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CANADA
DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
FINANCE STATISTICS BRANCH

THE PUBLIC DEBT OF CANADA

DOMINION AND PROVINCIAL
GOVERNMENTS 1936
AND
MUNICIPALITIES 1935

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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, 1936, while those of the provincial governments represent their respective fiscal years ending in 1936 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 for the year 1935. 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 \$5,535,744,794, with guaranteed indirect debt of the Dominion and Provincial governments totalling \$1,503,346,744. There are no statistics available as to indirect debt of municipalities in Canada. The grand aggregate of direct and indirect debt of the Dominion and Provincial governments for 1936 with direct debt of municipalities for 1935 (latest available) amounted to \$7,039,091,538.

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

- Dominion net direct debt, notes on page 1 and details, Table 2.
- Dominion funded debt, classified notes on page 1 and details, Table 3.
- Dominion guaranteed or indirect debt, notes on page 2 and details, Table 4.
- Provincial net direct liabilities, notes on page 2 and details, Table 5.
- Provincial indirect liabilities, notes on page 13 and details, Table 5.
- Direct liabilities of municipalities less sinking funds, etc., notes on page 2 and details 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; gold bullion account; advances to provinces for housing loans and unemployment relief, harbour commissions and Canadian Farm Loan Board; advances to foreign governments; railway accounts; 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, 1936.

Funded Debt of the Dominion Government. - The analysis of this debt on March 31st, 1936 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. It will be readily understood that fluctuations in the rate of exchange are constantly taking place and in consequence payment of debt and interest thereon, payable elsewhere than in Canada, must be governed by the rate of exchange current on the day that such debt falls due, for instance payment of debt in New York on March 31st, 1936 was practically at par and in London it was at a premium of about eleven cents on the pound sterling, while on March 31st, 1937 the New York rate was practically par and the rate in London was at a premium of about two 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 6½ 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 analyses the public debt of provincial governments for the year 1936. 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 \$1,320,691,244. To this are added the treasury bills outstanding totalling \$232,928,298 making the net funded debt \$1,553,619,542. To this sum must be added the Other Direct Liabilities made up of loans, savings deposits, accounts payable, bank overdrafts, etc., amounting to \$180,100,165, giving a grand total of direct liabilities (less sinking funds above mentioned) \$1,733,719,707. There is a further offset to these direct liabilities consisting of available or realizable assets amounting to \$649,612,505. Taking this latter sum from the total direct liabilities leaves the net direct liabilities at \$1,084,107,202.

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 4,300 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 1935 represented \$1,103,283,809 out of a grand total for all municipalities of \$1,446,120,276.

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 \$1,445,537,075.

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

(Dominion, Provincial and Municipal Governments)

Circa 1936. (Subject to revision)

<u>NET DIRECT DEBT</u>		<u>\$</u>	<u>\$</u>
Net Direct Debt of Dominion Government, Mar. 31, 1936		3,006,100,517	
Net Direct Liabilities Provincial Governments, 1936 (Sinking Funds and Available Capital, Current and Trust Account Assets deducted)		1,084,107,202	
Direct Liabilities all Canadian Municipalities, 1935 (Less sinking funds and investments)		1,445,537,075	
TOTAL NET DIRECT DEBT			5,535,744,794
<u>GUARANTEED OR INDIRECT DEBT</u>		<u>\$</u>	
Dominion Government, March 31, 1936.			
Principal and interest guaranteed on Railway and Other Securities	778,343,114		
Interest only guaranteed on Railway Securities	216,207,142		
Other Guarantees	1/ 284,247,286	1,278,797,542	
Provincial Governments - fiscal years 1936		224,549,202	
TOTAL GUARANTEED OR INDIRECT DEBT			1,503,346,744
GRAND AGGREGATE PUBLIC NET DIRECT DEBT AND GUARANTEED OR INDIRECT DEBT OF CANADA			<u>7,039,091,538</u>

1/ Including Bank Advances \$89,523,708, British Columbia and Manitoba Treasury Bills \$6,520,661, Deposits of Chartered Banks in Bank of Canada \$188,202,917. There is also an unstated amount guaranteed for the Winnipeg Grain and Produce Clearing Association Limited. Day to day Margins of the Canadian Wheat Board (closed out daily).

