

by the Extension of Boundaries (Manitoba) Act (2 Geo. V, c. 32). Other payments to the Provincial Governments by the Dominion Government consist of special grants, as compensation for lands and allowances for buildings, allowances in lieu of debt, etc.

**16.—Subsidies and other Payments of Dominion to Provincial Governments, 1919-1923.**

Provinces.	1919.	1920.	1921.	1922.	1923.
	\$	\$	\$	\$	\$
Prince Edward Island.....	381,932	381,932	381,932	381,932	381,932
Nova Scotia.....	636,667	636,667	636,667	661,866	661,866
New Brunswick.....	637,976	637,976	637,976	666,766	666,766
Quebec.....	1,969,630	1,969,630	1,969,630	2,256,420	2,256,420
Ontario.....	2,396,379	2,396,379	2,396,379	2,642,612	2,642,612
Manitoba.....	1,447,335	1,470,991	1,470,991	1,470,991	1,466,380
Saskatchewan.....	1,680,077	1,753,075	1,753,075	1,763,883	1,763,883
Alberta.....	1,554,105	1,621,075	1,621,075	1,628,638	1,628,638
British Columbia.....	623,135	623,135	623,135	738,816	738,816
<b>Total.....</b>	<b>11,327,236</b>	<b>11,490,860</b>	<b>11,490,860</b>	<b>12,211,924</b>	<b>12,207,313</b>

**17.—Total of Subsidy Allowances from July 1, 1867, to March 31, 1923.**

Provinces.	Allowance for Government.	Allowance per head of Population.	Special Grants. <sup>1</sup>	Interest on Debt Allowance. <sup>2</sup>	Total.
	\$	\$	\$	\$	\$
Prince Edward Island.....	2,620,000	4,265,555	2,949,626	2,137,370	11,972,551
Nova Scotia.....	5,440,000	18,728,622	826,980	2,602,186	27,597,788
New Brunswick.....	4,880,000	14,315,944	3,130,000	1,106,521	28,432,465
Quebec.....	6,640,000	60,646,200	-	3,794,725	71,080,925
Ontario.....	7,040,000	76,320,381	-	3,319,545	86,679,926
Manitoba.....	4,645,000	10,912,548	9,964,647	9,153,174	34,675,369
Saskatchewan.....	3,091,666	7,752,240	9,468,750	7,296,750	27,609,406
Alberta.....	3,066,667	6,152,283	9,000,000	7,296,750	25,515,700
British Columbia.....	4,040,000	7,153,811	6,200,000	1,525,639	18,919,450
<b>Total.....</b>	<b>41,463,333</b>	<b>206,247,584</b>	<b>46,540,003</b>	<b>38,232,660</b>	<b>332,483,580</b>

<sup>1</sup>Compensation for lands and allowances for buildings. <sup>2</sup>Allowance in lieu of debt.

**National Debt.**

The gross national debt of Canada on Mar. 31, 1914, was \$544,391,369, as against assets of \$208,394,519, leaving a net debt of \$335,996,850. Comparatively small as was this debt, it was a debt incurred almost altogether either for public works of general utility which, like the Intercolonial and Transcontinental railways and the canal system, remained assets, though perhaps not realizable assets of the nation, or was expended as subsidies to enterprises, which, like the Canadian Pacific railway, though not government owned, assisted greatly in extending the area of settlement as well as the productive and therefore the taxable capacity of the country. Broadly speaking, it was a debt incurred for productive purposes. Also, it was mainly held outside the country, the principal of the Dominion funded debt payable on Mar. 31, 1914, in London being \$302,842,485, as against only \$717,453 payable in Canada.

The great changes brought about during the nine years from 1914 to 1923 in our national debt have been (1) the enormous increase in net debt from \$335,996,850 to \$2,453,776,869; (2) as having been largely incurred for war purposes, the gross debt is not represented by corresponding assets; (3) the debt is now mainly held in Canada; (4) the average rate of interest paid on interest-bearing debt has been considerably increased, the interest-bearing debt on Mar. 31, 1914, being \$416,892,576, with an annual interest charge of \$14,687,797, the average interest rate being thus only 3.52 p.c., while on Mar. 31, 1923, the interest-bearing debt was \$2,653,869,212, with an interest charge of \$136,007,667, the average rate of interest paid thus