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ECONOMY REQUIRED.

In financial circles here Hon. Mr. White's budget speech naturally received interested discussion this week. The large surplus of revenue over expenditure on account of consolidated fund is a matter for congratulation. The satisfaction over the surplus however is tempered by recollection that the greater part thereof was accumulated in the earlier months of the fiscal year, and that the tendency is now definitely downward. The financial community is at one with the Minister in hoping that our conditions will take a decided turn for the better in the early fall. Much will depend on the Western crops of 1914. As mentioned in last week's article crop conditions throughout the whole country are so far favorable enough; and the outlook is for a substantial increase in the acreage.

DEPENDENCE ON CONDITIONS ABROAD.

However, we have to remember that revival of our industry and trade will be conditioned to a certain extent on improvement abroad. Especially if there were to be a pronounced industrial uplift in the

United States might we look for a strong reflection in the Dominion of the better state of affairs. Unfortunately the neighboring country is suffering from the actions of politicians and government officials who apparently think that finance, industry and trade can be hammered or beaten into compliance with fantastic rules framed by them without due regard to the convenience and accustomed methods of business,

ECONOMY REQUIRED.

In the meantime so far as Canada is concerned, it is undoubtedly the opinion of the business men that the Dominion Government should exercise carefulness and economy in its expenditures. Since the railway situation here became so complicated, there has been growing up, in the minds of intelligent business men of all classes, an opinion or conviction that apart from the railway systems now under way, there should be a discontinuance of subsidies and guarantees for new projects for a few years. Canada has added a very substantial amount to her railway mileage in the past few years; and while there are certain districts in Western Canada which should perhaps be helped to get transportation facilities, no important new ventures should be undertaken until there is an opportunity to see how the two new transcontinentals succeed in meeting their fixed charges.

MONEY CONDITIONS UNCHANGED.

Money market conditions are not much changed. Call loans in Montreal and Toronto are 5½ to 6 p.c.; and mercantile paper ranges from 6 to 7. As the banks are usually confronted with a demand for enlarged credits for mercantile and industrial purposes in April and May, the brokers are not quite so confident of immediate further reduction in the call loan rate. Hopes are still entertained, however, of lower rates in June and July, after the special spring demands have been met.

LONDON MONEY MARKET.

The London money market continues to be flat and uninteresting notwithstanding that the Continent is bidding aggressively for the new gold available at the British capital. Bank rate is 3 p.c., as heretofore. In the open market call money is quoted 1½ to 1¾; short bills are 1 13-16 p.c.; and three months' bills, 1 13-16 to 1¾. At Paris the Bank of France quotes 3½, and discounts in the private market rule at 2½; at Berlin, the Imperial Bank of Germany adheres as yet to its 4 p.c. rate—the private rate being 2¾.

The Home Rule question continues to be discussed with great energy throughout the British Isles; but there is appreciably less nervousness or anxiety as to possible disturbances.

WALL STREET POSITION.

Call loans in Wall Street are quoted 1¾ to 2 p.c.—the ruling rate being 1¾. Time loans have been weaker: Sixty days, 2¼ p.c.; ninety days, 2¾ p.c.; and six months, 3 to 3¼ p.c. Owing to the April