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CANADA
DOMINION BUREAU OF STATISTICS
FINANCE STATISTICS BRANCH

THE PUBLIC DEBT OF CANADA
DOMINION, PROVINCIAL AND MUNICIPAL
IN
1934

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PUBLIC DEBT OF CANADA

Statistics of the aggregate public debt of Canada are herewith presented, those for the Dominion Government covering its fiscal year ended March 31st, 1934, while those of the provincial governments represent their respective fiscal years ending in 1934 as follows: Prince Edward Island Dec. 31st, Nova Scotia Sept. 30th, New Brunswick and Ontario Oct. 31st, Quebec June 30th, Manitoba and Saskatchewan April 30th, Alberta and British Columbia Mar. 31st. The debt of Municipal Governments is the liability on December 31, 1933 of all municipalities with the exception of those in Saskatchewan where the debt at April 30th, 1934 is taken. This is the latest available information for municipal debt.

The Aggregate Public Debt of Canada.— Table 1 gives in summary form the total aggregate net direct debt of the Dominion, Provincial and Municipal governments, amounting to \$5,124,489,167, with guaranteed indirect debt of the Dominion and Provincial governments totalling \$1,317,711,176. There are no statistics available as to indirect debt of municipalities in Canada. The grand aggregate of these two forms of debt in 1934 was \$6,442,200,343.

With regard to the items summarized in Table 1, explanatory notes and details are as follows:

- Dominion net direct debt page 1 and Table 2.
- Dominion guaranteed or indirect debt page 2 and Table 4.
- Provincial net direct liabilities page 2 and Table 5.
- Provincial indirect liabilities page 11 and Table 5.
- Direct liabilities of municipalities less sinking funds, etc., page 2 and Table 6.

Net Direct Debt of Dominion Government.— This is the first item shown in the Summary Table 1. It is arrived at by taking the gross liabilities less sinking funds offsetting the funded debt payable in London and then deducting "Active Assets" as follows: cash assets; specie reserve; advances to provinces for housing loans and unemployment relief, loans to banks, harbour commissions and Canadian Farm Loan Board; advances to foreign governments; soldiers and general land settlement and other miscellaneous current accounts. A detailed analysis of net debt will be found in Table 2 which is a reproduction of the Balance Sheet of the Dominion Government as at March 31st, 1934.

Funded Debt of the Dominion Government.— The analysis of this debt on March 31st, 1934, will be found in Table 3, showing the portion payable in Canada, in Canada and New York, in London, and in New York. Sinking funds are deducted from the gross funded debt and the net amount constitutes net funded debt as shown under liabilities in Table 2. In any discussion of payments of principal and interest it is necessary to use Table 3 because of the varying rates of exchange. Payment of debt in New York on March 31st 1934 would be at par but payment of obligations falling due in London at that date would be subject to a premium. Payment to-day of the debt shown as due in either London or New York would be subject to premium.

Guaranteed Debt of the Dominion Government.- Table 4 gives the details of this debt showing where principal and interest are payable.

Certain interest rates run as high as 6 to 7 per cent so that refunding at lower rates of interest should be possible when existing contracts expire.

It will be seen that some \$216,000,000 of railway securities is guaranteed as to interest only. In other words the government can never be called upon to pay the principal sum.

Debts of Provincial Governments.- Table 5 analyzes the public debt of provincial governments for the year 1934. In it will be found details of the total net direct liabilities as given in summary Table 1.

The total gross bonded debt less sinking funds offsetting same gives the net bonded or debenture debt as \$1,229,652,462. To this are added the treasury bills outstanding totalling \$123,859,963 making the net funded debt \$1,353,512,425. To this sum must be added the Other Direct Liabilities made up of loans, savings, deposits, accounts payable, bank overdrafts, etc., amounting to \$187,957,412, giving a grand total of direct liabilities (less sinking funds above mentioned) \$1,541,469,837. There is a further offset to these direct liabilities consisting of available or realizable assets in Capital Account \$551,647,580, Current Account \$51,556,932 and Trust Account \$46,482,234, totalling \$649,686,746. Taking this latter sum from the total direct liabilities leaves the net direct liabilities at \$891,783,091.