TABLE 2. - BALANCE SHEET OF THE DOMINION OF CANADA, AS AT MARCH 31, 1936.

(From the Public Accounts)

	<u>\$</u>
Active Assets -	
Cash on hand and in banks	20,243,808
Gold Bullion Account	2,236,629
Advances to Provinces, Relief, Housing Loans, etc.	123,764,302
Harbour Commissions	83,152,398
Dominion Housing Act	81,583
Canadian Farm Loan Board	16,789,808
Railway Accounts	46,087,498
Advances to Foreign Governments	30,494,720
Soldier and General Land Settlement Loans	43,594,540
Miscellaneous Current Accounts	59,398,224
Total Active Assets	425,843,510
Balance of Liabilities over Active Assets being Net Debt, March 31, 1936 (exclusive of interest accrued), carried forward	<u>3,006,100,517</u> <u>3,431,944,027</u>
Non-Active Assets -	
Public Works, Canals	242,855,235
Public Works, Railways	442,910,909
Public Works, Miscellaneous	265,165,018
Military Property and Stores	12,035,421
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)	15,507,970
Miscellaneous Investments and Other Accounts (non-active)	79,621,230
Balance Consolidated Fund as at March 31, 1935	1,042,806,052
Excess of Expenditure over Revenue, year ended March 31, 1936	151,376,449
	<u>3,006,100,517</u>
Liabilities -	
Bank Circulation Redemption Fund	6,857,942
Post Office Account - Money Orders, Postal Notes, etc.	2,726,925
Post Office Savings Bank Deposits	22,047,287
Insurance and Superannuation Funds	150,614,097
Trust Funds	20,943,718
Contingent and Special Funds	6,044,065
Province Debt Accounts	9,623,817
Interest Due and Outstanding	1,739,168
Funded Debt, Less Sinking Funds	3,211,347,008
	<u>3,431,944,027</u>

NOTE: The Dominion of Canada is also responsible (for outstanding amounts held by the public) (a) principal and interest on loans negotiated by railways under various Acts of Parliament, amounting to \$747,366,633; (b) on railway securities for interest only \$216,207,142; (c) on other securities for principal and interest \$30,976,481; (d) other guarantees \$284,247,286. (See Table 4 for details.)

TABLE 3. - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1936.

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 Outstanding	Annual Interest Payable Thereon	Description
Canada	1936 - April 1	1.19	25,000,000	297,500	Treasury Bills
	15	1.15	25,000,000	287,500	" "
	May 1	1.09	30,000,000	327,000	" "
	" 15	1.05	20,000,000	210,000	" "
	June 15	0.999	20,000,000	199,800	" "
	July 1	5	33,293,471	1,664,673	Debentures - School Lands
	Sept. 15	1½	45,000,000	675,000	Loan of 1935
	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	5½	236,299,800	12,996,489	Victory Loan, 1917
	1938 - Oct. 15	2	90,000,000	1,800,000	Loan of 1935
	1939 - Oct. 15	4	47,269,500	1,890,780	Refunding Loan, 1933
	Oct. 15	2½	7,933,000	198,325	" " 1934
	Nov. 15	2	20,000,000	400,000	Loan of 1935
	1940 - Sept. 1	4½	75,000,000	3,375,000	Refunding Loan, 1925
	Nov. 1	3	115,013,637	3,450,409	Loan of 1935
	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 - June 1	2½	20,000,000	500,000	Loan of 1935
	Oct. 15	5	147,000,100	7,350,005	Refunding Loan, 1923
	1944 - Oct. 15	4½	50,000,000	2,250,000	" " 1924
	1/ 1945 - Oct. 15	4	88,337,500	3,533,500	" " 1933
	1946 - Feb. 1	4½	45,000,000	2,025,000	" " 1926
	2/ 1949 - Oct. 15	3½	138,322,000	4,841,270	" " 1934
	3/ 1952 - Oct. 15	4	56,191,000	2,247,640	Dom. Canada Loan, 1932
	4/ 1955 - June 1	3	40,000,000	1,200,000	Loan of 1935
	4/ June 1	3	55,000,000	1,650,000	" " 1935
	5/ 1956 - Nov. 1	4½	43,125,700	1,940,656	Conversion Loan, 1931
	6/ 1957 - Nov. 1	4½	37,523,200	1,688,544	" " 1931
	7/ 1958 - Nov. 1	4½	276,687,600	12,450,942	" " 1931
	8/ 1959 - Nov. 1	4½	289,693,300	13,036,198	" " 1931
	Demand	6	4,000	240	Dominion Stock, "Issue A"
		3½	10,900	382	" " "Issue B"
		6	11,827	710	Compensation to Seigneurs
	Matured	5	2,000		Debenture Stock, 1919
		5½	200		" " 1921
			5,750		Dom. Can. Savings Certificates
		5	400		Prov. Can. Loan Debentures
		6	600		" N.B. " "
			39,166		" Notes, N.S.

