

191. Twice only since Confederation has there been, previous to 1890, a decrease in the gross debt, viz., in the years 1883 and 1871; and only in the years 1882 and 1871 has there been any decrease in the net debt. The increase in 1890 was, however, the smallest in any year in the table. The increase in the gross debt since Confederation has been \$193,066,244, and in the net debt \$161,804,571, being an average annual increase of the latter of \$7,034,981. There was a decrease in the assets as compared with 1889 of \$1,612,938. Increase  
in debt.

192. In 1868 the debt was equivalent to five and one-half years' revenue, and in 1890 it would have required about five years and eleven months to pay off the debt. It will be seen, therefore, that the debt has increased in a somewhat greater ratio than the revenue, the proportion of increase being 213 per cent. and 191 per cent. respectively. Proportion  
of revenue  
to debt.

193. The principal objects upon which this increase of debt has been laid out have been the following, viz., the assumption by the Dominion of the debts of the various Provinces on their entering the Confederation, the construction of the Intercolonial and Canadian Pacific Railways and of numerous public works, the enlargement and improvement of canals, harbours and rivers, and the acquisition and management of the North-West Territories. Objects of  
debt.

194. The allowed debt of the four Provinces, which was assumed by the Dominion at the time of Confederation, was \$77,500,000. In 1869 a further allowance of \$1,186,756 was made to Nova Scotia, and since that date additional Provincial debts have been assumed or allowed by the Dominion to the extent of \$30,743,392, making a total assumption of Provincial debts of \$109,430,148, leaving therefore the sum of \$128,103,064 as the actual net liability created by the Dominion Government since Confederation. It must be remembered that the allowance of these debts to the Provinces was in accordance Assump-  
tion of  
Provincial  
debts.