

Because of the considerable differences in the division of responsibility for services between the provincial governments and their respective municipalities, extreme caution should be exercised in using the figures in Table 36 as a basis for interprovincial comparisons of the relative burden of municipal taxation. Also, in Saskatchewan municipalities are required to levy certain taxes for and on behalf of the provincial government and for other special purposes for which there is no comparable situation in other provinces. The amounts of such taxes excluded in the Saskatchewan municipal levies in Table 36 are as follows:—

Tax	1949	1950	1951	1952	1953
	\$	\$	\$	\$	\$
SASKATCHEWAN—					
Public revenue.....	1,751,388	1,809,703	1,830,314	1,845,949	...
Hail.....	1,092,058	1,217,658	1,111,465	2,069,074	2,863,832
Telephone.....	678,358	718,987	760,610	814,269	863,634
Drainage.....	14,762	13,101	13,157	11,813	6,794
TOTALS.....	3,536,566	3,759,449	3,715,546	4,741,105	3,734,260

Subsection 3.—Municipal Debt

The rapid growth experienced by municipalities in Canada coupled with increased demands and responsibilities for improvements, schools, utilities and other services or facilities has resulted in the incurring of a heavy burden of debt. Debenture borrowings increased rapidly in the period 1900-12 and again during the 1920's and early 1930's. From 1933 to 1946 the trend was downward but since 1947 it has shown a considerable increase.

Several important factors contributed to the 1933-46 decline—not least important the measure of control exercised by the 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 longterm debt was represented by serial or instalment type debentures which 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 for the needs of the Federal Government in meeting war-financing requirements. Since the end of the War however municipalities have resumed their improvement programs and thus have increased their debenture debts. Table 37 shows figures of municipal indebtedness for 1952-53 and includes temporary loans and other liabilities in addition to debenture debt.

37.—Debt of Municipal and School Corporations by Province for their Fiscal Years Ended in 1953

NOTE.—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	New Brunswick
	\$	\$	\$	\$
Direct Debt (less Sinking Funds).....	5,072,445	4,115,374	56,875,948	54,902,571
Debenture debt.....	4,498,748	4,526,062	59,125,674	55,279,186
Less Sinking Funds.....	267,044	1,039,172	9,486,972	6,903,628
Net Debenture Debt.....	4,231,704	3,486,890	49,638,702	48,375,558
Temporary loans and bank overdrafts.....	170,380	602,781	3,612,119	4,156,285
Accounts payable and other liabilities.....	670,361	25,703	3,625,127	2,370,728
Indirect Debt (less Sinking Funds).....	..	..	730,779	3,810,000
Guaranteed bonds, debentures, etc.....	..	..	946,500	3,810,000
Guaranteed bank loans.....	..	..	—	—
Less Sinking Funds.....	..	..	215,721	—
Grand Totals.....	5,072,445	4,115,374	57,606,727	58,712,571