

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 Governments 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, resulted in the severe curtailment of capital undertakings and works requiring debenture financing. 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 works and improvements necessitated by normal expansion and development. These were sacrificed in the 1930's mainly in the interests of the taxpayers. After the outbreak of war in 1939, the policy of deferment was continued, or even 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, have in recent years been getting these under way. This becomes apparent in the increased amounts of debenture debt for some provinces in 1947 and 1948. Indications are that the increase will continue in 1949 and 1950. Table 47 shows figures of municipal indebtedness for 1948 and includes temporary loans and other liabilities in addition to debenture debt.

#### 47.—Debt of Municipal and School Corporations for their Fiscal Years Ended in 1948

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.

Item	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
	\$	\$	\$	\$	\$
<b>Direct Debt—</b>					
Debenture debt.....	3,222,120	38,010,116	30,637,949	..	254,247,732 <sup>1</sup>
Less sinking funds.....	1,020,539	15,647,185	9,321,113	..	17,004,437
<b>Net Debenture Debt.....</b>	<b>2,201,581</b>	<b>22,362,931</b>	<b>21,316,836</b>	..	<b>237,243,295</b>
Temporary loans.....	157,392	1,955,857	2,977,256	..	28,055,181 <sup>2</sup>
Accounts payable and other liabilities	24,631	1,902,623	2,558,007	..	29,844,965 <sup>2</sup>
<b>Totals, Direct Liabilities     (less sinking funds).....</b>	<b>2,383,604<sup>3</sup></b>	<b>26,221,411<sup>3</sup></b>	<b>26,852,099</b>	..	<b>295,143,441</b>
<b>Indirect Debt—</b>					
Guaranteed bonds, debentures, etc....	..	746,500	439,000	..	16,763,132
Less sinking funds.....	..	134,194	238,123	..	245,784
<b>Totals, Indirect Liabilities     (less sinking funds).....</b>	..	<b>612,306</b>	<b>200,877</b>	..	<b>16,517,348</b>
<b>Grand Totals.....</b>	<b>2,383,604</b>	<b>26,833,717</b>	<b>27,052,976</b>	..	<b>311,660,789</b>

For footnotes, see end of table, p. 1026.