

170. There was an increase of \$1.19 per head in the gross debt and 64 cents per head in the assets, but owing to the reduction in the rate of interest the gross interest paid per head remained the same, and there was an increase in the net amount of interest per head of only 1 cent. 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 39 per cent.

Increase
in amount
per head of
debt and
assets.

171. 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 1888 they had been reduced to 45 per cent.; in 1887 they were 44 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 \$8,113,700; on 30th June, 1888, to \$16,249,318; and on the 31st December, 1888, to \$16,632,467.

Fixed
charges.

Dominion
notes.

172. 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 purposes 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.

The debt
created
solely for
public
improve-
ments.

173. Notwithstanding the large debts that have been incurred by Canada and the Australasian Colonies, the credit of these countries is not only remarkably good, but is

New Can-
adian
Loan.