

22.6 Contingent liabilities of the Government of Canada, years ended Mar. 31 (million dollars) (concluded)

Item and year	Authorized limit (where applicable)	Contingent liability	Percentage of net claims to outstanding guarantees (where applicable) ¹
Other explicit guarantees: ²			
Insurance against accidents at nuclear installations under the Nuclear Liability Act	750.00	699.37 ⁸	
Guarantee with respect to loans to Canadair Ltd. regarding development and production of the Challenger aircraft	1,350.00	1,003.30	
Guarantees with respect to financial obligations incurred by air carriers regarding de Havilland Aircraft of Canada Ltd. DHC-7 aircraft	230.00	86.45	
Guarantee with respect to loans to de Havilland Aircraft of Canada Ltd. to finance the development and production of the DHC-8 aircraft and other general obligations of the company	450.00	85.89	
Guarantees with respect to loans made by exporters	—	44.85	
Guarantees against destruction or losses that may be occasioned by the rental or use of agricultural property for research purposes	.03	.03	
Total	2,780.03	1,919.91	
Total explicit guarantees	5,420.22	3,524.78 ⁹	
Pending and threatened litigation		2,136.55 ¹⁰	
Total contingent liabilities		5,661.34	

¹ Represents the average percentage over the most recent 5 years of net claims to the amount of outstanding guarantees as at Mar. 31, 1982.

² Authorized limit for loan guarantees for on-reserve housing totals \$100 million (shown above) for loans made by Canada Mortgage and Housing Corp., the Farm Credit Corp. and other approved lenders.

³ Committed guarantees exist for loans to be made to Indians for on-reserve housing and for the Indian economic development program. The amounts to be guaranteed are \$14.2 million and \$61,160 respectively. As at the reporting date, no loan instruments have been issued.

⁴ These acts place limits on the maximum amount of guarantee for loans made by eligible lenders over different time periods. The maximum amount of guarantee per lender is expressed in legislation as a percentage of aggregate loans made to qualified borrowers and vary depending upon the dollar value range of aggregate loans made by each lender.

⁵ Less than .1%.

⁶ Represents total loan guarantees made for loans having a balance outstanding as at Mar. 31, 1982.

⁷ An agreement with Chrysler Canada Ltd. in the amount of \$200 million has been entered into with respect to future loan guarantees. As at the reporting date, no loans have been made under the above agreement and consequently liabilities exist. A letter of comfort was issued by the Department of Transport to guarantee loans made to Ridley Terminals Inc. These loans are for the purpose of construction of a coal terminal and parliamentary approval is being sought to guarantee a loan of up to approximately \$185 million representing 80% of the initial capital cost of the project. As at Aug. 31, 1982 the total amount loaned to Ridley was \$16.2 million.

⁸ There have been no claims under the Nuclear Liability Act since its inception in 1970. The act covers 15 Canadian nuclear installations as at Mar. 31, 1982.

⁹ In July 1982, the Department of Industry, Trade and Commerce disbursed \$126.3 million to acquire 62.5% of the outstanding Series "D" preferred shares of Massey-Ferguson Ltd. This purchase results from an agreement dated June 15, 1981, between the Government of Canada and Massey-Ferguson Ltd. whereby the government guaranteed to redeem, upon request, 5 million preferred shares in the event of a failure by the company to pay a dividend. On June 30, 1982 the company defaulted on its dividend payment. Also in July 1982, the department disbursed an amount of \$9 million to acquire two LRC train sets from Bombardier Inc. This was the result of Amtrak not exercising its option to purchase the trains at the end of a lease-purchase agreement with Bombardier Inc. which Industry, Trade and Commerce had guaranteed.

¹⁰ The Post Office Department was converted to the Canada Post Corp. by an act of Parliament on Oct. 16, 1981. There are certain valuations to be determined for major assets turned over to the corporation. In addition, the transfer of titles to the land and buildings turned over to the corporation by the government has not been completed. Therefore, the corporation's contingent liabilities are reported in this table.