

average rate of interest paid on interest-bearing debt has been considerably increased. The interest-bearing debt on Mar. 31, 1914, was \$416,892,576, with an annual interest charge of \$14,687,797, the average interest rate being thus only 3.52 p.c. On Mar. 31, 1922, the interest-bearing debt was \$2,669,967,110, with an interest charge of \$137,881,774, the average rate of interest paid being 5.164 p.c. Had the rate of interest in 1922 been the same as in 1914, the interest charge in that year would have been some \$44,000,000 less than it actually was. Since 1922 the maturity of certain loans has enabled the Government to refund at lower and more normal peace-time rates of interest with the result that the average rate of interest payable on the national debt has been slowly declining, standing at 4.928 p.c. on Mar. 31, 1931. Further, in these same nine years the principal sum of the interest-bearing debt has been reduced by \$185,140,381. The net result of these two achievements is that the annual interest charge has, in the nine years, been reduced by the substantial amount of \$15,420,668.

The interest-bearing debt, the annual interest charge upon that debt and the average rate of interest, as at the end of each of the last twelve fiscal years, have been as follows:—

Fiscal Year.	Bonds, Debentures and Treasury Bills.	Annual Interest Charges on Bonds, Debentures and Treasury Bills.	Savings Bank Deposits, Trust and other Funds.	Annual Interest on Savings Bank Deposits and other Funds.	Total Interest Bearing Debt. ¹	Annual Interest Charge.	Average Rate of Interest.
	\$	\$	\$	\$	\$	\$	p.c.
1920.....	2,596,816,821	134,559,302	107,038,317	4,275,480	2,703,855,138	138,834,782	5.134
1921.....	2,520,997,021	130,416,007	107,345,348	4,429,302	2,628,342,369	134,845,309	5.130
1922.....	2,564,587,671	133,482,115	105,379,439	4,399,661	2,669,967,110	137,881,774	5.164
1923.....	2,547,105,821	131,476,511	106,763,391	4,531,156	2,653,869,212	136,007,667	5.125
1924.....	2,504,033,820	128,571,337	110,113,766	4,626,715	2,614,147,589	133,198,052	5.092
1925.....	2,503,793,169	125,928,071	113,943,282	4,758,780	2,617,706,451	130,686,851	4.992
1926.....	2,484,410,336	125,108,738	119,205,393	4,977,889	2,608,615,729	130,086,627	4.986
1927.....	2,439,340,736	123,399,911	126,310,527	5,274,429	2,565,651,263	128,674,340	5.015
1928.....	2,377,581,086	119,479,400	136,485,482	5,721,330	2,514,066,568	125,200,730	4.980
1929.....	2,325,413,986	116,843,994	145,780,369	6,156,036	2,471,194,355	122,999,970	4.977
1930.....	2,250,837,286	112,942,215	154,997,435	6,572,018	2,405,834,721	119,514,233	4.967
1931.....	2,320,832,286	115,491,955	163,994,443	6,969,151	2,484,826,729	122,461,106	4.928

¹ The total of interest-bearing debt, as here given, includes bonds purchased and held by the Treasury for sinking funds.

A summary account of the loans effected between 1914 and 1931 follows.

War and Renewal Loans.—The first Dominion domestic war loan was raised in November, 1915, under authority of c. 23 of the Statutes of that year (5 Geo. V, c. 23). It originally consisted of \$50,000,000 5 p.c. tax-exempt 10-year gold bonds, issued at 97½ and maturing Dec. 1, 1925. As the issue was heavily over-subscribed (public subscriptions by 24,862 subscribers \$78,729,500, bank subscriptions \$25,000,000) and the extra money was needed, the Government increased the amount of the loan to \$100,000,000. In July, 1915, \$25,000,000 of 1-year and \$20,000,000 of 2-year 5 p.c. notes had been floated in the United States, with the object of stabilizing exchange and relieving the pressure on London.

In September, 1916, the second Canadian domestic war loan of \$100,000,000 5 p.c. tax-exempt 15-year gold bonds was issued and again over-subscribed (public subscriptions by 34,526 subscribers \$151,444,800, bank subscriptions \$50,000,000). In March of that year, a loan of \$75,000,000 in 5-, 10-, and 15-year 5 p.c. bonds had been floated in New York.