

settlement as well as the productive and, therefore, the taxable capacity of the country. Broadly speaking, the debt was incurred for productive purposes. Also, it was mainly held outside the country, the principal of the Federal Government funded debt payable at London, England, being \$302,842,485 on Mar. 31, 1914, as against only \$717,453 payable in Canada.

From 1914 to 1920, the gross debt increased by almost \$2,500,000,000 to a total of \$3,042,000,000 due to heavy war and post-war expenditures and, while there was a slight reduction to a low point of \$2,544,586,411 at Mar. 31, 1930, additional expenditures during the depression years resulted in a gross debt of \$3,710,610,593 by Mar. 31, 1939.

From 1939 to 1946 there was an increase of \$15,249,235,590, incurred mainly for war purposes, bringing the total gross debt to \$18,959,846,183 at the end of March, 1946. After deduction of active assets held by the Government, the net debt showed an increase of \$10,268,846,135 during this period, amounting to \$13,421,405,449 at the end of March, 1946. At the end of March, 1949, total gross debt had been reduced to \$16,950,403,795 and net debt to \$11,776,134,152.

The portion of the funded debt payable in foreign currencies decreased steadily and sharply during the war years, as was inevitable under conditions where almost the entire amount of Canada's war financing was carried out through domestic operations. Of the total funded debt and treasury bills outstanding as at Mar. 31, 1949, amounting to \$15,585,036,580, less than 2 p.c. was payable outside Canada: \$9,256,258 payable at London and \$298,000,000 at New York.

23.—Summary of the Public Debt of Canada and Interest Payments thereon, Years Ended Mar. 31, 1935-49

NOTE.—Statistics for the years 1867-99 are given at pp. 775-776 of the 1942 Year Book; those for 1900-13, at p. 944 of the 1945 edition; and those for 1914-34 at p. 972 of the 1947 edition.

Year	Gross Debt	Active Assets	Net Debt	Net Debt Per Capita ¹	Increase or Decrease of Net Debt During Year	Interest Paid on Debt	Interest Received from Active Assets	Interest Paid Per Capita ¹
	\$	\$	\$	\$	\$	\$	\$	\$
1935...	3,205,956,369	359,845,411	2,846,110,958	262.44	116,132,817	138,533,202	10,963,478	12.77
1936...	3,431,944,027	425,843,510	3,006,100,517	274.53	159,989,559	134,549,169	10,614,125	12.29
1937...	3,542,521,139	458,568,937	3,083,952,202	279.22	77,851,685	137,410,345	11,231,035	12.44
1938...	3,540,237,614	438,570,044	3,101,667,570	278.13	17,715,368	132,117,422	13,120,523	11.85
1939...	3,710,610,593	558,051,279	3,152,559,314	279.80	50,891,744	127,995,617	13,163,015	11.36
1940...	4,028,728,606	757,468,959	3,271,259,647	287.43	118,700,333	129,315,442	13,393,432	11.36
1941...	5,018,928,037	1,370,236,588	3,648,691,449	317.08	377,431,802	139,178,670	14,910,554	12.10
1942...	6,648,823,424	2,603,602,263	4,045,221,161	347.11	396,529,712	155,017,901	21,748,701	13.30
1943...	9,228,252,012	3,045,402,911	6,182,849,101	523.44	2,137,627,940	188,556,249	41,242,237 ²	15.96
1944...	12,359,123,230	3,619,038,337	8,740,084,893	729.86	2,557,235,792	242,681,180	48,281,313 ²	20.27
1945...	15,712,181,527	4,413,819,509	11,298,362,018	932.29	2,558,277,125	318,994,821	60,749,186 ²	26.32
1946...	18,959,846,183	5,538,440,734	13,421,405,449	1,090.55	2,123,043,431	409,134,502	70,914,626 ²	33.24
1947...	17,698,195,740	4,650,439,192	13,047,756,548	1,037.02	-373,648,901	464,394,876 ²	69,438,880 ²	36.91
1948...	17,197,348,981	4,825,712,088	12,371,636,893	960.31	-676,119,656	455,455,204	75,799,912 ²	35.35
1949...	16,950,403,795	5,174,269,643	11,776,134,152	869.15	-595,502,741	465,137,958 ²	107,888,905 ²	34.33

¹ Based on the official estimates of population given at p. 155. ² This amount represents return on investments, which includes interest on investments, profits of Bank of Canada and Central Mortgage Bank and other items. ³ The apparent increase in interest paid is due to the accrued interest on refundable taxes having been charged in the year of repayment.