

Before the Great War, interest rates were comparatively moderate, but the unprecedented expenditure of the world's capital in that gigantic struggle led, in all the participating countries, to the raising of enormous loans at comparatively high rates of interest, which in many cases still have to be paid until refunding becomes possible under the terms of the contracts made between the nations and their creditors. Thus, in Canada, the average rate of interest paid upon the direct interest-bearing obligations of the nation, which was only 3.368 p.c. at Mar. 31, 1913, rose to 5.164 p.c. at Mar. 31, 1922, and fell gradually to 3.937 p.c. at Mar. 31, 1936. Details of the interest-bearing debt of Canada, and the interest charges thereon, as at Mar. 31 of the years from 1913 to 1936 are given in Table 22.

**22.—The Interest-Bearing Debt, the Annual Interest Charge Thereon and the Average Rate of Interest, as at Mar. 31, 1913-36.**

Fiscal Year.	Bonds, Debentures and Treasury Bills.	Annual Interest Charges on Bonds, Debentures and Treasury Bills.	Average Interest Rate 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. <sup>1</sup>	Annual Interest Charge.	Average Rate of Interest.
	\$	\$	p.c.	\$	\$	\$	\$	p.c.
1913...	260,889,037	8,973,746	3.439	91,735,123	2,904,287	352,604,160	11,878,033	3.368
1914...	311,833,272	11,162,047	3.579	93,031,928	2,957,544	404,865,200	14,119,591	3.487
1915...	358,659,932	13,075,447	3.645	91,910,510	2,935,881	450,570,442	16,011,328	3.554
1916...	508,000,366	20,499,696	4.035	92,240,955	2,960,002	600,241,321	23,459,698	3.908
1917...	833,208,877	39,098,579	4.376	96,885,192	3,114,315	930,094,069	42,212,894	4.263
1918...	1,472,098,608	71,121,368	4.831	95,796,899	3,096,532	1,567,895,507	74,217,900	4.733
1919...	2,035,218,097	102,218,489	5.022	100,636,102	3,441,803	2,135,854,199	105,660,292	4.947
1920...	2,596,816,821	134,559,302	5.181	107,038,317	4,275,480	2,703,855,138	138,834,782	5.134
1921...	2,520,997,021	130,416,007	5.173	107,345,348	4,429,302	2,628,342,369	134,845,309	5.130
1922...	2,584,587,671	133,482,113	5.204	105,379,439	4,399,661	2,669,967,110	137,881,774	5.164
1923...	2,547,105,821	131,476,511	5.161	106,763,391	4,531,156	2,653,869,212	136,007,667	5.125
1924...	2,504,033,820	128,571,337	5.134	110,113,766	4,626,715	2,614,147,586	133,198,052	5.092
1925...	2,503,763,169	125,928,071	5.029	113,943,282	4,758,780	2,617,706,451	130,686,851	4.992
1926...	2,484,410,336	125,108,738	5.035	119,205,393	4,977,889	2,603,615,729	130,086,627	4.996
1927...	2,439,340,736	123,399,911	5.058	126,310,527	5,274,429	2,565,651,263	128,674,340	5.015
1928...	2,377,581,086	119,479,400	5.025	136,485,482	5,721,330	2,514,066,568	125,200,730	4.980
1929...	2,325,413,986	116,843,934	5.024	145,780,369	6,156,036	2,471,194,355	122,999,970	4.977
1930...	2,250,837,286	112,942,215	5.017	154,997,435	6,572,018	2,405,834,721	119,514,233	4.967
1931...	2,320,832,285	115,491,955	4.976	163,934,443	6,969,151	2,484,826,729	122,461,106	4.928
1932...	2,579,238,724	128,188,969	4.970	136,356,977	5,522,579	2,715,595,701	133,711,548	4.923
1933...	2,715,977,874	132,866,543	4.892	144,176,675	5,858,850	2,860,154,549	138,725,393	4.850
1934...	2,858,624,524	132,354,806	4.630	154,137,868	6,093,937	3,012,762,392	138,448,743	4.595
1935...	3,061,955,821	127,074,870	4.150	171,554,957	6,683,560	3,233,510,778	133,758,430	4.136
1936...	3,265,314,332	128,598,908	3.938	196,197,897 <sup>2</sup>	7,679,285	3,461,512,729	136,278,193	3.937

<sup>1</sup> The total of interest-bearing debt, as here given, includes bonds purchased and held by the Treasury for sinking funds. <sup>2</sup> In 1936 an amount of \$11,827, being compensation to seigneurs, previously included under Savings Bank Deposits, Trust and Other Funds, was transferred to Bonds, Debentures and Treasury Bills.

**Guaranteed Debt of the Dominion.**—Besides the direct debt of the Dominion, already dealt with, there are also large indirect obligations, arising mainly out of the guarantee of securities, by the Dominion, of the railway lines which now form the Canadian National Railways, and the subsequent extensions thereof. Together with these are other smaller indirect obligations, originating in the Government's guarantees of the bonds of the Canadian National Steamship services and of the bonds of its Harbour Commissions, issued in the main for harbour improvements. Since 1932 guarantees of certain bank loans have been made under the various Relief Acts. With the commencement of business of the Bank of Canada on Mar. 11, 1935, the guarantee, authorized by Section 27 (6) of the Bank of Canada Act, of the