TABLE 3. - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1936.

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 Outstanding	Annual Interest Payable Thereon	Description
Canada	Matured		550		Unpaid Warrants, P.E.I.
			11,695		War Savings Certificates
			78,318		" " and Thrift Cert'f.
		5	8,000		Dom. Can. War Loans, 1915 - 25
		5	30,500		" " " " 1916 - 31
		5½	55,000		Victory Loan, 1917 - 22
		5½	16,150		" " 1917 - 27
		5½	58,600		" " 1918 - 23
		5½	372,900		" " 1918 - 33
		5½	30,000		" " 1919 - 24
		5½	986,300		" " 1919 - 34
		5½	10,000		Renewal Loan, 1922 - 27
		5½	40,550		" " 1922 - 32
		5	4,700		Refunding Loan, 1923 - 28
		4	265,000		Dom. Can. Loan, 1932 - 35
		3½	5,000		Refunding Loan, 1933 - 35
Total Payable in Canada			2,403,681,114	96,026,463	
Canada and New York	1937 - Mar. 1	5	89,787,000	4,489,350	Dom. Can. War Loan, 1917
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	" " 1892, £ 3,750,000
	July 1	3	10,950,000	328,500	" " 1894, £ 2,250,000
	July 1	3½	15,056,007	526,960	C.P.R. Land Grant Loan, £3,093,700
	1947 - Oct. 1	2½	4,888,185	122,205	Loan of 1897, £ 1,004,421-14-2
	9/ 1950 - July 1	3½	137,058,841	4,797,059	" " 1930, £28,162,775-11-0
	10/ 1955 - May 1	3½	48,666,667	1,581,667	" " 1934, £10,000,000
	11/ 1958 - Sept. 1	4	73,000,000	2,920,000	" " 1933, £15,000,000
	12/ 1960 - Oct. 1	4	93,926,667	3,757,067	" " 1940, £19,300,000
	Matured	3½	19,305		Loan of 1884 (1909 - 34)
			17,236		Unpaid Debentures
			409,904,138		
	13/ Less Sinking Funds		58,168,944		
Total Payable in London			351,735,194	14,823,095	

See Footnotes on page 7.

TABLE 3. - FUNDED DEBT OF THE DOMINION GOVERNMENT AS AT MARCH 31, 1936.

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 Outstanding	Annual Interest Payable Thereon	Description
New York	1939 - Jan. 1	2	40,000,000	800,000	Three Year Notes
	14/ 1945 - Aug. 15	2½	76,000,000	1,900,000	Bond Loan, 1935
	15/ 1952 - May 1	5	100,000,000	5,000,000	" " 1922
	16/ 1960 - Oct. 1	4	100,000,000	4,000,000	" " 1930
	17/ 1961 - Jan. 15	3½	48,000,000	1,560,000	" " 1936
	Matured	5½	3,700		Bond Loan, 1919 - 29
		4½	2,140,000		" " 1926 - 36
Total Payable in New York			366,143,700	13,260,000	
GRAND TOTAL FUNDED DEBT			3,211,347,008	128,598,908	

