

164. The net debt at the time of Confederation was \$75,728,641, and the increase since that date was, as has been shown, \$120,679,051, on 30th June, 1885. The principal objects upon which this amount of money has been expended are: The assumption by the Dominion of the debts of the various Provinces at the time of their entering Confederation. the construction of the Intercolonial and Canadian Pacific Railways, and of numerous public works, and the acquisition and management of the North-West Territories.

165. The total amount of Provincial debts assumed by the Dominion, in accordance with arrangements made at the time of Confederation, is now \$27,630,058, which amount if not taken over would still be owing by the Provinces, and though the amount of the public debt is thereby increased, it is not by the creation of a new debt, but by a simple transfer of liability from the Provinces to the Dominion, and the burden on the people is actually lighter, inasmuch as the Government are able to exchange the high interest bearing bonds of the Provinces for their own bonds at a lower rate.

166. The following is the total expenditure on capital account since Confederation:—

Debts allowed to Provinces.....	\$ 27,630,059
Miscellaneous Public Works.....	32,091,866
Canadian Pacific Railway.....	57,191,846
Intercolonial Railway	30,681,391
Eastern Extension Railway	1,286,368
Prince Edward Island Railway	207,620
Short Line Railway.....	49,587
North-West	2,920,000
Dominion Lands.....	2,436,036
	<u>\$155,494,773</u>
Expenditure in excess of increase of debt	34,815,722
	<u>\$120,679,051</u>

167. There has been expended on account of public works, including expenditure charged to revenue, since Confederation, the following sums:—

Canals	\$ 28,543,378
Railways	92,575,599
Lighthouses and Navigation.....	8,284,580
Acquisition and management of the North-West	5,356,035
Government Buildings and miscellaneous Public works	13,147,318
	<u>\$147,906,910</u>