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THE PUBLIC DEBT OF CANADA
DOMINION, PROVINCIAL AND MUNICIPAL
IN
1935

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FINANCE STATISTICS BRANCH
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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, 1935, while those of the provincial governments represent their respective fiscal years ending in 1935 as follows: Prince Edward Island Dec. 31st, Nova Scotia Nov. 30th, New Brunswick Oct. 31st, Quebec June 30th, Ontario, Alberta and British Columbia Mar. 31st, Manitoba and Saskatchewan April 30th. The debt of Municipal Governments is the liability on December 31, 1934 of all municipalities with the exception of those in Saskatchewan where the debt at April 30th, 1935 is taken. This is the latest available information for municipal debt.

The Aggregate Public Debt of Canada.- Table I gives in summary form the total aggregate net direct debt of the Dominion, Provincial and Municipal governments, amounting to \$5,314,693,276, with guaranteed indirect debt of the Dominion and Provincial governments totalling \$1,472,176,197. There are no statistics available as to indirect debt of municipalities in Canada. The grand aggregate of these two forms of debt in 1935 was \$6,786,869,473.

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 13 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; soldier 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 31, 1935.

Funded Debt of the Dominion Government.- The analysis of this debt on March 31st, 1935, 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 interest and exchange. Payment of debt in New York on March 31st, 1935 was at a slight premium, but payment of obligations falling due in London at that date were subject to a discount of approximately four cents on the pound sterling. At the present time payment of debt in New York is practically at par, while in London it is at a premium of about four cents on the pound sterling.

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 1935. 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 \$1,277,404,805. To this are added the treasury bills outstanding totalling \$185,332,114 making the net funded debt \$1,462,736,919. To this sum must be added the Other Direct Liabilities made up of loans, savings deposits, accounts payable, bank overdrafts, etc., amounting to \$198,950,647, giving a grand total of direct liabilities (less sinking funds above mentioned) \$1,661,687,566. There is a further offset to these direct liabilities consisting of available or realizable assets in Capital Account \$554,689,850, Current Account \$59,809,962 and Trust Account \$47,747,513, totalling \$662,247,325. Taking this latter sum from the total direct liabilities leaves the net direct liabilities at \$999,440,241.

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 1934 represented \$1,106,655,113 out of a grand total for all municipalities of \$1,452,850,565.

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 five provinces but incomplete figures are given in the other four provinces, the whole totalling \$1,469,142,077.

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

(Dominion, Provincial and Municipal Governments)

Circa 1935. (Subject to revision)

<u>NET DIRECT DEBT</u>		<u>\$</u>	<u>\$</u>
Net Debt of Dominion Government, Mar. 31, 1935		2,846,110,958	
Net Direct Liabilities Provincial Governments, 1935 (Sinking funds and available Capital, Current and Trust Account Assets deducted)		999,440,241	
Direct Liabilities all Canadian Municipalities (Less sinking funds and investments, Dec. 31, 1934)		1,469,142,077	
TOTAL NET DIRECT DEBT			5,314,693,276
<u>GUARANTEED OR INDIRECT DEBT</u>			
Dominion Government, March 31, 1935.	\$		
Principal and interest guaranteed on Railway and Other Securities	771,119,457		
Interest only guaranteed on Railway Securities	216,207,142		
Guarantees under Relief Acts	1/ 104,525,860		
Bank of Canada, Reserve of Chartered Banks on Deposit	149,028,902	1,240,881,361	
Provincial Governments - fiscal years 1935		231,294,836	
TOTAL GUARANTEED OR INDIRECT DEBT			1,472,176,197
GRAND AGGREGATE PUBLIC NET DIRECT DEBT AND GUARANTEED OR INDIRECT DEBT OF CANADA			6,786,869,473

1/ Including Bank Advances re Wheat Marketing \$39,274,661, against which grain held and margin moneys amounted to \$36,896,440 leaving a net liability of \$2,378,221 at the valuation then made on the current prices for grains.

TABLE 2 - BALANCE SHEET OF THE DOMINION OF CANADA, AS AT MARCH 31, 1935.

