

each successive loan, while the Government could, when needed, obtain additional funds in New York. In April, 1917, however, the United States entered the war. Its gigantic preparations drained enormous sums of money from the New York money market, and made it difficult for other countries to raise money there. Henceforth Canada had in the main to depend on her own people to supply the funds necessary for keeping her steadily increasing forces in the field. Subsequent appeals for war loan subscriptions had to be made to the masses of the people rather than to the comparatively few wealthy or comfortably-off investors.

The fourth domestic war loan (First Victory Loan) issued in November, 1917, illustrates the foregoing remarks. For the first time subscriptions as low as \$50 were received toward an issue of \$150,000,000 5½ p.c. 5, 10 and 20 year gold bonds, the Minister of Finance reserving the right to allot the whole or any part of the amount subscribed in excess of \$150,000,000. The subscribers numbered 820,035 and the subscriptions totalled \$398,000,000, or about \$50 per head of the population of Canada.

The fifth domestic war loan (Second Victory Loan) of \$300,000,000 5½ p.c. 5 and 15 year tax exempt gold bonds was issued at 100 and interest as of date November 1, 1918, and the end of the war, then clearly in sight, stimulated public subscriptions. The applications numbered 1,067,879 and totalled \$660,000,000.

The sixth domestic war loan (Third Victory Loan) was raised at 100 and interest in November, 1919. It consisted of \$300,000,000 taxable 5 year and 15 year 5½ p.c. gold bonds. The subscriptions amounted to \$678,000,000.

The general result of these loans has been that in 1921, the great bulk of the Canadian national debt is owing to the Canadian people. At the end of the fiscal year 1920-21, the Dominion net funded debt payable in London was officially stated as \$310,334,996, in New York as \$135,874,000, while the net funded debt payable in Canada amounted to no less than \$1,988,494,357. The largest creditors of the Dominion Government are within the Dominion itself, and as a consequence the interest payments made on National Debt account outside the country are a relatively small item. Detailed statistics of the national debt as on Mar. 31, 1921, are given in Table 14.

Balance-Sheet.—A summary review of the financial situation of the Dominion as on Mar. 31, 1921, is given in the balance sheet reproduced from pages 2 and 3 of the Public Accounts, 1921 (Table 1). This shows the gross debt on the above date to have been \$2,902,482,117, offset by available assets aggregating \$561,603,133, leaving a net debt of \$2,340,878,984.¹ Non-available assets, including such public works as canals and railways, also loans to railways, amount in the aggregate to \$1,225,377,222, leaving a debit balance on Consolidated Fund Account on Mar. 31, 1921, of \$1,115,501,762. The details of the various assets and liabilities are contained in the schedules accompanying the balance sheet and printed in the Public Accounts.

¹The net debt on March 31, 1922, was \$2,422,135,801. See page 659.