

Prior to Confederation there was expended:—

On Railways and Canals.....	\$52,944,175
On Public Works	10,690,917
	<u>\$63,635,092</u>

Making a total expenditure on Public Works of \$211,542,002.

168. Thus it will be seen that with the exception of the debts allowed to Provinces, which was one of the conditions of Confederation, the public debt has been created by the improvement and development of the country, and by the construction of numerous public buildings and works of great utility and national importance, a state of things which compares favorably with that existing in many countries where large sums have been expended, and little remains to show for the expenditure.

169. In 1868 the debt was equivalent to five and one-half year's revenue; in 1872, when the proportion was lowest, it was equivalent to four years' revenue; in 1880, when the proportion was highest, to six and a-half years' revenue, and in 1885 it was equivalent to a little under six years' revenue. So that, notwithstanding the large increase in debt, the revenue has increased in such proportion that on the 30th June, 1885, it would have required not quite six months' more revenue to pay off the debt of \$196,407,692, than would have been wanted in 1868 to pay off the debt of \$75,757,135.

170. It will be observed that there has been the very large increase of \$50,978,505 in the amount of assets since Confederation, being an average increase of \$2,832,139 per annum. It will, of course, be remembered that the Government does not include among its assets the public works and buildings owned by the Dominion, but only interest-bearing investments, loans, cash and banking accounts, which, on 30th June, 1885, consisted of the following items:—

Details of Assets, 1885.

Sinking Fund.....	\$15,855,353	St. John River and Extension Co....	\$ 278,800
Quebec Harbour Debentures....	1,955,000	Canadian Pacific Railway accounts.	28,035,812
Graving Dock, Quebec.....	672,000	Sundries	1,087,354
Montreal Harbour Debentures, &c..	2,266,000	Investments in banks	130,000
Northern Railway Bonds.....	73,000		
Investments bearing interest.....			<u>\$50,353,319</u>
Province accounts.....			7,502,724
Miscellaneous accounts			1,683,192
Banking accounts.....			8,756,680
Total Assets.....			<u>\$68,295,915</u>

171. The interest-bearing assets have always formed the largest part of the total assets. In 1867 they amounted to \$15,853,720, or over nine-tenths of the whole amount, and in 1885 they had reached the sum of \$58,092,310, or more than four-fifths of the whole.

172. A large item among the liabilities that does not bear interest is the amount of Dominion notes in circulation; in 1878 it was \$10,435,696, and in 1885