In addition to the direct liabilities there were also indirect or contingent liabilities in each province with the exception of Prince Edward Island. These liabilities arise largely out of guarantees of railway, municipal and other obligations. The totals for each province are shown on Table 5.

Descriptive notes on both direct and indirect provincial liabilities will be found immediately following Table 5.

Gross Bonded Debt and Total Direct Liabilities of All Municipalities.- There are over 4,200 municipalities in Canada, the great majority of which have certain rights of borrowing money as well as of taxing the people to pay back the principal and interest of any loans incurred. The Canadian cities in particular have exercised their borrowing privileges as their gross bonded indebtedness in 1933 represented \$1,047,501,230 out of a grand total for all municipalities of \$1,395,938,395.

Table 6 gives an analysis of Municipal Debt in Canada.

There are no statistics obtainable to give a complete statement of available or realizable assets of municipalities throughout Canada, nor is there any information concerning indirect liabilities.

The total direct liabilities less sinking funds are shown for all municipalities in six provinces but incomplete figures are given in the other three provinces, the whole totalling \$1,502,727,935.

TABLE 1.- SUMMARY OF THE AGGREGATE PUBLIC DEBT OF CANADA.

(Dominion, Provincial and Municipal Governments)

Circa 1934. (Subject to revision)

Net Direct Debt -		\$
Net Debt of Dominion Government, March 31, 1934		2,729,978,141
Net Direct Liabilities of Provincial Governments 1934 (Sinking funds and available Capital, Current and Trust Account Assets deducted)		891,783,091
Direct Liabilities of all Canadian Municipalities, less sinking funds and investments, Dec. 31, 1933		1,502,727,935
Total Net Direct Debt		5,124,489,167
Guaranteed or Indirect Debt -		
Dominion Government, Mar. 31, 1934.	\$	
Principal and interest guaranteed on Railway and Other Securities	777,069,906	
Interest only guaranteed on Railway Securities	216,207,142	
Guarantees under Relief Acts	<u>93,296,073^{1/}</u>	1,086,573,121
Provincial Governments - fiscal years 1934		231,138,055
Total Guaranteed or Indirect Debt		1,317,711,176
Grand Aggregate Public Net Direct Debt and Guaranteed or Indirect Debt of Canada		6,442,200,343

^{1/}Wheat marketing guarantees not included.

TABLE 2.- BALANCE SHEET OF THE DOMINION OF CANADA, AS AT MARCH 31, 1934.

(From the Public Accounts)

Active Assets --	\$
Cash on hand and in banks	9,874,579
Specie Reserve	71,406,030
Advances to Provinces, Banks, etc.	191,920,712
Advances to Foreign Governments	30,494,720
Soldier and General Land Settlement Loans	45,219,132
Miscellaneous Current Accounts	62,148,783
Total Active Assets	411,063,956
Balance of Liabilities over Active Assets being Net Debt, Mar. 31, 1934 (exclusive of interest accrued and out- standing carried forward)	2,729,978,141
	3,141,042,097
Non-Active Assets --	
Public Works, Canals	242,079,744
Public Works, Railways	443,182,346
Public Works, Miscellaneous	252,124,944
Military Property and Stores	12,035,420
Territorial Accounts	9,895,948
Railway Accounts (old)	88,398,829
Railway Accounts (loans non-active)	655,527,456
Canadian National Steamships (loans non-active)	15,353,467
Miscellaneous Investments and Other Accounts (non-active)	75,960,711
Balance Consolidated Fund as at Mar. 31, 1933	811,417,164
Excess of Expenditure over Revenue, year ended Mar. 31, 1934	124,002,112
	2,729,978,141
Liabilities --	
Dominion Notes in Circulation	172,617,922
Bank Note Circulation Redemption Fund	6,486,355
Post Office Account, Money Orders, Postal Notes, etc., Outstanding	3,570,744
Post Office Savings Bank Deposits	23,158,919
Insurance and Superannuation Funds	109,481,507
Trust Funds	18,271,120
Contingent and Special Funds	4,441,481
Province Accounts	9,623,817
Interest Due and Outstanding	1,683,672
Funded Debt	2,791,706,560
	3,141,042,097

NOTE:- The Dominion of Canada is also responsible for principal and interest on loans negotiated by railways, under various Acts of Parliament, amounting to \$746,035,434 (See Table 4 for details).

