

the people of Canada, and the people of the world to whom Canada applies in the negotiations of her loans should know exactly in what way the large sum which is represented as the debt of Canada had been expended. It will be found there that the debt of Canada, which reaches \$153,661,000 net, has been spent very largely for works of public utility, for works which represent great value to the country, and which, although they may not be revenue producing works, have still a value, perhaps in some respect greater even than if they were revenue producing, affording, as they do facilities for navigation, and affording facilities for connecting easily the great distance by which those provinces are separated—all of which, as testified to by the late Finance Minister when negotiating a loan for Canada, were not only for the benefit of this country, and of the Imperial Government, but of the world at large. It is noteworthy that up to 1874 the increased debt did not represent by \$12,000,000 the amount which had been expended upon those works, for the large revenues of the country after 1867 enabled the Government of that time to expend \$12,000,000 from revenue in works properly chargeable to capital. That state of things illustrates the strength of the position of the Dominion; illustrates its claims upon the confidence of the moneyed men of the world; illustrates its right to ask the Parliament of Canada to-day to authorize the Government to negotiate a loan, not at five per cent., not at a discount, but probably at a premium, and bearing the rate of 4 per cent. interest. By a short reference to the condition of things at the present time it will be seen that the claim of Canada upon the confidence of investors is, perhaps, as great as that of any other money-borrowing country. It will be found in the trade and navigation returns now before us that the revenue of the country last year was \$33,383,455; the expenditure was \$27,067,103, giving a surplus of receipts over expenditure amounting to \$6,316,352. It will also be found that that surplus was expended very largely upon capital account, not increasing the public debt, and that during the last year the public debt was absolutely decreased by the amount of \$1,734,129. The expenditure out of revenue chargeable to capital account

was \$7,351,052; a total of \$9,085,181. This was partly paid by the surplus receipts of the year of \$6,316,352; \$1,600,00, or \$1,700,000, of it was paid by sales of land in the North West, which is, and will be a great source of revenue to the country, and part by the increase in the bank note circulation, which is a debt without interest. But this is not all; the amount of property which the Government can show is over \$135,000,000, the net debt being \$153,661,000. It shows that \$18,000,000 only is the difference between the amount of assets and the total debt, the whole debt at Confederation being \$77,000,000. It shows that \$40,000,000 of the debt prior to Confederation, is not represented by the assets given in the statement included in the debt of the present day, and that of the assets of \$135,000,000 a very large proportion is represented by the debt made since Confederation. It may also be mentioned that in 1873 a debt of \$10,500,000 which was not taken over at Confederation from the Provinces of Ontario and Quebec was assumed by the Dominion, and by that means a very large annual burden was taken off the Province of Ontario, and a large one also from the Province of Quebec. That debt is a part of the consolidated debt of to-day. It saved Ontario an interest payment of \$291,000 a year. That was five-ninths of the interest charge, the proportion payable by Ontario. Four-ninths of the interest was also saved to the Province of Quebec, and although it has been charged that, a large increase of the public debt took place during the administration of the Conservative Government prior to 1874, one of the items certainly is one that neither Ontario nor Quebec should object to. The debt now standing at \$153,661,000 includes a savings bank deposit of \$21,078,000. No better index, perhaps, of the prosperity of the country can be found than the enormous increase in the savings deposits in the banks of the Dominion. These deposits have increased in the last three or four years very largely, and are a kind of barometer that shows conclusively that the working classes, those who are making small savings, have been prosperous throughout the country. There can be no false indication there. The money