

Montreal and Lake Champlain Junction Railway .	16,400 00
New Brunswick & Prince Edward Island Railway	16,000 00
Northern and Western Railway .....	159,400 00
Pontiac and Pacific Railway .....	24,158 00
Quebec and Lake St. John Railway .....	232,013 00
St. Lawrence and Lower Laurentian Railway .....	28,383 00
Temiscouata Railway.....	249,684 00
Toronto, Grey and Bruce Railway .....	14,656 00
West Ontario and Pacific .....	60,000 00
	\$1,027,041 92

In addition, through the legislation of the last Session of Parliament, relief has been granted to the Montreal Harbour Commissioners and to the Quebec Harbour Commissioners to the extent of \$3,104,174.15, less the amount at the credit of the Quebec Harbor Sinking Fund \$223,929.23.

Investments were made to the amount of \$300,769.96, viz. :—

Albert Railway Co .....	\$ 3,112 13
Quebec Harbour Commission.....	22,710 83
Fredericton and St. Mary's Bridge Railway Co.....	274,947 00
	\$300,769 96

During the year there has been received on account of Dominion Lands \$217,083.07; the investments on account of the Sinking Funds amounted to \$1,939,077.79; amount of Debt redeemed \$3,185,638.09.

The amount at the credit of the Savings Bank depositors was increased by \$538,782.86 during the year, making the total deposits on the 30th June last \$41,371,058.23.

The circulation of Dominion Notes advanced from \$15,059,836.06 in 1887 to \$16,249,318.53 on the 30th June last, an increase of \$1,189,482.47.

The net Debt of the Dominion shows an addition of \$7,216,582.72, and on the 30th June stood at \$234,531,358.16, the increase almost entirely arising from the relief granted the Harbour Commissioners of Quebec and Montreal and from the capital sums expended on Public Works and Railways.

A still further reduction has taken place on the rate of interest paid on the gross Debt, the rate at Confederation was \$4.64, in 1887 \$3.54 and for the past year \$3.45.

Owing to the recent 3 per cent. Loan, a portion of which was paid in before the 30th June last, the funded debt payable in England has been increased and at that date amounted to \$176,601,775.89; the Sinking Funds on the other hand have increased from \$19,054,576.60 to \$20,993,654.39.

Since the last Session of Parliament, as above mentioned, the Government through the High Commissioner succeeded in placing a 3 per cent. Loan £1,000,000 in the London market. The average rate realized attained the high figure of £95 1s. 0d. as will be seen from the schedule of tenders annexed. This is the first 3 per cent Loan that has been placed in the English market by any British Colony, and proved very satisfactory both as regards the rate received and the amount tendered for, the total subscriptions reaching £12,000,000 sterling.

Since my last report the Treasurers of the Provinces of Ontario and Quebec met in Ottawa for the purpose of forwarding a settlement of the outstanding accounts. I am glad to state that progress has been made and that the Province of Canada account has been practically settled. There have been left in suspense a few items