

such transport, and other accommodation, as are needful for the commerce of the people. Against such debts there is not only no economic law, but they are a source of enrichment, and of prosperity, and of progress. Debt, so viewed, means credit, and credit is the very life-blood of modern enterprise. Was then the national debt of Canada incurred for justifying causes, or was it an unfruitful dissipation of national resources? The "Dominion" is a firm made up of partners, who in 1867 became incorporated under that title, which since then has admitted several other partners. When formed, the firm had immense resources, but only a small money capital. Towards developing those resources a large sum had been spent, of which \$77,500,000 was owing when Confederation was established, \$62,500,000 by what was known as "Canada," and \$15,000,000 by the Provinces of Nova Scotia and New Brunswick. Since then, new partners have been admitted whose debts have been assumed by the firm, and concessions made to the original ones as follows:

Debts at Confederation.....	\$77,500,000
Nova Scotiasince Confederation	3,529,815
New Brunswick.....	" 1,807,720
Quebec	" 2,549,214
Ontario.....	" 2,848,289
The Old Province of Canada	" 10,506,089
Manitoba.....	" 3,775,606
British Columbia	" 2,029,392
Prince Edward Island.....	" 4,884,023

Total Provincial debts assumed.....\$109,430,148

That sum represents the price paid by the Dominion for securing its national unity, and possession of the soil, and public works owned by the various separated members who became incorporated. To discuss the economic wisdom, or otherwise, of this section of our debt would be a waste of time; but this is clear, if the assets which offset this debt were valued in 1866 as amply sufficient to justify such a debt, they are now far more valuable, and the interest charges thereon are very much less. The debt of \$77,500,000 was subject to 4.64 per cent., the interest on which was \$3,596,000, the average rate in 1894 was 3.31, the interest on the same sum which constituted the original debt being \$2,455,000. In 1868 the interest-bearing assets of the Dominion were equal to about 18 per cent. of the gross debt, last year these assets over 20 per cent. of the gross debt.

The portion of the national debt which was the cost of Confederation of all Canada, as it is now constituted, cost us in interest charges last year about 72 cents per head of the entire population, which is nearly one cent per day for each family in the Dominion. As a burthen then on the people, this section of the debt may be dismissed as too trifling to be dwelt upon. Since 1867 the total amounts spent in capital account, which have helped to increase the debt, have been as follows:

Debts allowed to Provinces.....	\$30,743,393
Canadian Pacific Railway.....	62,604,535
Canals	41,709,038
Intercolonial Railway.....	44,966,425
North West Territories.....	3,799,490
Dominion lands.....	3,569,061
Parliament Buildings.....	2,163,545
Prince Edward Island Railway.....	635,830

Improvement of St. Lawrence.....	2,725,504
Other public works.....	4,195,859

Total.....\$197,112,680

Towards this the sum of \$26,658,292 was contributed from revenue, being the balance of yearly surpluses over deficits, leaving \$170,454,388 as the amount added to the debt since Confederation. Put in another form we have this table:—

Spent on railways and other works before Confederation	\$ 63,635,092
Spent on railways, canals, etc., since Confederation.....	202,831,790

Total cost of all the public works owned by the Dominion.....\$266,466,882

At the close of last year the net debt of the Dominion was \$246,183,029, which is less by \$20,283,853 than the cost of our railways, canals, post-offices, custom houses, harbors, docks, Parliament buildings, and other public works. The net debt these outlays involved was \$49.03 per head in 1894, and the net annual interest per head, \$1.79. The debt of Canada stands alone as having been wholly created by expenditures on works of a fruitful or necessary character for the conduct of the business of the people or of the government. The debt of England, beginning with \$3,321,315, two centuries ago, has gone up to \$3,350,000,000, the whole of which represents expenditures caused by war no less than \$606,000,000 having been added to the debt by the American war,—a significant item at the present time.

We give on another page a synoptical table of the Dominion debt. A study of this, and of the above considerations from a strictly business stand-point, must lead to the judgment that Canada has only borrowed money for such objects as were essential to the development of her commercial interests; for the extension of transport facilities; for the necessary conveniences of government; for the consolidation of the Provinces into the unity of Confederation, and the maintenances of her autonomy as an integral part of the British Empire. Defective plans may have been adopted, lack of economy shown; and works far in advance of our present requirements; but we submit that a national debt which costs only \$1.79 per head yearly for interest is not justly to be regarded as an oppressive burthen on the Canadian people, for the conveniences purchased by the debt have materially enlarged their productive and their earning powers.

The following statistical data show the increases which have taken place in various lines of enterprise in Canada since Confederation.

	Increase.	Percentage of Increase.	Amount per head 1868.	Amount per head 1895.
The increase in population between 1870 and 1895, assuming the present population at 5 millions..	1,400,000	38	\$	\$
The increase in Imports and Exports since 1868.....	106,800,000	91	32.50	44.80
The increase in Bank paid up Capital.....	31,556,000	103	8.47	12.41
The increase in Bank Deposits.....	154,688,000	460	9.34	37.66
The increase in Bank note circulation.....	25,049,000	368	2.60	6.88