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THE BORROWINGS OF CANADA.

It was natural that Mr. Fielding in presenting his thirteenth annual budget should indulge somewhat in retrospect. During the period covered by his successive annual reports, the country's capital and special outlay has been about \$212,500,000. Much of this has been devoted to canal improvements, harbour works and railroad development—the partially-built National Transcontinental Railway alone accounting for over \$50,000,000. The increase in the net debt during the thirteen years has been \$65,500,000, an average of a little over \$5,000,000 per year—and, apart from the N. T. R., of about \$1,000,000 per year. Mr. Fielding estimates that in 1896 the per capita net debt was \$50.82, while on March 31 last, it was \$45.72—taking the population as a little over 7,000,000 and the net debt at \$323,960,000.

This amount will naturally be increased somewhat when the writing-down of old-standing assets, now under consideration, is completed. However, at most it can scarcely be charged that Canada has thus far contracted a total debt disproportioned to her assured development of the near future. The chief point for criticism raised in the budget debate at Ottawa has been the somewhat rapid increase of the debt during the past two years. That large capital expenditures on the N. T. R. had to be made during a period of unforeseen revenue decline, considerably aggravated the showing. Once committed, wisely or unwisely, to the plan of building its transcontinental railroad, the country certainly had no choice but to follow it up. To slacken work on a permanent undertaking during months of merely temporary revenue decline would certainly not have been the part of wisdom. It is right and desirable that critical scrutiny should be given to the matter of "value received" for the capital expenditure of last year, but scarcely reasonable to hold that the Government should have acted in 1908 as though trade depression were to be Canada's lot forever and aye.

Mr. Fielding's references to the country's borrowings abroad—and the remarks thereon of Mr. Herbert Ames and others—were an interesting feature of this week's budget debate at Ottawa. THE CHRONICLE has long held that the chief matters for careful concern in Canada's borrowings are not their amounts but the manner of their using, and the provision made for their future. In this connection it is of interest to note that Mr. Fielding states his own observation of the London money market to have led him to the conclusion that it would be a wise policy for Canada to return in some degree to the sinking fund policy that was dropped in 1885. Indeed he announces that it is his intention in any further loans he may have to issue to attach a moderate sinking fund to them.

In the course of the debate the matter of repayment of borrowed monies came in for further attention, Mr. Ames going so far as to suggest that posterity forty years hence should receive all present national works and improvements free of cost. Assuming the net debt to be about \$300,000,000, he suggested that the Government should put aside \$4,000,000 each year, which sum and its earnings would liquidate our present net debt in forty years. Such a policy, he maintained, would have a most beneficial effect on our credit, partly by the good effect in the money market, and by the fact that this money could be used to purchase Canadian securities, thus further enhancing their standing.



COBALT'S OUTPUT—ITS ECONOMIC INFLUENCE.

The rapid rise in the value of silver produced in the Cobalt district during the past four years suggests an inquiry as to the effect of this development on our economic conditions. In 1904 the silver output was valued at \$111,887; in 1905, at \$1,360,503; in 1906 at \$3,667,581; in 1907 at \$6,155,391; and in 1908 the aggregate approached \$10,000,000. So far as the present year is concerned, the most optimistic estimators are figuring that the 1908 production of twenty-five thousand odd tons of ore will be practically doubled. For the first quarter of the year the output is 7,040 tons, just a little more than double the figures for the first quarter of 1908. Even if these estimates are discounted to the extent of 20 per cent. it would leave a possible production of 40,000 tons, which, valued at about the average of the two preceding years, \$400 per ton, would yield \$16,000,000.

This is fast reaching respectable proportions; and if the rate of increase is maintained through development of the Cobalt field and through the bringing in of new fields contiguous to it, the aggregate value will, in a very few years, reach a sum