlement Act. At March 31, 1947, the general reserve was \$153,669,000, and as a result of these credit and debit transactions the reserve at March 31, 1948 stood at \$173,253,000, or a net increase of \$19,584,000.

42. The other items in this category which affect the net debt are: the provision for reserve for conditional benefits under the Veterans' Land Act and the annual write-off of Soldier and General Land Settlement and Veterans' Land Act aggregating \$6,602,000.

43. The loss of \$50,000 on seed grain and relief accounts administered by the Department of Mines and Resources does not increase the net debt as the write-off is from an amount already set aside in the non-active accounts to provide for revaluations and losses.

44. The last item in this category reflects a change in the Canadian National Railways Securities Trust Stock, which was decreased by \$1,885,000 representing the retirement of equipment. The deficit in the Canadian National Railways for the calendar year 1947 does not reduce the Dominion's equity as the amount of the deficit is paid to the railway by the Government and charged as Government expenditure under the category of Government Owned Enterprises. The item of \$1,885,000 is a contra item and does not increase the net debt. It appears on the revenue side under the heading of Special Receipts and Credits.

LOANS AND ADVANCES AND INVESTMENTS

45. In addition to the expenditures already detailed the Government makes disbursements for loans, advances and investments which are treated as "active assets" and are deducted from total gross liabilities in arriving at the figure of net debt. The net increase in these active assets during 1947-48 was \$453,654,000.

The details in regard to the items accounting for this net increase together with those for the four previous fiscal years will be found in the table on page 94.