TABLE 3.- FUNDED DEBT OF THE DOMINION GOVERNMENT PAYABLE IN CANADA,
CANADA AND NEW YORK, LONDON, AND NEW YORK AS AT MARCH 31, 1934.

Description	Amount	Annual Interest Payable Thereon	Date of Maturity
Payable in Canada	\$	\$	
Debenture Stock 5% 1919	2,000		
Debenture Stock 5½% 1921	200		
Dom. Canada Savings Certificates	6,405		
Prov. Canada 5% Loan Debentures	400		
Prov. N.B. 6% Loan Debentures	600		
Prov. Notes N.S.	39,166		
Unpaid Warrants P.E.I.	550		
War Savings Certificates	12,140		
War Savings and Thrift Stamps	81,243		
Compensation to Seigneurs	11,827	710	Demand
Compensation to Townships	153	8	"
Dom. Stock Issue "A" 6%	4,000	240	"
Dom. Stock Issue "B" 3½%	13,400	469	"
Dom. Stock Issue "C" 3½%	48,667	1,703	"
Debenture Stock 5% School Lands	33,293,471	1,664,674	July 1, 1934
Dom. Canada War Loan 1915-29 5%	9,000		
Dom. Canada War Loan 1916-31 5%	60,100		
Victory Loan 1917 5½% due 1922	62,050		
Victory Loan 1917 5½% due 1927	25,500		
Victory Loan 1917 5½% due 1937	236,299,800	12,996,489	Dec. 1, 1937
Victory Loan 1918 5½% due 1923	67,150		
Victory Loan 1918 5½% due 1933	1,852,100		
Victory Loan 1919 5½% due 1924	32,050		
Victory Loan 1919 5½% due 1934	222,216,850	12,221,927	Nov. 1, 1934
Renewal Loan 1922 5½% due 1927	12,200		
Renewal Loan 1922 5½% due 1932	159,700		
Refunding Loan 1923 5% due 1928	5,800		
Refunding Loan 1923 5% due 1943	147,000,100	7,350,005	Oct. 15, 1943
Refunding Loan 1924 4½% due 1944	50,000,000	2,250,000	Oct. 15, 1944
Refunding Loan 1925 4½% due 1940	75,000,000	3,375,000	Sept. 1, 1940
Refunding Loan 1926 4½% due 1946	45,000,000	2,025,000	Feb. 1, 1946
Conversion Loan 1931 4½% due 1956	43,125,700	1,940,657	5/Nov. 1, 1956
Conversion Loan 1931 4½% due 1957	37,523,200	1,688,544	6/Nov. 1, 1957
Conversion Loan 1931 4½% due 1958	276,687,600	12,450,942	8/Nov. 1, 1958
Conversion Loan 1931 4½% due 1959	289,693,300	15,933,131	9/Nov. 1, 1959
National Service Loan 1931 5% due 1936	79,535,200	3,976,760	Nov. 15, 1936
National Service Loan 1931 5% due 1941	141,663,000	7,083,150	Nov. 15, 1941
Dom. Canada Loan 1932 4% due 1935	25,000,000	1,000,000	Oct. 15, 1935
Dom. Canada Loan 1932 4% due 1952	56,191,000	2,247,640	4/Oct. 15, 1952
Treasury Bills Mar. 1, 1934 due June 1, 1934	2,450,000	-	June 1, 1934
Treasury Bills Mar. 1, 1934 due Nov. 1, 1934	12,550,000	-	Nov. 1, 1934
Two Year Treasury Notes 4% due Nov. 1, 1934	35,000,000	1,400,000	Nov. 1, 1934
One Year Treasury Bills 3 7/8% due Aug. 1, 1934	50,000,000	1,937,503	Aug. 1, 1934

See footnotes on page 6.

TABLE 3. - FUNDED DEBT OF THE DOMINION GOVERNMENT PAYABLE IN CANADA, CANADA AND NEW YORK, LONDON AND NEW YORK AS AT MARCH 31, 1934 - (Cont'd.)

