

apparently undersell the world. Belgian agents are now traversing Canada soliciting orders for iron girders, which are being more and more used in good buildings, and in the supply of which it is doubtful whether any other nation can successfully compete. But if England once gives up her sheet anchor of Free Trade, the day of her industrial supremacy will be at an end.

New Brunswick lumbermen complain that the stumpage dues are excessive; and the fact that the receipts from them showed a decrease of \$24,000 last year would seem to show that they are not exceptionally productive. But the reply of the Government to a deputation of lumberers which asked for a reduction, was that the Government could not spare the revenue, and there the matter ends for the present. The lumber trade of the Province can ill afford to bear exceptional burthens; and if the experience of another year of this charge be unfavorable, perhaps the Government may, by that time, find some way out of the difficulty.

THE BUDGET.

On the whole, Mr. McLelan's budget speech creates a favorable impression. He was able to show that, if there had been no trouble in the North-West there would have been no deficit. Sir Leonard Tilley's estimate of revenue, taken in the bulk, was singularly accurate; but the unforeseen expenditure on the North-West insurrection made of no account the estimate on the other side of the account. The estimated revenue was \$33,000,000, and including the receipts from public lands, \$33,190,618 was received. For the fiscal year 1886-7, Mr. McLelan estimates a revenue of \$34,500,000, and an expenditure, before any supplementary estimates are taken into account, of \$33,124,555. This would leave a surplus of \$1,375,046, which is likely to be reduced by supplementary estimates.

The Minister does not assume that this increase of nearly a million and a half in the revenue can be obtained without additional taxes. Sugar is one of the things which will have to bear a heavier burthen. This is made possible, without additional taxes. Sugar is one of the things that will have to bear a heavier burden. This is made possible without serious inconvenience by the reduction in the cost of production of this article, which has for some years been going on. When we make our sugar from coal tar, a further reduction may take place. In another respect, we, as a creditor, certainly have been lucky; we have of late been enabled to borrow at a greatly diminished rate of interest. Still the interest account is an increasing item; since 1867, the increase, Mr. McLelan tells us, has been 23 cents per head of the population. This, the new Minister of Finance considers small; and no doubt we have something substantial in the shape of public works to show for the difference.

Mr. McLelan likes to take a long view of Canada's progress, if eighteen years may be called long, for this purpose. In that

time, he claims that Canada has increased in extent from 338,000 to 3,438,000 square miles, and in population more than fifty per cent. From the Pacific railway, Mr. McLelan claims that we gain international and geographical independence. A measure of independence we have obtained, but not absolute independence. Of course we can pass by rail through Canada from the Atlantic to the Pacific; but for practical commercial purposes we find it convenient sometimes to pass through parts of American territory, as the inhabitants of the States find it convenient to pass through parts of Canada. Commercial interdependence still exists; national geographical independence, as far as nature will allow, is achieved.

From Customs no great increase of revenue is anticipated. Mr. McLelan believes that the result of opening the Canadian Pacific railway to traffic will cause a declension of imports into Manitoba and British Columbia. The difference, he expects, will be made up by domestic manufactures. The construction of the Canadian Pacific Railway greatly swelled the imports, among other things to supply the wants of those engaged in the work. But many of these workmen, disengaged from this occupation, will take up other occupations; and the floating part of the population will seek similar employment elsewhere. In connection with the Canadian Pacific, Mr. McLelan was able to make an announcement which will be heartily welcomed by the country: arrangements have been made by which the \$20,000,000 loan by the government to the company, will be paid off, one half on the 1st May and the balance on the 1st July. This will be an achievement for which, when the loan was made, the most sanguine among us did not venture to hope. There was a general fear that the loan would be converted into a gift, and that repayment need not be looked for. If this result, now announced, could have been foreseen, there would have been practically no opposition to the loan.

The new Minister of Finance, like his predecessor, declares in favor of protection, and some of the alterations in the tariff appear to have that object in view. This is dangerous ground; and the necessity for raising more revenue comes in aid of the protectionist policy. The adoption of the polariscope test for sugar is a step in the right direction; it is the most reliable test known to science.

The change from *ad valorem* to specific duties is one which all nations make sooner or later. In England specific duties form the rule, and in the United States there is a strong tendency towards their adoption. Theoretically, *ad valorem* duties are the best and the fairest; they distribute the burthens of taxation more equitably than specific duties; but they open the door to uncertainty and fraud, and make uncertain the amount of revenue that will be credited. The exigencies of the public revenue are in the end every where felt to be imperative, and the form of duty which can most certainly be collected is finally adopted. The necessity may be regretted, but it must be recognized. In this particular, Mr. McLelan is only following the lead of the ad-

ministrators of finance in most other countries.

We miss in this budget speech one thing which we should have been glad to find. The country is entitled to an assurance that henceforth expenditures on Public Works will be limited, and that care will be taken not to incur burthens out of proportion to our resources. Hitherto we have been venturesome, wisely venturesome if you will; in future we must be prudent, and not increase the public debt beyond reasonable limits.

CREDITORS' ASSIGNMENTS.

The Ontario Legislature has just passed an Act amending the measure of last session relating to assignments for the general benefit of creditors. The principal change made is a saving from the effect of the clause against preferential securities and payments, the cases of payments of money to a creditor where, by reason of such payment, the creditor has lost any valid security which he held for the payment of the debt, unless the value of a security shall be restored to the creditor. And the case of securities given for a pre-existing debt, where by reason of such security further advances of money have been *bona fide* made in the belief that such advances would enable the debtor to continue his business and pay his debts in full.

Both these amendments were necessary. The first will prevent the injustice that might at any time arise from a creditor under the Act being compelled to restore a payment which had been made in the ordinary course of business and under circumstances where other parties, such as endorsers, liable for the debt, must necessarily have been discharged. The other amendment will affect banking institutions more directly than other creditors. They are frequently placed in a position where they may be ready to make advances of money provided an existing debt is secured, and under the banking laws they are often precluded from taking security for the present advance. If the transaction is in good faith this amendment will protect it; which is only a reasonable concession to the banks on this important subject.

Other amendments are also made by the Act in question; all in the right direction, although of less importance than those already referred to. By one of them the first execution creditor, though deprived of his lien for his judgment, is allowed payment of his costs in full. The third section provides for the filing of assignments in judicial and territorial districts. The fourth simplifies the mode of recording the transfer where a new assignee is appointed. Section five reduces the amount of advertising necessary, which will be a saving of expense. The remaining sections, six and seven, provide for the declaration of dividends and the sending to creditors of proper dividend sheets and statements of receipts and disbursements, which are right and proper provisions if only they can be enforced.

In another Act just passed, being the Attorney General's bill for "further improving the law," a provision is inserted