

Subsection 5.—National Debt

The gross national debt of Canada at Mar. 31, 1914, was \$544,391,369 as against assets of \$208,394,519, leaving a comparatively small net debt of \$335,996,850 incurred almost completely for public works of general utility which, like the inter-colonial and transcontinental railways and the canal system, remained assets, though perhaps not realizable assets, of the nation; the debt was also expanded by the subsidizing of enterprises like the Canadian Pacific Railway, which, 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, the debt was incurred for productive purposes and was held mainly 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 expenditure and, while there was a slight reduction to a low point of \$2,544,586,411 at Mar. 31, 1930, additional expenditure 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 1952, total gross debt had been reduced to \$17,257,668,676 and net debt to \$11,185,281,546.

The portion of the funded debt, payable in foreign currencies, decreased sharply during the war years, as was inevitable under conditions where almost the entire amount of the country's war financing was carried out through domestic operations. Of the total funded debt and treasury bills outstanding as at Mar. 31, 1952, amounting to \$14,695,410,451, 2.70 p.c. only was payable outside Canada: \$53,119,649 being payable at London and \$343,432,500 at New York.

31.—Summary of the Public Debt and Interest Payments thereon, Years Ended Mar. 31, 1941-52

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; those for 1914-35 at p. 972 of the 1947 edition; and those for 1936-40 at p. 1,009 of the 1951 edition.

Year	Gross Debt	Net 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
	\$	\$	\$	\$	\$	\$	\$	\$
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	524.19	2,137,627,940	188,556,249	41,242,237 ²	15.99
1944...	12,359,123,230	3,619,038,337	8,740,084,893	731.63	2,557,235,792	242,681,180	48,281,313 ²	20.31
1945...	15,712,181,627	4,413,819,509	11,298,362,018	935.91	2,558,277,125	318,994,821	60,749,186 ²	26.42
1946...	18,959,846,183	5,538,440,734	13,421,405,449	1,091.88	2,123,043,431	409,134,502	70,914,626 ²	33.28
1947...	17,698,195,740	4,650,439,192	13,047,756,548	1,039.58	-373,648,901	464,394,876 ²	69,438,880 ²	37.00
1948...	17,197,348,981	4,825,712,088	12,371,636,893	964.80	-676,119,656	455,455,204	75,799,912 ²	35.52
1949...	16,950,403,795	5,174,269,643	11,776,134,152	875.74	-595,502,741	466,137,958 ²	107,888,905 ²	34.59
1950...	16,750,756,246	5,106,147,047	11,644,609,199	849.23	-131,524,953	439,816,335	91,528,987 ²	32.08
1951...	16,923,307,028	5,849,992,080	11,433,314,948	816.14	-211,294,251	425,217,500	89,529,233 ²	30.35
1952...	17,257,668,676	6,072,387,129	11,185,281,546	775.14	-248,033,402	432,423,082 ²	117,621,906 ²	29.97

¹ Based on the official estimates of population given at p. 143. ² This amount represents return on investments, which includes interest on investments, profits of Bank of Canada 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. ⁴ Excludes \$87,510,068 adjustment required to place interest on public debt on accrued basis.