Description	Amount	Annual Interest Payable Thereon	Date of Maturity
	\$	\$	
Payable in Canada			
Refunding Loan 1933 $3\frac{1}{2}\%$ due 1935	89,393,000	3,128,755	Oct. 15, 1935
Refunding Loan 1933 4% due 1939	47,269,500	1,890,780	Oct. 15, 1939
Refunding Loan 1933 4% due 1945	88,337,500	3,533,500	2/Oct. 15, 1945
	2,085,735,622	100,097,587	
Payable in Canada and New York			
5% Bond Loan 1915-35	874,000	43,700	Aug. 1, 1935
Dom. of Canada War Loan 1917-37 5%	89,787,100	4,489,355	Mar. 1, 1937
Two year Treasury Notes, 4% due Dec. 1, 1932	5,000		
	90,666,100	4,533,055	
Payable in London			
$3\frac{1}{2}\%$ Loan 1884 (1909-34)	23,467,206	821,352	June 1, 1934 or on giving 6 mos. notice
$3\frac{1}{2}\%$ C.P.R. Land Grant Loan due July 1/38	15,056,007	526,960	July 1, 1938
$3\frac{1}{2}\%$ Loan 1930-50	137,058,841	4,797,059	July 1, 1950 or on giving 6 mos. notice
3% Loan 1888 due July 1, 1938	8,071,230	242,137	July 1, 1938
3% Loan 1892 due July 1, 1938	18,250,000	547,500	July 1, 1938
3% Loan 1894 due July 1, 1938	10,950,000	328,500	July 1, 1938
$2\frac{1}{2}\%$ Loan 1897 due Oct. 1, 1947	4,888,185	122,205	Oct. 1, 1947
4% Loan 1940-1960	93,926,667	3,757,067	10/Oct. 1, 1960
4% Loan 1953-1958	73,000,000	2,920,000	7/Sept. 1, 1958
Unpaid Debentures	17,236		
	384,685,372		
Less Sinking Funds	- 69,406,434		
	315,278,938	14,062,780	-
Payable in New York			
5% Public Service Loan 1916 due 1931	2,000		
$5\frac{1}{2}\%$ Bond Loan 1919-1929	3,900		
5% Bond Loan 1922-1952	100,000,000	5,000,000	3/May 1, 1952
$4\frac{1}{2}\%$ Bond Loan 1926-1936	40,000,000	1,800,000	Feb. 1, 1936
4% Bond Loan 1930-1960	100,000,000	4,000,000	11/Oct. 1, 1960
4% 1 year Notes due Oct. 1, 1933	20,000		
4% 15 months Note due Oct. 1, 1934	60,000,000	2,400,000	1/Oct. 1, 1934
	300,025,900	13,200,000	
GRAND TOTAL	12/2,791,706,560	131,893,422	
1/ Subject to redemption on July 1, 1934, or on the first business day of each month thereafter until maturity on thirty days notice.			
2/ Subject to redemption Oct. 15, 1943 or any subsequent interest date on 60 days notice.			
3/ Subject to redemption on or after May 1, 1942 on giving 60 days notice.			
4/ Subject to redemption on Oct. 15, 1947, or any subsequent interest date on 60 days notice.			
5/ Subject to redemption Nov. 1, 1946 or any subsequent interest date on 60 days notice.			
6/ Subject to redemption Nov. 1, 1947 or any subsequent interest date on 60 days notice.			
7/ Subject to redemption Sept. 1, 1953 or any subsequent interest date on 3 mos. notice.			
8/ Subject to redemption Nov. 1, 1948 or any subsequent interest date on 60 days notice.			
9/ Subject to redemption Nov. 1, 1949 or any subsequent interest date on 60 days notice.			
10/ Subject to redemption Nov. 1, 1934. 10/ On or after Oct. 1, 1940 on giving three months notice.			
11 Subject to redemption on Oct. 1, 1950 or any subsequent interest date on 60 days notice			
12 Including matured and outstanding funded debt amounting to \$2,476,490.			

TABLE 4.- THE GUARANTEED DEBT SHOWING COUNTRY IN WHICH
PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1934.

