

Increase  
in propor-  
tion of  
debt and  
assets.

227. There was a decrease of 95 cents per head in the gross debt, and \$1.02 per head in the assets, and there was consequently a decrease of 13 cents in the gross interest paid per head, and of 27 cents per head in the amount of interest received on assets, but an increase in the net amount of interest per head of 15 cents, consequent on the reduction of assets previously mentioned. While the amount per head of the net debt was more than double what it was at Confederation, the net interest paid per head has only increased 38 per cent.

Fixed  
charges.

228. The fixed charges, that is, the charges for debt, sinking fund and subsidies to provinces amounted in 1868 to 58 per cent. of the revenue; in 1887 they had been reduced to 44 per cent.; in 1886 they were 49 per cent. A large item among the liabilities that does not bear interest is the amount of Dominion notes in circulation; in 1867 they amounted only to \$3,113,700; on 30th June, 1887, to \$15,059,836: and on the 31st December, 1887, to \$15,702,101.

Dominion  
notes.

The debt  
created  
solely for  
public  
improve-  
ments.

229. From the foregoing pages it will be clearly seen that, with the exception of the debts allowed to provinces, which allowances were rendered more or less necessary by the conditions of Confederation, and which debts, it must be remembered, were themselves originally incurred for the purpose of public improvements, the whole of the public debt has been created by the construction of public works of great utility and national importance; the principal portion having been spent on railways and canals, facility of transport being the essence of progress, not only in a new but in any country, and these are the reasons that place the debts of Canada and other British colonies, whose debts have been contracted for similar purposes, on so entirely a different footing to those of European countries and the United States, the debts of which have accumulated solely by aggressive and defensive wars.