

20.6 Contingent liabilities of the Government of Canada, years ended Mar. 31, 1976 and 1977

Item	1976		1977	
	Amount of guarantee \$	Amount outstanding \$	Amount of guarantee \$	Amount outstanding \$
Railway securities guaranteed as to principal and interest				
Canadian National 5% due May 15, 1977	70,884,500	70,884,500	68,774,500	68,774,500
Canadian National 4% due February 1, 1981	300,000,000	300,000,000	300,000,000	30,000,000
Canadian National 5¼% due January 1, 1985	82,017,000	82,017,000	79,667,000	79,667,000
Canadian National 5% due October 1, 1987	129,986,500	129,986,500	125,381,500	125,381,500
Total, railway securities	582,888,000 ¹	582,888,000	573,823,000 ¹	573,823,000
Other outstanding guarantees and contingent liabilities				
Loans made by lenders under Part IV of the National Housing Act, 1954 for home extension and improvements ²	32,500,000	25,200,000	32,500,000	25,500,000
Insured loans made by approved lenders under the National Housing Act, 1954 ³	25,000,000,000	13,864,000,000	25,000,000,000	15,130,000,000
Liability for insurance and guarantees under the Export Development Act	1,750,000,000	839,940,000	1,750,000,000	1,037,149,000
Loans made by chartered banks and credit unions under the Farm Improvement Loans Act	343,000,000	106,500,000	370,800,000	124,200,000
Loans made by chartered banks and credit unions under the Fisheries Improvement Loans Act	10,900,000	8,700,000	10,800,000	8,500,000
Loans made by chartered banks and credit unions under the Small Businesses Loans Act	47,000,000	30,600,000	56,600,000	37,000,000
Loans made by chartered banks and credit unions under the Canada Student Loans Act ⁴	1,009,300,000	567,000,000	1,166,300,000	640,800,000
Loans made by lenders under the Regional Development Incentives Act and the Regional Economic Expansion Act	19,024,000	14,177,000	26,915,000	21,816,000
Loans made by lenders under the Cape Breton Development Act	100,000,000	94,000,000	100,000,000	91,450,000
Loans made by lenders under the General Adjustment Assistance Program	250,000,000	61,765,285	250,000,000	68,418,301
Licensing agreement provisions in the sale of aircraft Canadian Commercial Corporation — disputed contract termination action	17,600,000 ⁵	17,600,000	—	—
Loans to Indians or Indian bands, individuals, corporations or partnerships for the purpose of Indian Economic Development	—	—	6,800,000	6,800,000
Loans made by banks or other approved lenders for housing purposes as defined by the National Housing Act	40,180,323	31,845,622	42,705,427	29,323,823
Loans to Panarctic Oils Limited for its exploration program	—	—	20,463,972	20,163,265
Loans by Central Mortgage and Housing to Nanisivik Mines Ltd.	—	—	12,000,000	12,000,000
Loans made by banks to Canadair Limited to finance production of Lear Star 600 Aircraft	2,154,686	2,154,686	2,990,606	2,990,606
Agreement with Bombardier/MLW to purchase two LRC train sets in the event that Amtrak does not purchase the train sets under a lease purchase agreement	—	—	50,000,000	—
Canadian National Railways-bid bond to participate in a railroad project in Venezuela	—	—	9,000,000	—
Swine flu vaccine supplied by Glaxo (Canada) Ltd. to the Department of National Health and Welfare (1976)	—	—	7,500,000	—
Swine flu vaccine supplied by Glaxo (Canada) Ltd. to the Department of National Health and Welfare (1976)	—	—	1,800,000	1,800,000
Borrowing by Crown corporations guaranteed by the government				
Air Canada	—	—	23,565,100 ⁶	15,183,786
Petro-Canada	—	—	240,000,000	240,000,000
Canadian Wheat Board ⁷	1,670,000,000	877,777,707	1,370,000,000	725,882,713
Total, contingent liabilities	30,874,547,009	17,124,148,300	31,124,563,105	18,812,800,494
Loans made by approved lending institutions under National Housing Act prior to 1954	Unstated	Indeterminate	Unstated	Indeterminate
Guarantees to owners of returns from moderate housing projects ⁸	Unstated	Indeterminate	Unstated	Indeterminate

¹Balances valued as at January 1, 1976 and 1977.

²As at December 31, 1975 and 1976.

³As reported by approved lenders as at December 31, 1975 and 1976.

⁴Includes contingent liability in respect of alternative payments to non-participating provinces.

⁵As of July 23, 1976 an out-of-court settlement was reached between the Government of Canada and Northrup Corporation Ltd. An amount of \$9,000,000 was agreed upon by the interested parties in compensation for reconfiguration agreements, royalties and interests on the sale of CF-5 and NF-5 aircrafts to the Netherlands and damages related to the sale of CF-5 aircrafts to Venezuela. Out of that amount, \$6,204,442 was paid by the Canadian Commercial Corporation, \$2,695,558 by the Department of Supply and Services and \$100,000 by the Department of National Defence through Canadair Ltd. their agency. Northrup Corporation Ltd. received payments in the amount of \$8,196,024 as withholding taxes of \$803,976 were deducted from the gross claim and remitted directly by the above entities to the Department of National Revenue.

⁶March 31, 1977 close rate. Converted from pounds sterling. One £ = \$1,8127 Canadian.

⁷Liability is subject to exchange rate in effect June 15, 1976 and 1977.

⁸As of December 31, 1976, Rental Guarantee Funds totalling \$8,832,000 (December 31, 1975, \$8,343,000) were held by the Central Mortgage and Housing Corporation for the purpose of settling claims. In 1975 the last of the rental contracts expired.