

The Budget—Appendix

During the fiscal year the United Kingdom government repaid all of the outstanding balance of \$23 million of the \$700 million interest-free loan granted under the provisions of the War Appropriation (United Kingdom Financing) Act, 1942. In addition a \$16 million repayment was made on the \$1,185 million loan made under the \$1,250 million credit authorized by the United Kingdom Financial Agreement Act, 1946, reducing the principal outstanding at March 31, 1959 to \$1,081 million.

Repayments of advances under Part II of the Export Credits Insurance Act to certain foreign countries to assist them in purchasing goods and services in Canada amounted to \$18 million during the year reducing the balance at March 31, 1959 to \$286 million.

Miscellaneous loans and advances to foreign governments increased by \$18 million due to an increase of \$19 million in special loans to finance the purchase of wheat and flour from Canada. These special loans amounted to \$35 million at March 31, 1959, of which \$33 million was made to India and \$2 million to Ceylon.

Other loans and investments

There was an increase of \$19 million in this category during the year bringing the balance to \$682 million at March 31, 1959.

Canada's subscription to the capital of the international monetary fund was reduced by \$3 million during the year. The accounts of the fund are maintained in terms of United States dollars therefore in order to keep Canada's subscription at the required amount, that portion represented by Canadian dollar balances is revalued quarterly and any settlement required is made annually as at April 30, the end of the fund's fiscal year. The decrease of \$3 million reflected the settlement at April 30, 1958 and subsequent adjustments due to the quarterly revaluations.

Loans to provincial governments increased by \$27 million due to a loan of \$30 million to the Province of New Brunswick in respect of the Beechwood Power Project partly offset by regular annual payments of \$3 million in respect of loans to other provinces.

Overpayments to certain provinces arising out of 1952 tax-rental agreements were reduced by \$1 million during the year.

Advances under the Veterans Land Act decreased by \$9 million, however as the reserve for conditional benefits under the Act was reduced by \$6 million, the net decrease was \$3 million.

Miscellaneous loans and investments decreased by \$1 million during the year. Increases of \$6 million being more than offset by decreases of \$7 million.