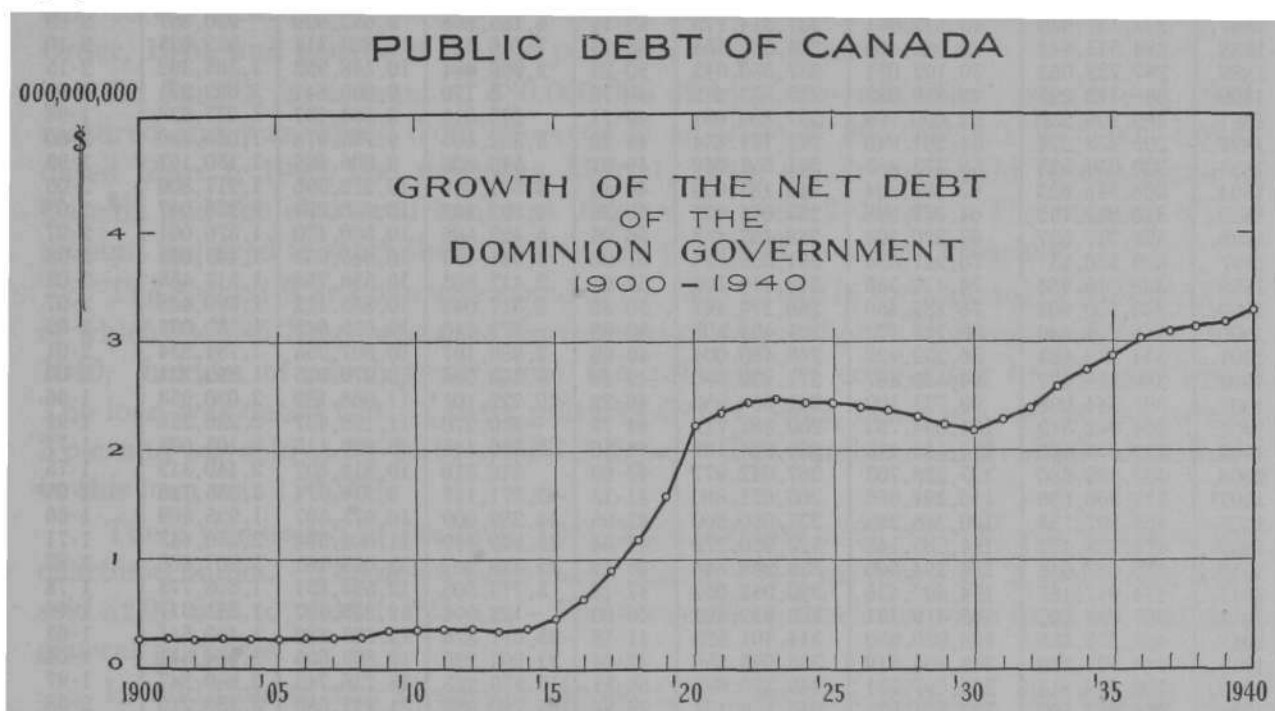


Subsection 5.—National Debt

The gross national debt of Canada on Mar. 31, 1914, was \$544,391,369, as against assets of \$208,394,519, leaving a net debt of \$335,996,850. This was a comparatively small debt; it was incurred almost altogether either for public works of general utility which, like the Intercolonial and transcontinental railways and the canal system, remained assets, though perhaps not realizable assets, of the nation, or was expended as subsidies to enterprises, which, like the Canadian Pacific Railway, though not government-owned, assisted greatly in extending the area of settlement as well as the productive and, therefore, the taxable capacity of the country. Broadly speaking, it was a debt incurred for productive purposes. Also, it was mainly held outside the country, the principal of the Dominion funded debt payable in London being \$302,842,485 on Mar. 31, 1914, as against only \$717,453 payable in Canada.



The great changes brought about in the national debt during the 26 years from 1914 to 1940 have been: (1) the enormous increase in net debt from \$335,996,850 to \$3,271,259,647; (2) the gross debt, having been incurred largely for war purposes, is not represented by corresponding assets; (3) the debt is now mainly held in Canada, \$2,904,773,871 being payable in Canada at Mar. 31, 1940.

37.—Summary of the Public Debt of Canada and Interest Payments Thereon, July 1, 1867, to Mar. 31, 1940

Year	Gross Debt	Total Assets	Net Debt	Net Debt Per Capita ¹	Increase or Decrease of Debt during Year ²	Interest Paid on Debt	Interest Received from Active Assets	Interest Paid Per Capita ¹
	\$	\$	\$	\$	\$	\$	\$	\$
1867..	93,046,052	17,317,410	75,728,642	21·87	\$ -	\$ -	\$ -	\$ -
1868..	96,896,666	21,139,531	75,757,135	21·58	28,493	4,501,568	126,420	1·28
1869..	112,361,998	36,502,679	75,859,319	21·28	102,184	4,907,014	313,021	1·38
1870..	115,993,706	37,783,964	78,209,742	21·58	2,350,423	5,047,054	383,956	1·39
1871..	115,492,683	37,786,165	77,706,518	21·06	-503,225	5,165,304	554,384	1·40
1872..	122,400,179	40,213,107	82,187,072	21·89	4,480,554	5,257,231	488,042	1·40
1873..	129,743,432	29,894,970	99,848,462	26·10	17,661,390	5,209,206	396,404	1·36
1874..	141,163,551	32,838,587	108,324,964	27·81	8,476,502	5,724,436	610,863	1·47
1875..	151,663,402	35,655,024	116,008,378	29·34	7,683,414	6,590,790	840,887	1·67

For footnotes, see end of table, p. 772.