

Several important factors have contributed to this decline in municipal indebtedness, not the least important of which has been the measure of control exercised by Provincial Government departments over capital expenditures involving the incurring of debt. In addition, there was a more or less orderly retrenchment during the depression years following periods of what proved to be unwarranted expansion which, along with widespread demands to ease the tax burden on real property, has resulted in capital undertakings and works requiring debenture financing being severely curtailed. A further significant factor in this regard is that the greater part of the municipal long-term debt is represented by serial or instalment-type debentures, which require yearly repayments of principal. While the benefits of debt reduction are of course manifold, certain expenditures have been sorely needed in many communities for the rehabilitation of existing assets and for new improvements necessitated by the normal expansion and development that has taken place. These were sacrificed in the earlier years mainly in the interest of the taxpayer; subsequently, with the advent of the War in 1939, this policy of deferment was continued, if not extended, to free the financial market to the needs of the Federal Government in meeting its war financing requirements. Municipalities having been denied, either voluntarily or otherwise, improvement programs for so long, will show a natural tendency to get these under way as soon as possible in correlation with master post-war plans of the Federal and Provincial Governments. Table 40 shows figures of municipal indebtedness for 1945 and includes temporary loans and other liabilities in addition to debenture debt. Table 41 shows comparative figures for 1942, 1943 and 1944. The 1942 Year Book contains at pp. 792-793, a detailed description of the basis on which the information has been compiled. Reference should be made thereto, as well as to the footnotes to Table 40 in interpreting the information. A table at p. 791 of the 1941 Year Book shows the bonded indebtedness of municipalities from 1919 to 1938.

40.—Debt of Municipal and School Corporations for their Fiscal Years Ended in 1945

NOTE.—Compiled from published reports of Provincial Departments of Municipal Affairs, auditors reports and financial statements of municipalities, and information secured from other official sources. For a general explanation in regard to the items covered by this table, see text above.

Item	Prince Edward Island	Nova Scotia	New Brunswick	Quebec ¹⁰	Ontario
	\$	\$	\$	\$	\$
Direct Debt—					
Debenture debt.....	3,101,957	30,230,918	23,610,122	—	237,675,182 ¹
Less sinking funds.....	906,009	14,006,107	10,336,985	—	35,394,010
Net Debenture Debt.....	2,195,948	16,224,811	13,273,137	—	202,281,172
Temporary loans.....	47,928	1,479,714	1,486,265	—	6,858,664 ²
Accounts payable and other liabilities..	31,921	1,159,758	4,454,432	—	15,131,339
Totals, Direct Liabilities (less sinking funds).....	2,275,797³	18,864,283³	19,213,834³	—	224,271,175
Indirect Debt—					
Guaranteed bonds, debentures, etc.....	4	796,200 ⁵	358,000	—	21,675,656
Less sinking funds.....	4	96,973	159,328	—	195,653
Totals, Indirect Liabilities (less sinking funds).....	4	699,227⁵	198,672	—	21,480,003
Grand Totals.....	2,275,797	19,563,510	19,412,506	—	245,751,178

For footnotes, see end of table.