

OUR PUBLIC INDEBTEDNESS.

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OUR Dominion, Provincial, and Municipal loans, negotiated during the past three or four years in Great Britain, have been of considerable magnitude; and, apart from their immediate, direct results, they have attracted the attention of monied men to the Dominion, and better information now prevails regarding the character and resources of the country. Though the success and continued high character of any individual loan on the London money market may seem to concern only the Province or Municipality which seeks the loan, it is nevertheless true that this success and high character have a wider effect in directing attention to the whole country at large, and indirectly aid in the success of subsequent loans of the other Provinces and Municipalities. It is equally true that the failure of even a single Province or Municipality to meet in London its semi-annual interest, or its maturing bonds, would be long remembered, and would not only affect existing securities of other Provinces and Municipalities, but also render it more difficult to float new issues, especially of localities previously unknown on the money market there. Each Province and Municipality has thus in no small degree an interest in

maintaining a high credit for the securities of all the other Provinces and Municipalities, as well as of the Dominion.

Our public indebtedness has arisen from several causes—public works and improvements undertaken by the Government or municipalities; bonuses to railways or other private corporations; and increased educational facilities provided for the people. Thus, the Dominion indebtedness has largely arisen from the Intercolonial and other railways undertaken, and from canals and other improvements; the Province of Quebec's loans of 1874 and 1876 are essentially railway loans; whilst those of our cities have been for such purposes as water-works, drainage, public buildings and parks, and providing funds for school purposes.

The funded and unfunded debt of the Dominion, including that of each of the Provinces previous to their confederation, was, on 1st July, 1875, \$151,663,401. In reduction of this were certain assets, consisting of sinking fund and miscellaneous investments and bank balances, amounting to \$35,655,023, leaving a net indebtedness at that date of \$116,008,378. The average rate of interest paid on the funded debt was a fraction over $4\frac{1}{2}$ per cent.