Security	Amount of Guarantee Authorized \$	Amount Outstanding at March 31, 1934		Where Payable
		Held by the Public \$	Held by the Minister of Finance \$	
RAILWAY SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST -				
1. Canadian Northern Ry. Co., 3 p.c. deb. stock, due 1953, £1,923,287	9,359,997	9,359,997	-	London
2. Canadian Northern Ry. Co., 3½ p.c. deb. stock, due 1958, £1,622,586-19-9	7,896,590	7,896,557	-	London
3. Canadian Northern Ontario Ry. Co., 3½ p.c. deb. stock, due 1961, £7,350,000	35,770,000	34,229,997	1,540,003	London
4. Canadian Northern Alberta Ry. Co., 3½ p.c. deb. stock, due 1960, £647,260-5-6	3,150,000	3,149,999	-	London
5. Grand Trunk Pacific Ry. Co., 3 p.c. bonds, due 1962, £14,000,000	68,040,000	34,992,000	33,048,000	London, New York and Canada
6. Canadian Northern Alberta Ry. Co., 3½ p.c. deb. stock, due 1962, £733,561-12-10	3,570,000	-	3,569,997	London and Canada
7. Canadian Northern Ry. Co., 4 p.c. deb. stock and bonds, due 1934	45,000,000	17,060,533	12,500,000	London, New York and Canada
8. Grand Trunk Pacific Ry. Co., 4 p.c. bonds due 1962, £3,280,000	15,940,800	8,440,848	7,499,952	London, New York and Canada
9. Canadian Northern Ry. Co., 7 p.c. bonds, due 1940	25,000,000	23,779,000	-	New York
10. Grand Trunk Ry. Co., 7 p.c. bonds, due 1940 ..	25,000,000	23,740,000	-	New York
11. Canadian Northern Ry. Co., 6½ p.c. bonds, due 1946	25,000,000	24,238,000	-	New York
12. Grand Trunk Ry. Co., 6 p.c. bonds, due 1936 ..	25,000,000	24,220,000	-	New York
13. Canadian National Ry. Co., 5 p.c. serial equipment bonds, 1923-38	22,500,000	6,750,000	-	Canada
14. Canadian National Ry. Co., 5 p.c. bonds, due 1954	50,000,000	50,000,000	-	Canada
15. Canadian National Ry. Co., 4½ p.c. bonds, due 1954	26,000,000	26,000,000	-	New York and Canada
16. Canadian Northern Ry. Co., 4½ p.c. bonds, due 1935	17,000,000	17,000,000	-	New York and Canada
17. Canadian National Ry. Co., 1927, 2 p.c. guar. deb. stock, £7,176,801	34,927,098	27,178,703	-	London
18. Canadian National Ry. Co., 4½ p.c. gold bonds, due 1957	65,000,000	65,000,000	-	New York and Canada
19. Canadian National Ry. Co., 4½ p.c. gold bonds, due 1968	35,000,000	35,000,000	-	London, New York and Canada
20. Canadian National Ry. Co., 5 p.c. gold bonds, due July 1, 1969	60,000,000	60,000,000	-	London, New York and Canada
21. Canadian National Ry. Co., 5 p.c. gold bonds, due Oct. 1, 1969	60,000,000	60,000,000	-	London, New York and Canada
22. Canadian National Ry. Co., 5 p.c. gold bonds, due 1970	18,000,000	18,000,000	-	London, New York and Canada

4 Part of this issue is payable in Canada; part in London and balance in London and Canada.

TABLE 4.- THE GUARANTEED DEBT SHOWING COUNTRY IN WHICH PRINCIPAL
AND INTEREST ARE PAYABLE, MARCH 31, 1934 - Concluded.

