

**Guaranteed Debt of the Dominion.**—Besides the direct debt of the Dominion, already dealt with, there are also large indirect obligations, arising mainly out of the guarantee of securities, by the Dominion, of the railway lines that now form the Canadian National Railways, and the subsequent extensions thereof. Together with these are other smaller indirect obligations, originating in the Government's guarantees of the bonds of the Canadian National Steamship services and of the bonds of its Harbour Commissions, issued in the main for harbour improvements. Since 1932 guarantees of certain bank loans have been made under the various Relief Acts. With the commencement of business of the Bank of Canada on Mar. 11, 1935, the guarantee [authorized by Sect. 27 (6) of the Bank of Canada Act] of the deposit required to be maintained in the Bank of Canada by every chartered bank, came into force. This guarantee will require to be implemented "in the event of the property and assets of the Bank being insufficient to pay its liabilities, and if the Bank suspends payment of any of its liabilities" Under the terms of the Home Improvement Loans Guarantee Act, 1937, the Government guarantees chartered banks and other approved lending institutions against losses up to 15 p.c. of the aggregate value of loans made by each such institution for the financing of repairs, alterations, and improvements to rural and urban dwellings. The Act provides that the amount of guarantees shall not exceed \$50,000,000 and therefore the limit of the Government's guarantee is \$7,500,000. Under the terms of the Saskatchewan Seed Grain Loans Guarantee Act, 1936, the Dominion Government guaranteed the principal and interest of loans made in Saskatchewan by chartered banks for seed grain assistance to farmers during the spring of 1936. These loans were primarily guaranteed by the Province of Saskatchewan and the Dominion's liability was only to the amount that the Province was unable to fulfil its guarantee. The amount of this guarantee was \$2,555,113.

Under the terms of the Seed Grain Loans Guarantee Act, 1937, the Dominion Government guaranteed the principal and interest of loans made in Alberta, Manitoba, and Saskatchewan during the spring of 1937. The loans in each province were primarily guaranteed by the provincial government and the Dominion's liability was only to the amount of the guarantee that the province was unable to meet. The amount of such loans outstanding at July 31, 1939, was \$6,998,821, divided as follows: Manitoba, \$89,425; Saskatchewan, \$6,359,144; and Alberta, \$550,251.

Under the Act of 1938, such guarantees during the spring of 1938 were extended only to Alberta and Saskatchewan and the liability of the Dominion Government was not to exceed \$1,900,000 for Alberta and \$14,500,000 for Saskatchewan. In the case of Alberta, the principal amount guaranteed was \$1,089,483. The principal amount guaranteed in the case of Saskatchewan has not yet been determined.

Under the terms of an Order in Council, dated Aug. 5, 1938, passed pursuant to the Canadian Wheat Board Act, a price of 80 cents per bushel (basis No. 1 Northern, Fort William) was fixed as the basic price to be paid by the Canadian Wheat Board