(From the Public Accounts)

Active Assets -	\$
Cash on hand and in banks	16,296,697
Gold Bullion Account	2,443,224
Advances to Provinces, etc.	175,034,198
Advances to Foreign Governments	30,494,720
Soldier and General Land Settlement Loans	44,648,325
Miscellaneous Current Accounts	90,928,247
Total Active Assets	359,845,411
Balance of Liabilities over Active Assets being Net Debt, Mar. 31, 1935 (exclusive of interest accrued and out- standing carried forward)	2,846,110,958
	<u>3,205,956,369</u>
Non-Active Assets -	
Public Works, Canals	242,411,265
Public Works, Railways	442,884,582
Public Works, Miscellaneous	259,118,195
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)	15,840,634
Miscellaneous Investments and Other Accounts (non-active)	77,192,577
Balance Consolidated Fund as at Mar. 31, 1934	935,419,276
Excess of Expenditure over Revenue, year ended Mar. 31, 1935	107,386,776
	<u>2,846,110,958</u>
Liabilities -	
Bank Circulation Redemption Fund	6,696,471
Post Office Account, Money Orders, Postal Notes, etc.	2,137,533
Post Office Savings Bank Deposits	22,547,006
Insurance and Superannuation Funds	126,166,496
Trust Funds	19,587,159
Contingent and Special Funds	5,625,412
Province Accounts	9,623,817
Interest Due and Outstanding	1,858,613
Funded Debt	3,011,713,862
	<u>3,205,956,369</u>

NOTE: - The Dominion of Canada is also responsible (for public holdings) (a) principal and interest on loans negotiated by railways, under various Acts of Parliament, amounting to \$740,117,976; (b) on railway securities for interest only \$216,207,142; (c) on other securities for principal and interest \$32,335,118; (d) Relief Act guarantees (exclusive of wheat marketing) \$65,251,199 and (e) Chartered Banks reserves on deposit with the Bank of Canada \$149,028,902. (See Table 4 for details).

TABLE 3 - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1935.

Classified to Show Where Payable, Date of Maturity, Rate of Interest, Amount Outstanding, and Total Annual Interest Payable.

Where Payable	Date of Maturity	Rate of Interest	Amount Out-standing	Annual Interest Payable Thereon	Description
		%	\$	\$	
Canada	1935 - April 30	1 $\frac{3}{4}$	2,540,100	44,452	Treasury Bills
	April 30	2	3,407,630	68,153	" "
	May 1	2.47	18,400,000	454,480	" "
	May 1	2.05	18,300,000	375,150	" "
	June 11	1.75	35,000,000	612,500	" "
	June 22	1.76	15,000,000	264,000	" "
	July 1	5	33,293,471	1,664,673	Debenture Stock-School Lands
	Aug. 1	2 $\frac{7}{8}$	50,000,000	1,437,500	Treasury Bills - One year
	Oct. 15	3 $\frac{1}{2}$	89,393,000	3,128,755	Refunding Loan - 1933
	Oct. 15	4	25,000,000	1,000,000	Dom. Canada Loan, 1932
	1936 - Oct. 15	2	63,336,000	1,266,720	Refunding Loan, 1934
	Nov. 15	5	79,535,200	3,976,760	National Service Loan, 1931
	1937 - Dec. 1	5 $\frac{1}{2}$	236,299,800	12,996,489	Victory Loan, 1917
	1939 - Oct. 15	4	47,269,500	1,890,780	Refunding Loan, 1933
	Oct. 15	2 $\frac{1}{2}$	7,933,000	198,325	" " 1934
	1940 - Mar. 1	3	115,013,637	3,450,409	Loan of 1935
	Sept. 1	4 $\frac{1}{2}$	75,000,000	3,375,000	Refunding Loan, 1925
	1941 - Nov. 15	5	141,663,000	7,083,150	National Service Loan, 1931
	1942 - Oct. 15	3	40,409,000	1,212,270	Refunding Loan, 1934
	1943 - Oct. 15	5	147,000,100	7,350,005	" " 1923
	1944 - Oct. 15	4 $\frac{1}{2}$	50,000,000	2,250,000	" " 1924
	1/ 1934 - Oct. 15	4	88,337,500	3,533,500	" " 1933
	1946 - Feb. 1	4 $\frac{1}{2}$	45,000,000	2,025,000	" " 1926
	2/ 1949 - Oct. 15	3 $\frac{1}{2}$	138,322,000	4,841,270	" " 1934
	3/ 1952 - Oct. 15	4	56,191,000	2,247,640	Dom. Canada Loan, 1932
	4/ 1956 - Nov. 1	4 $\frac{1}{2}$	43,125,700	1,940,656	Conversion Loan, 1931
	5/ 1957 - Nov. 1	4 $\frac{1}{2}$	37,523,200	1,688,544	" " 1931
	6/ 1958 - Nov. 1	4	276,687,600	12,450,942	" " 1931
	7/ 1959 - Nov. 1	4	289,693,300	13,036,198	" " 1931
	Demand	6	4,000	240	Dominion Stock Issue "A"
		3 $\frac{1}{2}$	11,400	399	" " " "B"
		6	11,827	710	Compensation to Seigneurs
	Matured	5	2,000		Debenture Stock, 1919
		5 $\frac{1}{2}$	200		" " 1921
			5,900		Dom. Can. Savings Certificates
		3	400		Prov. Can. Loan Debentures
		6	600		" N.B. " "
			39,166		" Notes, N. S.