Security	Amount of Guarantee Authorized \$	Amount Outstanding at March 31, 1934		Where Payable
		Held by the Public \$	Held by the Minister of Finance \$	
RAILWAY SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST - Concluded.				
23. Canadian National Ry. Co., 4½ p.c. gold bonds, due 1955	50,000,000	50,000,000	-	London, New York and Canada
24. Canadian National Ry. Co., 4½ p.c. gold bonds, due 1956	70,000,000	70,000,000	-	London, New York and Canada
25. Canadian National Ry. Co., 4½ p.c. gold bonds, due 1951	50,000,000	50,000,000	-	London, New York and Canada
TOTALS	847,154,485	746,035,434	58,157,952	
RAILWAY SECURITIES GUARANTEED AS TO INTEREST ONLY -				
26. Grand Trunk Ry., Acquisition Guarantees -				
Grand Trunk 4 p.c. perp. guar. stock, £12,500,000	60,833,333	60,833,333	-	London
Grand Trunk 5 p.c. perp. deb. stock, £4,270,375	20,782,492	20,782,492	-	London
Great Western 5 p.c. perp. deb. stock, £2,723,080	13,252,323	13,252,323	-	London
Grand Trunk 4 p.c. perp. deb. stock, £24,624,455	119,839,014	119,839,014	-	London
Northern Ry. of Canada, 4 p.c. perp. deb. stock £308,215	1,499,980	1,499,980	-	London
TOTALS	216,207,142	216,207,142	-	
OTHER SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST -				
27. Harbour Commissioners of Montreal, Montreal South Shore Bridge 5 p.c. bonds due 1969	19,500,000	19,000,000	-	London, New York and Canada
28. Canadian National (West Indies) Steamships Ltd., 5 p.c. bonds, due 1955	10,000,000	9,400,000	-	London, New York and Canada
29. Saint John Harbour Commission -				
(a) Bonded indebtedness of the city of Saint John, assumed by the Commission	1,467,165	1,266,519	-	\$219,000 payable in London, New York and Canada; balance in Canada
(b) Debentures of the Commission issued to the city of Saint John, due 1952	667,953	667,953	-	Canada
30. New Westminster Harbor Commissioners 4½ p.c. debentures due 1948	700,000	700,000	-	New York and Canada
TOTALS	32,335,118	31,034,472	-	
RELIEF ACT GUARANTEES -				
31. Bank Advances, re Beauharnois Light, Heat and Power Company	15,538,500	14,105,559	-	-
32. Bank Advances, re Province of Manitoba Sav- ings Office	12,442,400	10,844,853	-	-
33. Bank Advances, re Government of Newfoundland .	625,000	625,000	-	-
34. Bank Advances, re Canadian Pacific Railway Company	60,000,000	60,000,000	-	-
35. Bank Advances, re Algoma Steel Corporation (order for rails)	660,000	660,000	-	-
36. Bank Advances, re Dominion Steel and Coal Corporation (order for rails)	1,100,000	540,000	-	-
37. Province of British Columbia Treasury Bills ..	626,534	626,534	-	-
38. Province of Manitoba Treasury Bills	5,894,127	5,894,127	-	-
39. Bank Advances, re Wheat Marketing	Unstated	Unstated	-	-

TABLE 5.- DEBT OF PROVINCIAL GOVERNMENTS FOR THEIR RESPECTIVE FISCAL YEARS ENDED IN 1934.

(Subject to revision)

	Funded Debt					Other Direct Liabilities	Total Direct Liabilities (Less Sinking Fund)	Assets Available or Realizable Capital, Income and Trust Accounts Deductible	Total Net Direct Liabilities	Total Indirect Liabilities
	Bonded Debt			Treasury Bills	Net Funded Debt					
	Total Gross Bonded or Debenture Debt	Sinking Funds Deductible	Net Bonded or Debenture Debt							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Prince Edward Is.	4,554,000	932,629	3,621,371	-	3,621,371	789,885	4,411,256	1,035,192	3,376,064	-
Nova Scotia	73,476,013	5,119,198	68,356,815	-	68,356,815	7,351,268	75,708,083	23,612,036	52,096,047	438,898
New Brunswick	63,570,920	7,461,420	56,109,500	940,000	57,049,500	3,891,399	60,940,899	12,740,911	48,199,988	1,670,285
Quebec	126,518,007	28,529,669	97,988,338	13,500,000	111,488,338	43,252,018	154,740,356	32,364,264	122,376,092	13,096,260
Ontario	600,454,102	6,415,314	594,038,788	20,935,000	614,973,788	40,787,064	655,760,852	299,240,503	356,520,349	97,782,016
Manitoba	90,024,906	7,681,778	82,343,128	28,678,910	111,022,038	11,102,681	122,124,719	2/85,128,193	36,996,526	8,298,281
Saskatchewan	112,868,207	7,431,103	105,437,104	35,665,921	141,103,025	17,597,984	158,701,009	109,145,008	49,556,001	32,567,160
Alberta	129,055,260	8,457,921	120,597,339	11,545,726	132,143,065	1/54,632,443	186,775,508	1/76,218,768	110,556,740	9,147,298
British Columbia	129,163,236	28,003,157	101,160,079	12,594,406	113,754,485	8,552,670	122,307,155	3/10,201,871	112,105,284	68,137,857
TOTAL ALL PROVINCES	1,329,684,651	100,032,189	1,229,652,462	123,859,963	1,353,512,425	187,957,412	1,541,469,837	649,686,746	891,783,091	231,138,055

1/ Including School Lands Funds.

