

1875. SPRING. 1875.

Bryce McMurrich & Co.

ARE NOW RECEIVING THEIR

SPRING IMPORTATIONS,

And Solicit an EARLY VISIT from their Customers
and the

TRADE GENERALLY.

WAREHOUSE—34, Yonge Street, TORONTO.

N.B.—Owing to the depressed state of Trade in Britain, many lines of Goods have been purchased at very low prices, and BUYERS will find it much to their interest to visit the Markets, and inspect Stocks personally, instead of ordering from Travelers Samples.

**THE MONETARY TIMES,
AND TRADE REVIEW.**

TORONTO, CAN., FRIDAY FEB. 26, 1875

THE FINANCE MINISTER'S STATEMENT.

Our Finance Minister has ended his first year in the pleasant position of the man who has a surplus of increase over expenditure. The outlay for carrying on the Government of the country has been larger than ever, and shows such a constant tendency to increase that we fear great embarrassment will ensue whenever a decided check in the tide of our prosperity takes place. Last year, however, though the increase in the expenditure was large, the increase in the revenue enabled it to be met, and the year closed with a surplus of nearly \$900,000.

This statement, however, requires to be supplemented by another. The surplus of the previous year was no less than \$1,600,000—so that in fact, we have retrograded to the extent of \$700,000; and this in spite of the additional taxation imposed.

The two years ending respectively June 1873 and 1874 compare as follows:—

Income, 1873.....	\$20,813,000
Expenditure, 1873.....	19,174,000

Surplus	\$1,639,000
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Income, 1874	\$24,205,000
Expenditure, 1874	23,316,000

Surplus.....	\$ 889,000
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Additional income, 1874	\$3,392,000
" expenditure, 1874	4,142,000

This very large enhancement of expenditure is explained by the Finance Minister as follows:—

Additional interest on public debt \$500,000

(This item must go on increasing so long as we go on adding to our permanent debt. There must be a large increase next year.)

Charges connected with admission of Prince Edward Island to the Union	600,000
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(The revenue derived from the Island appears to be much smaller—though how much the Finance Minister does not state.)

Subsidy to New Brunswick in lieu of export timber duties.....	850,000
Maintenance of railways.....	900,000

(Dr. Tupper in criticising the Finance Minister's speech maintained that a large amount included in this item ought to have been charged to capital. The error, however, if there be an error, is on the right side.)

Mounted Police, Manitoba.....	200,000
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Elections	200,000
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Increased expenditure in Post Office Department	350,000
" Indians and similar purposes"....	200,000

(Not a very clear way of putting it.)

Stationery increase, and increase of indemnity to members.....	400,000
Miscellaneous charges, increase....	200,000

The Finance Minister warns us that the larger portion of these items is such as the Government has no control over; consequently forms part of a permanent increase in the expenditure of the country. It is certain, indeed, that the item of interest on the public debt will increase; for this year we have added nearly \$9,000,000 to the debenture liability of the country.

Of the increased income by far the larger part has arisen from the operation of the additional taxes imposed last year.

The imports and taxes derived from them have been as follows:

Total imports. Duties derived.	
1873.....	127,500,000 \$12,950,000
1874.....	127,400,000 14,325,000

These figures show most plainly that the duties levied cannot be considered excessive. A considerable proportion of our imports pay no duty at all, but taken all round the imports bear only a little more than 11 per cent. The rate for 1873 was a small fraction above 10. To put the matter accurately we should perhaps take the dutiable goods alone. Then we have the following result:

Dutiable goods imported in 1873	\$71,409,000
" " " " 1874	76,232,000

Taking the percentage on these figures we find them as follows:

For 1873.....	18.20
For 1874.....	19.00

These are probably nearly as heavy as the respective classes of goods can bear, so that any considerable additional of duty required must come partly from those now on the free list. The increase in excise duties is shown as follows:

1873.....	\$4,460,000
1874.....	5,594,000

The proportionate increase here cannot be easily calculated as we have no tables of total production.

The other items of increase are as follows:

Post Office Department—increase	\$300,000
(Increased expenditure thereon....	350,000
Public Works, including railways, increase	200,000

(Increased expenditure.....	1,120,000
a heavy drain indeed.)	

Interest on investments—increase	210,000
(This forms a set-off against the increased interest on the public debt.)	

Ordnance Lands—increase.....	160,000
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The variations in other items, some of which have increased and some decreased are only trifling. The increase altogether amounts to \$3,400,000.

Taken altogether, the exhibit for the year is satisfactory, in so far as this, that we have ended it with a considerable surplus. It is to be noted however, that whereas we have entered on an era of new largely increased expenditure, it is questionable if the trade of the country, for some time to come, will yield even as large a revenue as at present. By far the larger part of our income is from imports. The universal and concurrent opinion is that our imports for some time have been excessive. A decrease of \$10,000,000 or even \$20,000,000 would be by no means an impossible, or even an undesirable event: so far as the soundness of our trade is concerned. It is probable that the excessive imports of the last two years are largely represented by unsold stocks of merchants and retailers. This process of piling up unsold goods must have a limit. We believe our banks are carrying a far larger amount of unsold imports than ever before, and that one cause of the prevailing stringency is the demand for money,—actual money, let us bear in mind, —money available in the markets of the world to pay for them. Now if the stocks are excessive, as we firmly believe, the only remedy is to diminish imports, and this will diminish revenue. The revenue may fall off even to the extent of \$2,000,000 to \$3,000,000 from this cause.

The Finance Minister estimates that imports will yield a large increase this year over last, and he has had the benefit of a knowledge of the imports of six months of the current year on which to found his opinion. But we doubt whether the remainder of the year will bear out the increase. We shall not be surprised to see that the total custom's revenue is rather diminished than increased for the present year, and that this is a precursor of a still greater falling off in