- 1/ Subject to redemption on Oct. 15, 1943 or any subsequent interest date on 60 days' notice.
- 2/ " " " " Oct. 15, 1944 " " " " " " " "
- 3/ " " " " Oct. 15, 1947 " " " " " " " "
- 4/ " " " " June 1, 1950 " " " " " " " "
- 5/ " " " " Nov. 1, 1946 " " " " " " " "
- 6/ " " " " Nov. 1, 1947 " " " " " " " "
- 7/ " " " " Nov. 1, 1948 " " " " " " " "
- 8/ " " " " Nov. 1, 1949 " " " " " " " "
- 9/ " " " " or after July 1, 1930, on six months' notice.
- 10/ " " " " " " May 1, 1950, on three months' notice.
- 11/ " " " " " " Sept. 1, 1953, " " " "
- 12/ " " " " " " Oct. 1, 1940, " " " "
- 13/ These sinking funds represent the following items, 3½ per cent Loan 1930 - 50 \$37,406,291; 4 per cent Loan 1940 - 60 \$19,504,348; 4 per cent Registered Stock 1953 - 58 \$912,587; and 3½ per cent Registered Stock 1950 - 55 \$345,718.
- 14/ Subject to redemption on Aug. 15, 1943 or on any subsequent interest date on 30 days' notice.
- 15/ " " " " or after May 1, 1942 on 60 days' notice.
- 16/ " " " " Oct. 1, 1950 or on any subsequent interest date on 60 days' notice.
- 17/ " " " " Jan. 15, 1956 " " " " " " 30 " "

TABLE 4. - THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING
COUNTRY IN WHICH PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1936.

Security	Where Payable	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1936	
			Held by the Public	Held by the Minister of Finance
		\$	\$	\$
RAILWAY SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST -				
1. Canadian Northern Ry. Co.				
(a) $3\frac{1}{2}\%$ deb. stock due 1953 £ 1,923,287-0-0	London	9,359,997	9,359,997	-
(b) $3\frac{1}{2}\%$ deb. stock due 1958 £ 1,622,586-19-9	1/ New York	7,896,590	7,896,548	-
(c) $6\frac{1}{2}\%$ bonds due 1946	New York	25,000,000	24,238,000	-
2. Canadian North. Ontario Ry. Co.				
(a) $3\frac{1}{2}\%$ 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) $3\frac{1}{2}\%$ deb. stock due 1960 £ 647,260-5-6	London	3,150,000	3,149,999	-
(b) $3\frac{1}{2}\%$ deb. stock due 1962 £ 733,561-12-10	London and Canada	3,570,000	-	3,569,997
4. Grand Trunk Pacific Ry. Co.				
(a) $3\frac{1}{2}\%$ bonds due 1962 £ 14,000,000	2/ Lon., N.Y., Can.	68,040,000	34,992,000	33,048,000
(b) $4\frac{1}{2}\%$ bonds due 1962 £ 3,280,000	" " "	15,940,800	8,440,848	7,499,952
5. Grand Trunk Ry. Co.				
(a) $6\frac{1}{2}\%$ bonds due 1936	New York	25,000,000	24,220,000	-
6. Canadian National Ry. Co.				
(a) $5\frac{1}{2}\%$ serial equipment bonds, 1923 - 38	Canada	22,500,000	3,750,000	-
(b) $5\frac{1}{2}\%$ bonds due 1954	"	50,000,000	50,000,000	-
(c) 1927, $2\frac{1}{2}\%$ guar. deb. stock, £ 7,176,801-0-0	London	34,927,098	25,189,244	-
(d) $4\frac{1}{2}\%$ gold bonds, due 1957	N.Y. and Can.	65,000,000	65,000,000	-
(e) $5\frac{1}{2}\%$ " " due July 1, 1969	Lon., N.Y., Can.	60,000,000	60,000,000	-
(f) $5\frac{1}{2}\%$ gold bonds, due Oct. 1, 1969	" " "	60,000,000	60,000,000	-
(g) $5\frac{1}{2}\%$ gold bonds, due 1970	" " "	18,000,000	18,000,000	-
(h) $4\frac{1}{2}\%$ " " " 1955	" " "	50,000,000	50,000,000	-
(i) $4\frac{1}{2}\%$ " " " 1956	" " "	70,000,000	70,000,000	-
(j) $4\frac{1}{2}\%$ " " " 1951	" " "	50,000,000	50,000,000	-
(k) $3\frac{1}{2}\%$ bonds due, 1950	Canada	20,500,000	20,500,000	-

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

2/ London, New York and Canada.

