

The Budget—Appendix

Working capital advances to the Department of Agriculture are expected to show an increase of \$56.9 million for the year. This increase is due principally to the expansion of the Agricultural Prices Support program resulting from the effect of the foot and mouth disease in Canada and the subsequent embargo on the export of live stock and live stock products to the United States. The estimated loss of \$42 million on operations for 1952-53 is included as a charge in the year's expenditures.

Loans to, and Investments in, Crown Agencies

It is estimated that loans to, and investments in, Crown agencies will increase \$215.2 million during the year. The estimated changes during the fiscal year in this category are shown in the following table:

	Balance at March 31		Increase or Decrease (—)
	1953 (Estimated)	1952	
Bank of Canada Capital Stock.....	5.9	5.9
Central Mortgage and Housing Corporation—			
Capital Advances.....	25.0	25.0
Loans.....	410.8	335.0	75.8
Canadian Farm Loan Board.....	28.9	27.3	1.6
Railway and Steamship Companies.....	1,028.7	903.9	124.8
National Harbours Board.....	106.9	106.9
Polymer Corporation Limited.....	36.0	38.0	-2.0
Other Crown Agencies.....	45.7	30.7	15.0
	1,687.9	1,472.7	215.2

Loans to Central Mortgage and Housing Corporation for the year are estimated at \$80.5 million, of which \$66 million is for lending purposes, \$7 million for construction and \$7.5 million for Federal-Provincial housing projects. Repayments estimated at \$4.7 million will bring the net increase in advances for the year to \$75.8 million.

It is estimated that in the fiscal year ending March 31, 1953, the Government will have made net advances to the Canadian National Railway Company of \$101 million for capital purposes, retirement of funded debt in the hands of the public and to cover the deficit arising in the first three months of 1953. In addition, to assist the company to finance additional capital expenditures, the Government will have purchased an estimated amount of \$23.8 million of the Company's 4 per cent Preferred Stock. This stock is issued under the authority of the Canadian National Railways Capital Revision Act, 1952, in an amount equal to three per cent of the gross revenues of the Company.

No change is expected in the advances to the National Harbours Board, the amount outstanding remaining at \$106.9 million. These advances represent outstanding advances in connection with harbour developments at Montreal and Vancouver and are the only advances to the National Harbours Board which are classified as active assets in the Government's accounts.

The Government's investment in Polymer Corporation Limited, a crown corporation engaged in the manufacture of synthetic rubber, is expected to be reduced by \$2 million during the year, representing a further payment of \$1 million on the debenture issue in addition to the \$1 million repayment of the serial debenture due March 31, 1953.

The advances to the Canadian Farm Loan Board are estimated at \$28.9 million, an increase of \$1.6 million for the fiscal year.