

At a time when the United States is confronted with the difficult task of augmenting customs revenue, and at the same time lessening tariff burdens—and when Germany, Britain and France are addressing themselves to the increasing of taxation—Canada is assured that no direct or indirect addition to taxation will be called for. The tariff remains practically unchanged.

Expenditure on Capital Account.

Turning from current to capital and special expenditure, it is estimated by Mr. Fielding that the aggregate on this account for the year just closed will be \$49,224,000. Deducting from this the year's current revenue surplus of \$1,500,000 and a sinking-fund of \$1,675,000 there remains a balance of practically \$46,000,000 to be added to the debt, giving a total net debt of \$323,960,000. That the addition is large the Finance Minister frankly admits, but points out that practically \$32,000,000 of the increase is expenditure connected with the N. T. R. and the Quebec Bridge.

Regarding the revenue outlook for the current year, Mr. Fielding estimates that it will be somewhere between the \$95,000,000 high-mark of 1907-8 and the \$84,500,000 received last year. Taking into account very considerably reduced estimates of expenditures, the Finance Minister states that he hopes current revenue will not only cover all ordinary expenditure this year, but also a material part of capital expenditure—probably all except the expenditure on account of the N. T. R.

Borrowings of Recent Years.

Mr. Fielding detailed the several causes for the large borrowings of recent years as follows: old loans maturing, the N. T. R. Railway, taking over the Quebec bridge, considerable withdrawals from the Government savings bank, a considerable loan to the Montreal Harbour Commission, the cost of the seed grain distribution, and a heavy falling off in our revenue. The consequence of all these demands was that Canada had to go to the money markets more frequently than usual. Since the last budget speech the Government borrowed: in June, 1908, £5,000,000 at 3¾ per cent., repayable in 1912; in October, £5,000,000 at 3½ per cent., payable 1950; in January, 1909, £6,000,000 at 3¾ per cent., issued at 99¼, repayable in 1919.

This last loan was the largest colonial loan ever placed on the London market. As is not unusual, it was at first only partially taken by the public. Forty-one per cent. was taken by the public, and the balance for the moment remained on the hands of the underwriters. "That loan," Mr. Fielding added "now stands at a premium of nearly 3½ per cent., so that if it was not immediately taken by the public it does not say anything against the credit of the Dominion."

The Finance Minister believed, however, that it would have been difficult to place a straight 3½ per cent. loan so successfully under then prevailing conditions. Therefore, he had decided to issue the loan at the rate of 3¾ per cent., and to make it a short loan, for a period of ten years, with the option of redeeming it after five years. He did not expect to get a larger sum of money but thought it desirable to interest the thousands of small investors in England in the affairs of Canada. The financial journals of England had given the plan

most cordial commendation, and had expressed the hope that the Imperial Government would follow Canada's example. There had been 603 applications from persons who subscribed for ninety pounds or less. Since the issue of that large loan the Government has made two loans amounting to £1,500,000, one for twelve and one for fifteen months. These have been negotiated at two and seven-eighths per cent. Excluding temporary loans, Mr. Fielding has issued from 1896 to date loans to the amount of £27,470,242, but a large part of these were for the repayment of old loans matured. "We have had some sinking funds against these loans, and the balance we have had to provide, and these loans which we have paid off account to a very considerable extent for the large borrowing we have had to make."

Canada's Standing in London.

In the course of his speech, Mr. Fielding called attention to some loans to be dealt with during 1909-10-11. They total about £9,700,000 and the interest varies from four to four and a half per cent. As against these loans there are sinking funds of about \$2,800,000. The Finance Minister took occasion to correct certain erroneous ideas as to Canada's credit standing as follows: "We have heard it stated, for instance, because we borrowed money on long-term loans at 2¾ per cent. or thereabouts in 1897, and because we recently paid four per cent., therefore the credit of the Dominion is going down. There is no warrant for any such statement. For the purposes of the ordinary investor a long-time security is most favoured. Our recent loan was for ten years, with the option of five years, while the loan of 1897 was for fifty years, and was issued in a most favourable condition of the money market. Further, money is a commodity which rises and falls in value, and the man who wants to buy it must pay the market price. There was a time when the British investor wanted a gilt-edged security, such as British consols or the Canadian Government securities, and to get this he was willing to pay a high price and accept a low rate of interest. Now he is willing to take a little risk, and when we were trying to borrow at 3¾ per cent. a Russian loan was offered at 4½, and sold under 90. The result is a lesser demand for gilt edged securities."



THE TORONTO MUNICIPAL POWER PLANT'S prospective prices to users of electricity have been published. The Toronto Electric Light Company announces that its rates will be as cheap as those of the civic plant, and that its customers will have the added advantage of knowing that a steam-plant is in reserve in case of break-down.

THE MONTREAL BOARD OF TRADE takes direct issue with the legal fraternity in opposing any move for provincial legislation which would make it illegal "for any person or corporation other than attorneys to act as an agent for the collection of debts."

THE ONTARIO & MICHIGAN POWER COMPANY measure, fathered at Ottawa by Mr. Conmee, has been laid on the shelf—the opposition contention that it was an invasion of provincial rights having apparently carried weight with the Premier.