TABLE 4. - THE GUARANTEED DEBT OF THE DOMINION GOVERNMENT SHOWING
COUNTRY IN WHICH PRINCIPAL AND INTEREST ARE PAYABLE, MARCH 31, 1936 - Con.

Security	Where Payable	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1936.	
			Held by the Public	Held by the Minister of Finance
		\$	\$	\$
RAILWAY SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST - Concluded.				
6. Canadian National Ry. Co. - Conc.				
(1) 2% bonds due 1938	Canada	13,400,000	13,400,000	-
(m) 3% " " 1944	"	35,000,000	35,000,000	-
(n) 2% " " 1943	"	55,000,000	55,000,000	-
(o) 3% " " 1953	"	25,000,000	25,000,000	-
(p) Temporary Bonds	"	2,043,725	-	2,043,725
TOTALS		825,098,210	747,366,633	47,701,677

RAILWAY SECURITIES GUARANTEED AS TO INTEREST ONLY -

1. Grand Trunk Ry. Acquisition Guarantees -				
(a) 4% G.T.R. perp. guar. stock £ 12,500,000	London	60,833,333	60,833,333	-
(b) 4% G.T.R. perp. deb. stock £ 24,624,455	"	119,839,014	119,839,014	-
(c) 5% G.T.R. perp. deb. stock £ 4,270,325	"	20,782,492	20,782,492	-
(d) 5% Gr. West Perp. deb. stock £ 2,723,080	"	13,252,323	13,252,323	-
(e) 4% Northern perp. deb. stock £ 308,215	"	1,499,980	1,499,980	-
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	1/	1,467,165	1,208,528	-
(b) Comm. Debent., 1952 issued to city St. John	Canada	667,953	667,953	-
4. New Westminster Harb. Comm. 4% deb. due 1948	New York and Canada	700,000	700,000	-
TOTALS		32,335,118	30,976,481	-

1/ \$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, 1936 - Concluded

Security	Where Payable	Amount of Guarantee Authorized	Amount Outstanding at March 31, 1936.	
			Held by the Public	Held by the Minister of Finance
		\$	\$	\$
OTHER GUARANTEES -				
1. Bank Advances -				
(a) Manitoba Savings Office	Canada	12,442,400	7,305,541	-
(b) Gov't. of Newfoundland	"	625,000	625,000	-
(c) Can. Pacific Railway	"	60,000,000	36,000,000	-
(d) Dom. Steel and Coal Corp. (rails)	"	1,100,000	217,134	-
(e) Grain Marketing -				
1. Can. Co-oper. Wheat Prod. Ltd.				
(Sask. Oats Acc't.)	"	-	375,278	-
2. The Can. Wheat Board	"	60,000,000	45,000,755	-
2. Province of Br. Columbia (Treas. Bills)	"	626,534	626,534	-
3. " " Manitoba " "	"	5,894,127	5,894,127	-
4. Bank of Canada, Chartered Banks				
Deposits	"	Unstated	188,202,917	-
5. Winnipeg Grain and Produce Clearing Association Ltd., Day to day margins of the Can. Wheat Board	"	Unstated	-	-

TABLE 5. - DEBT OF PROVINCIAL GOVERNMENTS AT THE END OF THEIR RESPECTIVE FISCAL YEARS IN 1936.

Showing Bonded Debt with Offsetting Sinking Funds, Treasury Bills, Other Direct Liabilities,
Available Assets Offsetting Direct Liabilities and Indirect Liabilities in 1936.