See footnotes on page 7.

TABLE 3 - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1935.

Classified to Show Where Payable, Date of Maturity, Rate of Interest, Amount Outstanding, and Total Annual Interest Payable - Con.

Where Payable	Date of Maturity	Rate of Interest	Amount Out-standing	Annual Interest Payable Thereon	Description
Canada	Matured	%	\$	\$	
			550		Unpaid Warrants, P.E.I.
			11,955		War Savings Certificates
			79,390		" " and Thrift Cert'f.
		5	9,000		Dom. Can. War Loan, 1915-25
		5	46,900		" " " " 1916-31
		5	56,250		Victory Loan, 1917-22
		5	21,050		" " 1917-27
		5	63,850		" " 1918-23
		5	524,150		" " 1918-33
		5	30,800		" " 1919-24
		5	3,210,000		" " 1919-34
		5	11,100		Renewal Loan, 1922-27
		5	58,400		" " 1922-32
		5	4,700		Refunding Loan, 1923-28
Total Payable in Canada			2,272,877,326	95,864,670	
Canada and New York	1935 - Aug. 1	5	874,000	43,700	Bond Loan, 1915-35
	1937 - Mar. 1	5	89,787,100	4,489,355	Dom. Can. War Loan, 1917
	Matured	4	5,000		Two Year Treasury Notes due Dec. 1/32.
Total Payable in Canada and New York			90,666,100	4,533,055	
London	1938 - July 1	3	8,071,230	242,137	Loan of 1888, £1,658,471-18-11
	July 1	3	18,250,000	547,500	Loan of 1892, £3,750,000
	July 1	3	10,950,000	328,500	Loan of 1894, £2,250,000
	July 1	3 ¹ / ₂	15,056,007	526,960	C.P.R. Land Grant Loan £3,093,700
	1947 - Oct. 1	2	4,888,185	122,205	Loan of 1897, £1,004,421-14-2
	8/ 1950 - July 1	3 ¹ / ₂	137,058,841	4,797,059	Loan of 1930, £28,162,775-11-0
	9/ 1955 - May 1	3 ¹ / ₂	48,666,667	1,581,667	Loan of 1934, £10,000,000
	10/ 1958 - Sept. 1	4	73,000,000	2,920,000	Loan of 1933, £15,000,000
	11/ 1960 - Oct. 1	4	93,926,667	3,757,067	Loan of 1940, £19,300,000
	Matured	3 ¹ / ₂	43,604		Loan of 1884, (1909-34)
			17,236		Unpaid Debentures
			409,928,437		
12/ Less Sinking Funds -			54,532,688		
Total Payable in London			355,395,749	14,823,095	

TABLE 3 - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1935.

Classified to Show Where Payable, Date of Maturity, Rate of Interest, Amount Outstanding, and Total Annual Interest Payable - Concluded.

Where Payable	Date of Maturity	Rate of Interest	Amount Out-standing	Annual Interest Payable Thereon	Description
		%	\$	\$	
New York	1935 - April 30	2	2,737,987	54,760	Treasury Bills
	13/ Sept. 1	2	50,000,000	1,000,000	One Year Notes
	1936 - Feb. 1	4 $\frac{1}{2}$	40,000,000	1,800,000	Bond Loan, 1926
	14/ 1952 - May 1	5	100,000,000	5,000,000	" " 1922
	15/ 1960 - Oct. 1	4	100,000,000	4,000,000	" " 1930
	Matured	5	1,000		Public Service
		5 $\frac{1}{2}$	3,700		Loan, 1916-31
		4	10,000		Bond Loan, 1919-29
		4	22,000		One Year Notes, due Oct. 1, 1933
					15 Months Notes, due Oct. 1, 1934
Total Payable in New York			292,774,687	11,854,760	
GRAND TOTAL Funded Debt			3,011,713,862	127,075,580	

1/ Subject to redemption on Oct. 15, 1943 or any subsequent interest date on 60 days' notice.

