

National debt thus amounting to 13.6 millions. The net wealth of the State on the 31<sup>st</sup> of December 1928 was thus 22.8 million krónur.

Up to 1908 State loans were practically unknown in Iceland, though at New Year when accounts were made up between the Icelandic and Danish treasuries, there was sometimes a small balance in the latter's favour. But in 1908 a loan of half a million krónur was negotiated for the construction of telegraph lines; and in 1909 another loan of 1½ million krónur was taken up for the purpose of buying bank-bonds. Since then other loans have been raised for the same purposes and for making roads and harbours, or defraying the expenses of other undertakings. After the Great War broke out, loans had to be raised to buy ships, and for other measures made necessary by the war to ensure the importation of supplies to the country from abroad. At first these loans were placed exclusively in Denmark, but since 1916 some of the loans have been subscribed in Iceland, and in 1921 a loan of £ 500 000 was raised in England, about three-fourths of which were again lent to the banks on the same terms as it had been negotiated, so that the State, though responsible for the whole amount, has used only one-fourth of it; consequently the other three-fourths are not included in the National Accounts.

The following table will show the size of the National debt up to and including 1928:

	Total National Debt 1000 krónur	National Debt per head of population
December 31st 1910 . . . . .	2 572	30 krónur
— - 1915 . . . . .	8 527	40 —
— - 1917 . . . . .	19 404	212 —
— - 1920 . . . . .	15 188	160 —
— - 1923 . . . . .	18 063	185 —
— - 1925 . . . . .	11 832	118 —
— - 1926 . . . . .	11 501	113 —
— - 1927 . . . . .	11 289	109 —
— . 1928 . . . . .	13 583	130 —

Though these figures show an enormous increase in the National debt during the Great War; yet, proportionately to the number of population, our burden is not so heavy as that of the other European nations. Besides, the National debt, as shown above, was considerably reduced in 1924, and still more so in 1925, that year being so exceptionally favourable that the State receipts exceeded the estimated expenditure by 5¼ million krónur, 4 millions of which were employed to pay off all short term loans, over and above the usual reduction,