Province	Fiscal Year Endings	D i r e c t L i a b i l i t i e s									Total Indirect Liabilities
		Funded Debt					Other Direct Liabili- ties	Total Direct Liabilities (Less Sinking Funds)	1/ Assets Available or reali- zable, Capi- tal, Income and Trust Accounts Deductible	Total Net Direct Liabili- ties	
		Bonded Debt			Treasury Bills	Net Funded Debt					
		Total Gross Bonded or Debenture Debt	Sinking Funds Deductible	Net Bonded or Debenture Debt							
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Prince Edward Island	Dec. 31	6,029,000	1,315,832	4,713,168	-	4,713,168	1,676,459	6,389,627	1,063,345	5,326,282	-
Nova Scotia	Nov. 30	86,974,113	5,822,665	81,151,448	-	81,151,448	7,927,050	89,078,498	25,219,009	63,859,489	591,687
New Brunswick	Oct. 31	74,049,920	8,816,471	65,233,449	600,000	65,833,449	3,634,304	69,467,753	12,701,980	56,765,773	1,760,497
Quebec	June 30	164,747,607	21,112,125	143,635,482	26,575,000	170,210,482	47,188,002	217,398,484	49,268,335	168,130,149	10,229,301
Ontario	Mar. 31	602,027,288	7,914,333	594,112,955	50,000,000	644,112,955	45,445,559	689,558,514	283,519,691	406,038,823	113,968,417
Manitoba	Apr. 30	95,480,881	9,350,881	86,130,000	28,623,826	114,753,826	12,437,419	127,191,245	78,611,384	48,579,861	7,436,969
Saskatchewan	Apr. 30	124,446,374	9,585,191	114,861,183	68,189,135	183,050,318	21,464,344	204,514,662	121,280,092	83,234,570	33,691,987
Alberta	Mar. 31	128,140,260	10,625,979	117,514,281	25,426,750	142,941,031	21,358,709	164,299,740	50,750,414	113,549,326	8,554,346
British Columbia	Mar. 31	144,398,236	31,058,958	113,339,278	33,513,587	146,852,865	18,968,319	165,821,184	27,198,255	138,622,929	48,315,998
Total All Provinces		1,426,293,679	105,602,435	1,320,691,244	232,928,298	1,553,619,542	180,100,165	1,733,719,707	649,612,505	1,084,107,202	224,549,202

1/ In addition to the available assets shown most of the provinces had partially secured loans and advances in connection with Unemployment Relief, while Alberta had partially secured Loans and Advances, and Sale of Contracts for School Lands Fund amounting to over \$12,000,000 and British Columbia had partially secured Projects, Loans and Advances amounting to over \$60,000,000.

2/ Ontario does not consider Dominion Debt Account; Common School Fund; Quebec Turnpike; and, Plant, Live Stock and Equipment, "available assets".

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 which reimburse the provinces by annual interest payments on the money 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 (with the exception of British Columbia) on some of such principal revenue-producing investments is evidenced in the following table. British Columbia considers many similar investments as subject to realization and classifies them under non-revenue bearing assets, the values therefore have not been shown in Table 5 but these Projects, Loans and Advances, largely the P.C.E. Railway, amounted to over \$60,000,000.

	\$
Nova Scotia Investment in Power Commission	13,958,000
New Brunswick " " " "	6,199,000
Quebec Water Storages	7,853,000
Quebec Housing Loan	1,444,000
Quebec La Banque Canadienne Nationale	12,991,000
Quebec Toll and Other Bridges	8,095,000
Ontario Hydro Electric Power Commission	172,735,000
Ontario T. & N.O. Railway	36,407,000
Ontario Housing Loans	3,349,000
Ontario Drainage	2,047,000
Ontario Agricultural Board Investments	49,700,000
Manitoba Government Telephone System	20,800,000
Manitoba Drainage	5,400,000
Manitoba Power Commission	5,425,000
Manitoba Farm Loans Association Bonds	6,798,000
Manitoba Pool Elevators Ltd. - Principal Outstanding	1,675,000
Saskatchewan Telephone	12,400,000
Saskatchewan Power Commission	6,499,000
Saskatchewan Farm Loan Board	15,780,000
Saskatchewan Co-operative Creameries Ltd.	2,700,000
Saskatchewan Wheat Pool	12,270,000
Alberta Government Telephone	16,160,000
Alberta Loans to Canadian Pacific and Canadian National Railways	5,500,000
Alberta Wheat Pool	4,977,000
	<u>\$ 431,162,000</u>