2/ " " " " " " 1944 " " " " " " " " " "

3/ " " " " " " 1947 " " " " " " " " " "

4/ " " " " Nov. 1, 1946 " " " " " " " " " "

5/ " " " " " " 1947 " " " " " " " " " "

6/ " " " " " " 1948 " " " " " " " " " "

7/ " " " " " " 1949 " " " " " " " " " "

8/ " " " " or after July 1, 1930 on six months' notice.

9/ " " " " " " May 1, 1950 " three " "

10/ " " " " " " Sept. 1, 1953 " " " "

11/ " " " " " " Oct. 1, 1940 " " " "

12/ These sinking funds represent the following items: 3 $\frac{1}{2}$ % Loan 1930-50, \$35,499,085, 4% Loan 1940-60 \$18,393,344, 4% Registered Stock, 1953-58 \$540,032 and 3 $\frac{1}{4}$ % Registered Stock, 1950-55 \$100,227.

13/ Subject to redemption as a whole or in part on June 1, 1935 or on the first business day of each month thereafter until maturity on ten days' notice.

14/ Subject to redemption on or after May 1, 1942 on 60 days' notice.

15/ " " " " Oct. 1, 1950 or any subsequent interest date on 60 days' notice.

TABLE 4 - THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING
COUNTRY IN WHICH PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1935.

Security	Where Pay- able	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1935.	
			Held by the Public	Held by the Minister of Finance
RAILWAY SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST -		\$	\$	\$
1. Canadian Northern Ry. Co.				
(a) 3½ deb. stock due 1953 £1,923,287-0-0	London	9,359,997	9,359,997	-
(b) 3½ % deb. stock due 1958 £1,622,586-19-9	1/ New York	7,896,590	7,896,555	-
(c) 7 % bonds due 1940	" "	25,000,000	23,779,000	-
(d) 6½ % bonds due 1946	" "	25,000,000	24,238,000	-
2. Canadian North Ontario Ry. Co.				
(a) 3½ deb. stock due 1961 £7,350,000-0-0	London	35,770,000	34,229,997	1,540,003
3. Canadian North Alberta Ry. Co.				
(a) 3½ deb. stock due 1960 £647,260 - 5 - 6	"	3,150,000	3,149,999	-
(b) 3½ deb. stock due 1962 £733,561 - 12 - 10	London and Canada	3,570,000	-	3,569,997
4. Grand Trunk Pacific Ry. Co.				
(a) 3% bonds due 1962 £14,000,000	2/ London, N.Y., Can.	68,040,000	34,992,000	33,048,000
(b) 4% bonds due 1962 £3,280,000	Lon., N. Y., Can.	15,940,800	8,440,848	7,499,952
5. Grand Trunk Ry. Co.				
(a) 7 % bonds due 1940	New York	25,000,000	23,740,000	-
(b) 6 % " " 1936	" "	25,000,000	24,220,000	-
6. Canadian National Ry. Co.				
(a) 5 % serial equipment bonds, 1923-38	Canada	22,500,000	5,250,000	-
(b) 5 % bonds due 1954	"	50,000,000	50,000,000	-
(c) 4½ % bonds due 1954	N.Y. and Can.	26,000,000	26,000,000	-
(d) 1927, 2 % guar. deb. stock, £7,176,801-0-0	London	34,927,098	26,152,580	-
(e) 4½ % gold bonds, due 1957	N.Y. and Can.	65,000,000	65,000,000	-
(f) 4½ % " " " 1968	Lon., N.Y., Can.	35,000,000	35,000,000	-
(g) 5 % " " " July 1, 1969	" " "	60,000,000	60,000,000	-
(h) 5 % " " " Oct. 1, 1969	" " "	60,000,000	60,000,000	-
(i) 5 % " " " 1970	" " "	18,000,000	18,000,000	-
(j) 4½ % " " " 1955	" " "	50,000,000	50,000,000	-
(k) 4½ % " " " 1956	" " "	70,000,000	70,000,000	-

1/ Part of this is payable in Canada, part in London and the balance in London and Canada.

