

THE FINANCES OF CANADA.

EXHIBIT OF PUBLIC REVENUE, EXPENDITURE, PUBLIC DEBT; GOVERNMENT NOTES IN CIRCULATION; GOLD AND OTHER RESERVES; GOVERNMENT SAVINGS BANK DEPOSITS; CHARTERED BANK, SAVINGS BANK AND LOAN COMPANY DEPOSITS.

Accompanying this article is a table giving an interesting exhibit of the finances of Canada. The table was wholly compiled from official sources, comprising the returns just issued by the Finance Department, Ottawa, the report of the Ontario Government, registrar of loan companies, and latest reports of the banks furnished to the Dominion Government. Their authenticity may, therefore, be fully relied upon.

All along the line the figures exceed those for any previous period. The increases in the various resources of Canada in the last five years are displayed in the following figures:

	1900.	1905.	Increase.
	\$	\$	\$
Post Office Savings Bank Deposits.....	37,507,456	45,367,027	7,856,571
Government Savings Bank Deposits.....	15,642,267	16,558,387	916,120
Chartered Bank Deposits*	297,241,477	533,954,566	236,713,089
Savings Banks.....	17,425,470	25,645,660	8,180,190
Loan Company Deposits..	18,924,000	20,150,000	1,226,000
Total deposits.....	\$386,740,670	\$641,675,620	\$254,934,970

Other evidences of the remarkable development of Canadian resources and business are presented by the following:

	1900.	1905.	Increase.
	\$	\$	\$
Public Revenue.....	51,029,994	71,180,626	20,150,632
Dominion Notes in Circulation.....	26,550,465,	49,456,560	22,906,095
Chartered Bank Notes in Circulation.....	47,421,000	62,497,400	15,076,400
Bank capital paid up...	65,368,300	83,017,000	17,649,000
Bank Reserve.....	33,245,018	54,020,408	23,775,400
Discounts.....	286,897,000	463,186,200	176,289,200
Imports.....	189,622,500	261,911,400	72,288,900
Exports.....	191,894,700	203,316,802	11,422,100
Foreign Money orders issued.....	3,060,548	7,946,337	4,885,789
Fire Insurance in force	1,038,687,619	1,215,613,931	176,325,312
Premiums.....	9,650,348	13,169,882	3,519,534
Life Insurance in force.	463,769,034	593,720,823	129,951,789
Premiums.....	15,189,854	19,969,324	4,779,470

The insurance returns are those quite recently published by the Dominion Government which differ somewhat from the figures in the report of the superintendent of insurance. In the latter the gross fire risks taken in 1904 are stated as \$1,002,305,105, and the net life insurance in force in 1904 as \$587,880,790, while in the former the fire insurance in force in 1904 is stated as \$1,215,013,931, and the life insurance in force as \$593,720,823.

The increase in the public expenditure and increase in public debt are not evidences of develop-

ment in the same sense as are the foregoing, but they have a close relation to the economic progress of the country. They were severally as follows:

	1900.	1905.	"
	\$	\$	\$
Public Expenditure....	42,975,280	63,309,305	20,334,025
Consolidated Fund account:			
Expenditure on Capital account.....	7,467,371	15,441,403	7,974,032
Total Public expenditure.....	\$ 50,442,651	\$78,750,708	\$28,308,057
Public Debt, net.....	265,493,807	266,216,832	723,025

Since 1900 the increase of the net debt has been only \$723,025, although last year, there was an increase of \$5,340,113. This apparent discrepancy is accounted for by there having been a net reduction made in the debt between 1900 and 1904, to extent of \$4,626,288, the difference between the decrease from 1900 to 1904 and the increase in 1905 being \$723,025.

As was intimated last Session by the Hon. M. Fielding, Minister of Finance, the course of the public accounts will be affected in the future by the great transcontinental railway enterprise which is being, in part, constructed by the Government of Canada. He said:

"We have now reached the point where we are beginning to provide for the construction of the transcontinental railway, and from this time forward we must expect to see on our annual appropriations very considerable sums chargeable to capital account which must be appropriated for the construction of that road."

He went on to explain that, "The appropriation of these sums while they will necessitate the raising of considerable money for construction, they will not affect our general interest account, as it appears in the public accounts, for some years to come, as, in the General Railway Act of Canada; the principle is recognized that interest during construction is a part of capital account."

The interest on the public debt being the real measure of the burden of the debt it is gratifying to know that the net interest on the public debt today is \$8,892,380, as against \$9,202,659 in 1897, a reduction of \$310,279 although the net debt has increased since the earlier year by \$4,678,236. Had the interest on the debt increased in proportion to the increase in the principal, the interest would now be \$149,703 more than in 1897, instead of being, as it is, less by \$310,279.

As the public revenue is derived from taxation sources it may seem incorrect to place the gross revenue amongst the evidences of national progress. It must be admitted that enlarged revenue is not necessarily any evidence of enlarged resources for it may simply mean a tightening of the taxation screw. But, when public revenue is derived from taxation of such a nature that it is practically im-