

31.—Guaranteed Minimum Annual Payments to Provinces¹ under Most Favourable Option and Adjusted Annual Payments, Years Ended Mar. 31, 1947-50

Province and Option	Guaranteed Minimum Annual Payments ¹	1947 Payments ¹	1948 Payments ¹	1949 Payments ¹	1950 Payments ¹
	\$'000	\$'000	\$'000	\$'000	\$'000
Newfoundland (Second Option).....	6,209	8,110	8,886
Prince Edward Island (Special Agreement)	2,100	2,329	2,429	2,650	2,847
Nova Scotia (Second Option).....	10,870	12,231	12,675	13,910	15,196
New Brunswick (First Option).....	8,773	9,608	10,120	11,287	12,411
Manitoba (First Option).....	13,540	14,607	15,172	16,743	18,385
Saskatchewan (Second Option).....	15,291	15,826	16,214	17,715	19,232
Alberta (First Option).....	14,228	15,467	16,100	17,857	19,691
British Columbia (First Option).....	18,120	21,643	23,228	26,419	29,343
Totals.....	89,131	91,711	95,938	114,691	125,991

¹ Subject to deduction of statutory subsidies. See Table 29, p. 1005.

The Governments of Ontario and Quebec have not made agreements with the Federal Government. If Agreements had been signed the guaranteed minima annual payments for these provinces would have been; Ontario, \$67,158,000 and Quebec, \$56,382,000. The payments under the first option for the fiscal years 1948 to 1951 would have been as follows:—Ontario, \$75,212,000, \$79,063,000, \$88,141,000 and \$96,940,000; Quebec, \$64,078,000, \$67,442,000, \$74,986,000 and \$82,347,000. The guaranteed minimum annual payment to Yukon is \$89,365 and the adjusted annual payments were: 1948, \$140,536; 1949, \$156,784; and 1950, \$168,403.

Under an offer ancillary to the Agreements, but which applies to all provinces, whether agreeing or not, the Federal Government will pay to the province one-half of the federal corporation income tax on income of corporations derived from generating and/or distributing to the public, electric energy, gas or steam where this is the main business of the corporation.

Subsection 8.—National Debt

The gross national debt of Canada on Mar. 31, 1914, was \$544,391,369 as against assets of \$208,394,519, leaving a net debt of \$335,996,850. This was a comparatively small debt; it was incurred almost completely for public works of general utility which, like the intercolonial and transcontinental railways and the canal system, remained assets, though perhaps not realizable assets, of the nation, or was expanded by the subsidizing of enterprises which, like the Canadian Pacific Railway, though not government-owned, assisted greatly in extending the area of settlement as well as the productive and, therefore, the taxable capacity of the country. Broadly speaking, the debt was incurred for productive purposes. Also, it was mainly held outside the country, the principal of the Federal Government funded debt payable at London, England, being \$302,842,485 on Mar. 31, 1914, as against only \$717,453 payable in Canada.

From 1914 to 1920, the gross debt increased by almost \$2,500,000,000 to a total of \$3,042,000,000 due to heavy war and post-war expenditures and, while there was a slight reduction to a low point of \$2,544,586,411 at Mar. 31, 1930, additional expenditures during the depression years resulted in a gross debt of \$3,710,610,593 by Mar. 31, 1939.