2/ London, New York and Canada.

Security	Where Pay-able	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1935.	
			Held by the Public	Held by the Minister of Finance
RAILWAY SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST - Concluded.		\$	\$	\$
6. Canadian National Ry. Co.-Concluded.				
(1) 4½% gold bonds due 1951	Lon., N.Y., Can.	50,000,000	50,000,000	-
(m) 3 % bonds due 1950	Canada	20,500,000	20,500,000	-
(n) 2 % temporary bonds	1/	17,000,000	10,169,000	6,831,000
TOTALS		822,654,485	740,117,976	52,488,952

RAILWAY SECURITIES GUARANTEED AS TO
INTEREST ONLY -

1. Grand Trunk Ry. Acquisition					
Guarantees -					
(a)	4% G.T.R.perp. guar. stock	London	60,833,333	60,833,333	-
	£12,500,000				
(b)	4% G.T.R.perp. deb. "	"	119,839,014	119,839,014	-
	£24,624,455				
(c)	5% G.T.R.perp. " "	"	20,782,492	20,782,492	-
	£4,270,375				
(d)	5% Gr. West perp. deb. stopk	"	13,252,323	13,252,323	-
	£2,723,080				
(e)	4% Northern " " "	"	1,499,980	1,499,980	-
	£308,215				
TOTALS			216,207,142	216,207,142	-

OTHER SECURITIES GUARANTEED AS TO
PRINCIPAL AND INTEREST -

1. Montreal Harb. Comm. Jacq. Cartier Bridge, 5% bonds due 1969	London, New York and Canada	19,500,000	19,000,000	-
2. Can. Nat. (W.I.) Steamships, Ltd. 5% bonds due 1955	London, New York and Canada	10,000,000	9,400,000	-
3. St. John Harbour Comm. -				
(a) St. John City bond debt. assumed	2/	1,467,165	1,233,528	-
(b) Comm. Debent., 1952 issued to City St. John	Canada	667,953	667,953	-
4. New Westminster Hbr. Comm. 4 ³ / ₄ % Debent. due 1948	New York and Canada	700,000	700,000	-
TOTALS		32,335,118	31,001,481	-

1/ \$5,418,000 payable in New York; \$4,751,000 payable in Canada.

2/ \$219,000 payable in London, New York and Canada; balance in Canada.

TABLE 4 - THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING
COUNTRY IN WHICH PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1935 - Concluded.

Security	Where Pay-able	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1935.	
			Held by the Public	Held by the Minister of Finance
		\$	\$	\$
RELIEF ACT GUARANTEES -				
1. Bank Advances				
(a) Manitoba Savings Office	Canada	12,442,400	8,820,660	-
(b) Gov't. of Newfoundland	"	625,000	625,000	-
(c) Can. Pacific Railway	"	60,000,000	48,000,000	-
(d) Algoma Steel Corp. (rails)	"	660,000	443,878	-
(e) Dom. Steel and Coal Corp. (rails)	"	1,100,000	841,000	-
(f) Wheat Marketing	"	Unstated	1/ 39,274,661	-
2. Br. Columbia Gov't. (Treas. Bills)	"	626,534	626,534	-
3. Manitoba " " "	"	5,894,127	5,894,127	-
BANK OF CANADA -				
1. Chart. Banks' reserves on deposit	"	-	149,028,902	-

1/ Against these advances grain held and margin moneys amounted to \$36,896,440, leaving a net liability of \$2,378,221 at the valuation then made on the basis of current prices for grains.

TABLE 5 - DEBT OF PROVINCIAL GOVERNMENTS FOR THEIR RESPECTIVE FISCAL YEARS ENDED IN 1935.

Showing Bonded Debt with Offsetting Sinking Funds, Treasury Bills, Other Direct Liabilities,
Available Assets Offsetting Direct Liabilities and Indirect Liabilities in 1935.

