

Several important factors contributed to the 1933-46 decline, not the least important of which was the measure of control exercised by provincial governments over capital expenditure 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. Also, the greater part of the municipal long-term debt was represented by serial or instalment-type debentures, that require yearly repayments of principal. During the 1930's, the rehabilitation of existing assets and new works and improvements necessitated by normal expansion and development were sacrificed 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 war financing requirements. Since the end of the War, however, municipalities, denied improvement programs for so long, have been getting these under way, resulting in increased amounts of debenture debt. Table 47 shows figures of municipal indebtedness for 1949 and 1950 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 1949 and 1950

NOTE.—Figures for Quebec are not available. Figures shown are compiled from published reports of Provincial Departments of Municipal Affairs, auditors reports and financial statements of municipalities, and information secured from other official sources.

Direct and Indirect Debt	Newfoundland		Prince Edward Island		Nova Scotia	
	1949	1950	1949	1950	1949	1950
	\$	\$	\$	\$	\$	\$
<b>Direct Debt—</b>						
Debenture debt.....	3,001,060	3,000,940	3,327,540	3,302,461	39,321,540	42,797,170
Less Sinking Funds.....	121,155	155,211	1,095,584	1,108,682	15,940,862	15,055,025
Net Debenture Debt.....	2,879,905	2,845,729	2,231,956	2,193,779	23,380,678	27,742,145
Temporary loans.....	196,741	289,258	239,111	764,254	6,219,681	7,147,077
Accounts payable and other liabilities.....	235,213	453,643	24,173	72,841	2,135,414	2,605,147
<b>Totals, Direct Liabilities (less Sinking Funds).....</b>	<b>3,311,859</b>	<b>3,588,630</b>	<b>2,495,240</b>	<b>3,030,874</b>	<b>31,735,773</b>	<b>37,494,369</b>
<b>Indirect Debt—</b>						
Guaranteed bonds, debentures, etc.....	..	..	..	..	969,000	1,301,000
Less Sinking Funds.....	..	..	..	..	140,402	171,843
<b>Totals, Indirect Liabilities (less Sinking Funds).....</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>828,598</b>	<b>1,129,157</b>
<b>Grand Totals.....</b>	<b>3,311,859</b>	<b>3,588,630</b>	<b>2,495,240</b>	<b>3,030,874</b>	<b>32,564,371</b>	<b>38,623,526</b>

For footnote, see end of table.