(b) Indirect Revenue-Producing Debt. - In addition to the direct revenue-producing debt of utilities, boards and commissions there is a large portion of provincial debt which can be considered as producing revenue indirectly, namely, debentures to meet highway expenditure. While there is no direct revenue from the highways and roads, their construction nevertheless stimulates industries, opens up new territory, and undoubtedly encourages tourist traffic.

PROVINCIAL HIGHWAY DEBENTURES

Province	Year Ending	Amount Outstanding
		\$
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	" 30 "	33,630,938
Alberta	March 31, "	35,861,450
British Columbia	" 31 "	40,141,070
		<u>492,290,334</u>

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.

NOTES ON INDIRECT LIABILITIES OF PROVINCIAL GOVERNMENTS FOR THE YEAR 1936.

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; town of Canso; Bonds for Halifax Exhibition; Loans to Locarno, Stormont and Renada Gold Mines and United Goldfields, Accounts Payable of Inverness Coal Mines; Loans to Fundy Coal Co., Co-operative Fruit Growers Finance Co.; Farm Settlement Loan and Lake Thomas Syndicate, also guarantees of uncompleted contracts - New Annex Building.

New Brunswick. - Bonds, of the Town of Campbellton, Railway Companies, New Brunswick 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; Societe Cooperative Agricole de Grondines, Portneuf; Valleyfield Canning Co., and Societe Cooperative de Tabac de Farnham and Societe Cooperative des Jardiniers Maraichers.

Ontario. - Bonds or Debentures of the municipalities of Teck, Capreol, Cochrane, Englehart, Halleybury, Kapuskasing, Matheson, Timmins, Sturgeon Falls, Sudbury; Hydro Electric Power Commission (\$98,000,000); T. & N.O. and Sandwich, Windsor and Amherstburgh 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; 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.

Saskatchewan. - Guarantees to 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, Irrigation Districts, 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 (British Columbia 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 1935.

Province	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/ 2,479,550	1/ 522,843	1/ 1,956,707	2/ 407,027	3/ 2,363,734
Nova Scotia	33,866,913	12,367,142	21,499,771	11,697,984	33,197,755
New Brunswick	27,538,898	7,142,948	20,395,950	-	4/ 20,395,950
Quebec	574,883,119	76,652,767	498,230,352	116,840,843	615,071,193
Ontario	461,653,182	56,833,480	404,819,702	5/ 38,879,128	6/ 443,698,830
Manitoba	95,557,149	42,435,152	53,121,997	21,237,601	74,359,598
Saskatchewan	7/ 55,519,672	8/ 16,522,383	38,997,289	58,707,760	97,705,049
Alberta	67,251,233	9/ 23,022,739	10/ 44,228,494	11/ 6,485,121	12/ 50,713,615
British Columbia	127,370,560	32,209,466	95,161,094	12,870,255	108,031,349
TOTAL	1,446,120,276	267,708,920	1,178,411,356	267,125,719	1,445,537,075

- 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/ Total Current Liabilities and Capital Loans for cities only. In addition to the above there were \$25,719,175 Contingent or Guaranteed Liabilities for cities.
- 6/ Net Bonded Debt for all municipalities plus Total Current Liabilities and Capital Loans for cities only.
- 7/ School Debt of villages and rural municipalities not included.
- 8/ School Sinking Funds not included.
- 9/ Cities only.
- 10/ Sinking Funds for Cities only have been deducted. Sinking Funds for other municipalities not available.
- 11/ Towns, Villages and rural municipalities only; other Liabilities for cities not available.
- 12/ Gross Liabilities for towns, villages and rural municipalities plus Net Bonded Debt for cities.

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