(Subject to revision)

	Direct Liabilities									TOTAL Indirect Liabilities
	Funded Debt					Other Direct Liabilities	Total Direct Lia- bilities, (Less Sinking Funds)	Assets Available or Realizable Capital, Income and Trust Accounts Deductible	Total Net Direct Liabilities	
	Bonded Debt			Treasury Bills	Net Funded Debt					
	Total Gross Bonded or Debenture Debt	Sinking Funds Deductible	Net Bonded or Debenture Debt							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Prince Edward Island	5,754,000	1,114,033	4,639,967	-	4,639,967	1,520,682	6,160,649	1,049,890	5,110,759	-
Nova Scotia	85,866,647	5,767,759	80,098,888	-	80,098,888	6,288,841	86,387,729	27,809,881	58,577,848	1,156,937
New Brunswick	67,562,920	8,044,866	59,518,054	300,000	59,818,054	5,627,376	65,445,430	12,717,524	52,727,906	1,792,713
Quebec	149,748,007	17,605,505	132,142,502	14,000,000	146,142,502	44,988,034	191,130,536	50,539,877	140,590,659	10,937,131
Ontario	594,098,188	6,896,845	587,191,343	49,900,000	637,091,343	37,294,574	674,385,917	299,030,187	375,355,730	99,438,793
Manitoba	92,133,606	8,593,056	83,543,550	30,398,577	113,942,127	13,235,966	127,178,093	81,709,543	45,468,550	7,784,263
Saskatchewan	121,109,740	8,449,761	112,659,979	53,604,646	166,264,625	19,523,471	185,788,096	104,821,453	80,966,643	32,779,710
Alberta	129,744,260	9,925,223	119,819,037	16,303,750	136,122,787	59,676,554	195,799,341	69,744,303	126,055,038	9,036,054
British Columbia	127,311,236	29,519,751	97,791,485	20,825,141	118,616,626	10,795,149	129,411,775	14,824,667	114,587,108	58,369,235
Total All Provinces	1,373,321,604	95,916,799	1,277,404,805	185,332,114	1,462,736,919	198,950,647	1,661,687,566	662,247,325	999,440,241	231,294,836

1. In addition there are secured bonds due from La Banque Can. Nat. amounting to \$13,206,752 to be met by deferred payments and interest thereon. This amount is included in available assets.

2. Including \$1,473,610 owed to Dominion Government. Net amount shown in Provincial Public Accounts.

NOTES ON DIRECT LIABILITIES OF PROVINCIAL GOVERNMENTS IN CANADA

- (a) Direct Revenue-Producing Debt. - Of the total bonded debt of the provinces, a considerable portion 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 by annual interest payments on the moneys so invested.

In Table 5 the column dealing with "Available or Realizable Assets" includes these investments. The approximate values placed by the various provincial governments on some of such principal revenue-producing investments is evidenced in the following table.

British Columbia considers its similar investments as subject to realization and therefore classifies them under non-revenue bearing assets. The values have therefore, not been shown in Table 5.

	\$
Nova Scotia Investment in Power Commission	13,958,000
New Brunswick " " " "	7,086,000
Quebec Streams	7,851,000
Quebec Housing Loan	3,468,000
Quebec La Banque Canadienne Nationale	13,206,000
Quebec Toll and Other Bridges	7,753,000
Ontario Hydro Electric Power Commission	187,877,000
Ontario T. & N.O. Railway	37,200,000
Ontario Housing Loans	3,637,000
Ontario Drainage	2,200,000
Ontario Agricultural Board Investigations	50,500,000
Manitoba Government Telephone System	22,000,000
Manitoba Drainage	5,650,000
Manitoba Power Commission	5,000,000
Manitoba Farm Loans Association Bonds	6,798,000
Manitoba Pool Elevators Ltd. - Principal Outstanding	1,797,000
Saskatchewan Telephone	12,400,000
Saskatchewan Power Commission	6,400,000
Saskatchewan Farm Loan Board	15,300,000
Saskatchewan Co-operative Creameries, Ltd.	2,500,000
Saskatchewan Wheat Pool	12,765,000
Alberta Government Telephone	16,280,000
Alberta Loans to Can. Pac. and Can. Nat. Railways	5,500,000
Alberta Wheat Pool	5,201,000
	<u>452,327,000</u>

- (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:

