

The Interest-Bearing Debt of Canada.—Despite the fact that since the outbreak of the present war the interest-bearing debt of the Dominion Government has risen to the unprecedented level of \$8,271,363,610, the average interest rate on this debt has continued to decline through the war period and the figure of 2.66 p.c. at Mar. 31, 1943, was the lowest rate in over three decades. This is in contrast with the experience of the War of 1914-18 when the average interest rate on the direct debt of the nation rose from 3.368 p.c. at Mar. 31, 1913, to a high point of 5.164 p.c. at Mar. 31, 1922.

During the last fiscal year before the outbreak of the present war interest on the public debt absorbed about 25 p.c. of total government receipts. With the growth of expenditure on the War, however, interest on the debt has come to absorb a smaller portion of revenues, and in the fiscal year 1942-43 represented only about 10 p.c. of total receipts.

24.—The Interest-Bearing Debt, Annual Interest Charges Thereon and Average Rates of Interest, as at Mar. 31, 1913-43

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 ¹	Annual Interest Charge	Average Rate of Interest
	\$	\$	p.c.	\$	\$	\$	\$	p.c.
1913...	260,869,037	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...	893,208,877	39,098,579	4.376	96,885,192	3,114,315	990,094,069	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...	2,564,587,671	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...	2,503,768,169	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	2,514,006,568	125,200,730	4.980
1929...	2,325,218,097	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...	2,320,832,286	115,491,955	4.976	163,994,443	6,969,151	2,484,826,729	122,461,106	4.928
1932...	2,579,238,724	128,189,969	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	133,758,400	4.136
1936...	3,265,314,332 ²	128,598,908	3.938	196,197,897 ²	7,679,285	3,461,615,229	136,278,193	3.937
1937...	2,439,340,736	125,093,381	3.748	224,157,683	8,798,557	3,561,516,515	133,891,938	3.750
1938...	3,314,558,032	117,062,907	3.532	248,176,039	9,771,812	3,562,734,071	126,834,719	3.560
1939...	3,385,722,462	119,198,476	3.521	272,692,286	9,879,428	3,658,414,748	129,077,904	3.528
1940...	3,695,705,919	125,575,106	3.398	288,066,211	10,726,716	3,983,772,130	136,301,822	3.321
1941...	4,372,007,319	133,970,676	3.064	317,332,308 ³	12,488,959 ³	4,689,339,627 ³	146,459,635 ³	3.123 ³
1942...	5,865,280,821	170,218,719	2.902	343,238,738	13,522,857	6,208,519,559	183,741,576	2.960
1943...	7,893,493,950	204,896,794	2.596	377,869,660	14,779,052	8,271,363,610	219,675,846	2.656

¹ Includes bonds purchased and held by the Treasury for sinking funds.

² 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.

³ Revised since the publication of the 1942 Year Book.

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 that 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