2/ Figures are for the year 1933.

3/ There were also loans and advances, partially secured (and therefore partly subject to realization) amounting to \$42,399,504.

NOTES ON DIRECT LIABILITIES OF PROVINCIAL GOVERNMENTS IN CANADA

- (a) Direct Revenue - Producing Debt. - A considerable portion of provincial bonded debt is due to the investment in or loans to Public Utilities, Boards and Commissions which are of a revenue producing character and reimburse the provinces in the shape of interest payments. These are included in the "Available Assets". The following table will, however, show approximately the value of some of the principal investments.

	\$
Nova Scotia Investment in Power Commission	13,958,000
New Brunswick " " " "	6,640,000
Quebec Streams Commission	7,847,000
Quebec Housing Loan	3,800,000
Ontario Hydro Electric Power Commission	187,829,000
Ontario T. & N. O. Railway	37,200,000
Ontario Housing Loans	3,730,000
Ontario Drainage	2,300,000
Ontario Agricultural Board Investments	50,400,000
Manitoba Government Telephone System	22,000,000
Manitoba Drainage	5,790,000
Manitoba Power Commission	5,000,000
Saskatchewan Telephone	12,400,000
Saskatchewan Power Commission	6,400,000
Saskatchewan Farm Loan Board	15,300,000
Alberta Telephone (Treas. Bills not included)	23,700,000
	<hr/> 404,294,000

- (b) Indirect Revenue - Producing Debt. - The construction and development of highways and good roads throughout Canada within recent years has been responsible for a great portion of the provincial debenture debt. The following table shows by provinces the amount outstanding at the end of their latest available fiscal years:

PROVINCIAL HIGHWAY DEBENTURES

<u>Province</u>	<u>Year Ending</u>	<u>Amount Outstanding</u> \$
Prince Edward Island	Dec. 31, 1934	1,004,774
Nova Scotia	Dec. 31, 1934	34,622,886
New Brunswick	Oct. 31, 1934	40,740,876
Quebec	June 30, 1934	60,677,000
Ontario	Oct. 31, 1934	203,785,482
Manitoba	Apr. 30, 1935	17,795,541
Saskatchewan	Apr. 30, 1935	29,048,905
Alberta	Mar. 31, 1935	34,126,136
British Columbia	Mar. 31, 1934	40,380,728
		<hr/> 462,182,328

The total revenue from the taxation of gasoline together with that from the licensing of motor vehicles was \$45,900,000 for the provincial fiscal years ending in 1933, while the motor tourist expenditure in Canada was estimated at just under \$130,000,000 in 1934. These are indirectly due to provincial investments in highways.

Notes on Indirect Liabilities of Provincial Governments for the year 1934.

All provincial governments with the exception of Prince Edward Island have what are known as indirect or contingent liabilities. They constitute government guarantees for loans to or bonds issued by railways, municipalities, corporations, or other institutions. In the event of non-payment of this debt by the companies issuing the bonds provincial governments are liable. There is generally, however, good security and the liabilities guaranteed are never included in the balance sheet with direct provincial debt. The following notes describe the nature of the bonds guaranteed by each individual province.

Nova Scotia. - Overdrafts for the municipalities of Guysboro and Canso; Bonds for Halifax Exhibition; Loans to Locarno, Stormont and Renada Gold Mines; Loans, Discounts and Accounts Payable of Inverness Coal Mines; Loans to Fundy Coal Co., Co-operative Fruit Growers Finance Co.; Land Settlement Board and Dehydration Plant.

New Brunswick. - Bonds, of the Town of Campbellton, Railway Companies, N. B. Cold Storage, Farmers' Co-operative Creamery and Roman Catholic Hospital.

