

DOMINION, PROVINCIAL AND MUNICIPAL DEBTS

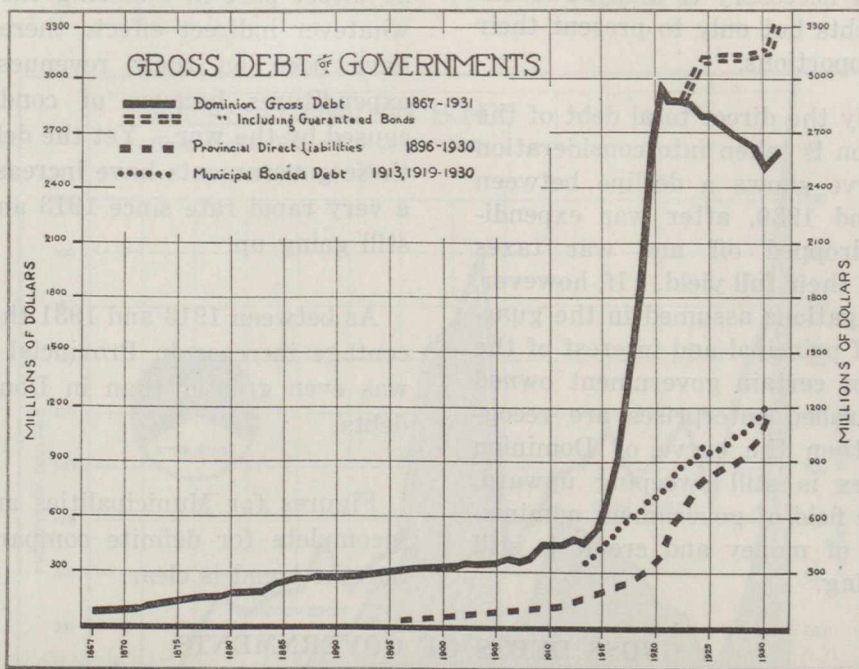


DIAGRAM NO. 5.

Diagram No. 5 shows separately the growth of the gross debts of each class of government.

For the Dominion the figures are complete from 1867 to 1931 and for the combined Provinces, as compiled by the Dominion Bureau of Statistics, from 1916 to 1930, with occasional prior years back to 1896.

Figures of the bonded debt of all Municipalities, but not of their gross liabilities from 1919 to 1930 are published by the Dominion Bureau of Statistics and the estimate of the Citizens' Research Institute for 1913 is used to prolong the line. It is probable that except for 1913 debt for schools is not completely included.

The outstanding feature is the enormous and almost perpendicular rise of the Dominion debt after 1915.

This is, of course, due principally, but not wholly, to borrowing for war expenditures.

Total expenditures charged to War and Demobilization in the accounts of the Dominion are \$1,695,729,891, of which \$1,670,406,243 were incurred between 1915 and 1920. These payments would not include interest on the war loans, nor war pensions and certain other charges to Consolidated Fund account. It must not be overlooked, however, that special war taxes were imposed, the total yield of which from 1915 to 1931 has been \$1,890,581,665.

How far the yield of these taxes would have gone to meet all proper war charges and what balance would still remain, if a separate account had been set up in this way, might make an interesting calculation.