<u>PROVINCIAL HIGHWAY DEBENTURES</u>				Amount
<u>Province</u>	<u>Year Ending</u>			<u>Outstanding</u>
				\$
Prince Edward Island	Dec.	31,	1934	1,004,774
Nova Scotia	Nov.	30,	1935	30,496,495
New Brunswick	Oct.	31,	1935	45,474,355
Quebec	June	30,	1935	70,811,283
Ontario	March	31,	1936	217,075,787
Manitoba	April	30,	1936	17,794,182
Saskatchewan	"	"	"	33,630,938
Alberta	March	31,	"	35,861,450
British Columbia	"	"	"	<u>40,141,070</u>
				492,290,334

The total revenue from the taxation of gasoline together with that from the licensing of motor vehicles was \$47,600,000 for the provincial fiscal years ending in 1934, while the motor tourist expenditure in Canada was estimated at slightly over \$202,000,000 in 1935. These are indirectly due to provincial investments in highways.

NOTES ON INDIRECT LIABILITIES OF PROVINCIAL GOVERNMENTS FOR THE YEAR 1935.

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. - Loans to the municipalities of Inverness and Cape Breton; towns of Inverness and Canso; Bonds for Halifax Exhibition; Loans to Locarno, Stormont and Renada Gold Mines and United Gold fields, Discounts and Accounts Payable of Inverness Coal Mines; Loans to Fundy Coal Co., Co-operative Fruit Growers Finance Co.; Land Settlement Board and Lake Thomas Syndicate, also guarantees of uncompleted contracts - New Annex Building.

New Brunswick. - Bonds, of the Town of Campbellton, Railway Companies, N. B. Cold Storage, Farmers' Co-operative Creamery and Roman Catholic Hospital and bank advances to Agricultural and other Corporations as well as Workmen's Compensation Board.

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 Federée de Quebec; Producteurs de sucre d'erable; Cie de Conserves, Cooperative Avicole du Trois Rivières; C. A. Bussières, Verchères; Valleyfield Canning Co., and Société Cooperative de Tabac de Farnham.

Ontario. - Bonds or Debentures of the municipalities of Bruce Mines, Capreol, Cochrane, Englehart, Haileybury, Kapuskasing, Matheson, Timmins, Sturgeon Falls, Sudbury; Hydro Electric Power Commission (\$83,669,062); 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, Packers and Dairy Co-operative Associations.

Manitoba. - Guarantees of Principal and Interest of Municipalities, Canadian Northern Railway and Farm Loans Association.

In addition, interest only is guaranteed on certain municipal debentures and rentals of leased railways to Northern Pacific 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, Cities of Calgary and Medicine Hat and Miscellaneous.

British Columbia. - Guarantees Canadian Northern Pacific Railway Co. (\$40,157,523) now operated by Canadian National Railway (B.C. Government holds first mortgage on all Canadian Northern Pacific 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. There is also a small guarantee pursuant to "Department of Industries Act, 1919".

TABLE 6. - DEBT OF ALL CANADIAN MUNICIPALITIES BY PROVINCES, YEAR 1934.

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/ 2,348,275	1/ 475,050	1/ 1,873,225	2/ 400,067	3/ 2,273,292
Nova Scotia	33,318,115	12,028,475	21,289,640	11,974,281	33,263,921
New Brunswick	26,495,037	6,262,544	20,232,493	-	4/ 20,232,493
Quebec	565,218,160	76,546,747	488,671,413	102,864,773	591,536,186
Ontario	483,952,700	56,610,801	427,341,899	5/ 71,138,799	6/ 498,480,698
Manitoba	90,767,215	36,734,019	54,033,196	25,453,976	79,487,172
Saskatchewan	55,692,110	15,306,820	40,385,290	41,581,480	81,966,770
Alberta	67,886,011	7/ 20,653,877	8/ 47,232,134	9/ 5,387,581	10/ 52,619,715
British Columbia	127,172,942	30,804,939	96,368,003	12,913,827	109,281,830
TOTAL	1,452,850,565	255,423,272	1,197,427,293	271,714,784	1,469,142,077

- 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/ Loans and Contingent Liabilities on Debentures Guaranteed.
6/ Net Bonded Debt, Loans and Contingent Liabilities on Debentures Guaranteed.
7/ Cities only.
8/ Sinking Funds for cities only have been deducted. Sinking Funds for other municipalities not available.
9/ Towns, Villages and rural municipalities only; Other Liabilities for cities not available.
10/ Gross Liabilities for towns, villages and rural municipalities plus Net Bonded Debt for cities.

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