Quebec. - Debenture and Loan Guarantees to Municipalities of Three Rivers, Terrebonne, Ste. Agathe, Riviere du Loup, Grand'Mere; Hull Court House; Technical Schools in Hull, Montreal, Quebec and Three Rivers; Corporation of Lake St. Louis Bridge. Bank Loans to Quebec Liquor Commission; Cooperative Federee de Quebec; Producteurs de sucre d'erable; Cie de Conserves, Cooperative Avicole du Trois Rivières; Montreal University and J. T. Lassonde, Boucherville.

Ontario. - Bonds or Debentures of the municipalities of Bruce Mines, Capreol, Cochrane, Englehart, Haileybury, Kapuskasing, Matheson, Timmins, Sturgeon Falls, Sudbury; Hydro Electric Power Commission (\$81,670,006); T. and N. O. and Sandwich, Windsor and Amherstburg Railways; Niagara and Presqu'le Park Commission; Toronto and Western Universities; Municipal Housing Act in certain cities and towns; Department of Education Act and Amendments; Tobacco and Dairy Co-operative Associations.

Manitoba. - Guarantees of Principal and Interest of Municipalities, C. N. Railway and Farm Loans Association.

In addition, interest only is guaranteed on certain municipal debentures and rentals of leased railways to N. P. Railway Co., as well as Provincial Savings Office liability to Depositors. No stated amounts are given for these items.

Saskatchewan. - Guarantees of principal and interest of Railway Debentures, Drainage, District Debentures; Advancement of Agricultural and Educational Interests, Saskatchewan Power Commission (operating account); Superannuation Account (Interest accrued) and Dominion Government Seed Grain Advances.

Alberta. - Guaranteed Bonds and Debentures of Irrigation and Drainage Districts and University of Alberta; guaranteed Bank Loans of Co-operative Credit Societies, Hail Insurance Board, Marketing Association and Miscellaneous.

British Columbia. - Guarantees Canadian Northern Pacific Railway Co. (\$40,157,523) now operated by C. N. R. (B. C. Government holds first mortgage on all C. N. P. Railway lines within Province); Pacific Great Eastern Railway Co. (\$20,160,000); Vancouver and District Joint Sewerage and Drainage Board; Agricultural Credit Commission; West Nicomen Dyking District. Sinking funds have been established in connection with the four last named guarantees.

TABLE 6. - DEBT OF ALL CANADIAN MUNICIPALITIES BY PROVINCES, YEAR 1933.

Provinces	Bonded or Debenture Debt			Other Liabilities	Total Direct Liabilities (Less Sinking Funds)
	Gross Bonded or Debenture Debt	Sinking Funds and Investments	Net Bonded or Debenture Debt		
	\$	\$	\$	\$	\$
Prince Edward Island	1/ 2,147,650	1/ 449,786	1/ 1,697,864	2/ 470,259	3/ 2,168,122
Nova Scotia	34,165,812	11,527,998	22,637,814	9,981,510	32,619,324
New Brunswick	24,667,909	6,354,333	18,313,576	-	4/ 18,313,576
Quebec	479,608,472	55,626,473	423,981,999	144,019,515	568,001,514
Ontario	494,433,956	57,027,564	437,406,392	132,931,837	570,338,229
Manitoba	96,076,856	34,364,234	61,712,622	19,605,134	81,317,756
Saskatchewan	57,288,400	14,927,414	42,360,986	25,446,715	67,807,701
Alberta	69,455,181	5/22,375,884	6/ 47,079,297	7/4,891,185	8/ 51,970,483
British Columbia	128,094,159	29,737,055	98,357,104	11,834,126	110,191,230
TOTAL	1,385,938,395	232,390,741	1,153,547,654	349,180,281	1,502,727,935

1/ City of Charlottetown and seven incorporated towns.

2/ City of Charlottetown only.

3/ Net Direct Liabilities for Charlottetown plus the Net Bonded Debt for seven towns.

4/ Net Bonded Debt only; Total Liabilities not available.

5/ Cities only.

6/ Sinking Funds for cities only have been deducted. Sinking Funds for other municipalities not available.

7/ Towns, villages and rural municipalities, only; other liabilities for cities not available.

8/ Gross liabilities for towns, villages and rural municipalities plus net bonded debt for cities.

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