NEW LOAN FOR SASKATCHEWAN.

Province has Authority to Borrow Five Millions—Notes of its Financial Position.

Saskatchewan may shortly market another loan. The financing of this progressive province has been such that the new loan should find little difficulty in meeting a favorable reception. At its last session, the Saskatchewan legislature authorized the Government to borrow a sum not exceeding $5,000,000. It is not likely that the whole of this money will be borrowed at one time unless the market continues as it is at present, for an unexpected length of time.

The outstanding debts of the province, exclusive of the present proposed issue, are:—

Loan of £410,900, bearing 4 per cent. interest, due January 1st, 1949.

Loan of $100,000, bearing 4½ per cent. interest, due March 14th, 1914.

Loan of $300,000, bearing 4½ per cent. interest, due March 14th, 1919.

Treasury Bills, £200.000, due July 5th, 1910.

How Loans Were Expended.

The first loan, that of £410,900, was made for the purpose of meeting initial expenditures in connection with the erection of the legislative and departmental buildings at the seat of Government as well as the several court houses, gaols, land titles, offices and other public buildings required at prominent centres as a result of the establishment of the province in 1905. The cost of the construction of a number of permanent steel bridges at points of heavy traffic over the larger rivers in the province has also been defrayed out of this loan.

The second and third loans were made to provide funds for the construction of roads and bridges in advance of colonization requirements. The loans are small, made for short period, and will be met as they mature, by funds set apart annually out of current income for that purpose.

The issue of treasury bills was made to make temporary provision for the funds required to purchase the telephone plant of the Bell and other telephone companies in the province and to commence work upon the provincial telephone system authorized by the legislature. This issue will be taken up out of the proceeds of the present proposed loan.

What Present Proposed Loan is Required For.

The present proposed loan is authorized by chapter 3 of the Statutes of 1909, to provide for the cost of

(a) Public buildings and permanent improvements; (b) Purchase of ground and erection, furnishing and equipment of buildings for the University of Saskatchewan; (c) Constructing and extending telephone systems within the province; (d) The purchase of drainage district debentures under the provisions of the Drainage Act. The government of the province possesses direct assets to the value of $12,017,736.04 under the following classification:—

At credit of the capital account with the Dominion Government on which interest at 5 per cent. is being paid, $8,107,500.00; cash in hand (March 1st, 1910), $302,353.21; value of lands and buildings and public improvements, $3,607,882.83.

Provincial Lands a Valuable Asset.

The province also has a valuable asset in the endowment of lands set apart in 1872 by the Parliament of Canada as school lands. These lands comprise sections numbered eleven and twenty-nine out of the 36 sections comprising each township of land in the province. In other words one-eighteenth of the whole area of the province has been permanently devoted to the maintenance of Public schools. In all these school lands are about 8,000,000 acres in extent. The conditions surrounding this educational endowment, provide that the lands shall only be sold as they become valuable by contiguous settlement, the funds produced by such sales being retained as a trust by the Dominion on which interest at the rate of 3 per cent. is paid to the province. Until sold, the lands in the settled districts are often leased for grazing or other purposes, the revenues being handed over to the province.

Up to the present, 185,336 acres of these school lands have been sold, at an average price of nearly $11 per acre, the amounts of the purchase prices aggregating $2,005,977.40. Of this amount about one-third has been paid into the trust fund, the unpaid instalments bearing interest at 5 per cent., which is paid as collected to the province for expenditure in the interests of the Public schools. No sales have taken place during recent years, but arrangements are at present being made for offering 250,000 to 300,000 acres for sale during the coming summer under the terms of the Act. These lands are all situated in localities where the demand for lands in such as to lead to the expectation that an average price of not less than $15.00 per acre may be confidently anticipated. The steady increase in population will make it practicable and advisable to have other areas sold every year, in which event there is every reason to believe that an annual revenue at the end of the next decade of from $300,000 to $500,000 may be looked for from the school lands fund.

Revenues Partly Derived from Government Annual Grants.

The ordinary revenue of the province for the fiscal year which ended on February 28, 1910, was $2,454,248.68. These revenues are mainly derived through annual grants from Dominion funds under the arrangement authorized by the Act which established the province, as increased by subsequent amendments to the British North America Act. At present these grants are producing the following amounts annually:—

For the support of Government and Legislature, $180,000; on population (as estimated December, 1908, at 337,000) at 80 cents per capita, $269.600; allowance because the province on its establishment did not add to the debt of the Dominion and to offset Dominion taxation upon the people of the province on account of the Dominion debt created by the debts of the other provinces assumed by Canada, $405,375; on account of the retention by the Dominion of the beneficial interest in the public domain within the province, $375,000.

Resort has not yet been had to direct taxation for provincial purposes, so that no revenue is anticipated from any such source at present. For the current fiscal year (March, 1910, to February, 1911, both months inclusive) it is estimated that the revenue from licences, fees, etc., will amount to $1,225,000. This class of revenue is capable of large expansion, a result which will no doubt follow increase in population through settlement.

Revenue for Dominion Not Stationary.

The revenue from the Dominion is not stationary, but increases with population. The first item in the statement shown above will increase to $240,000 by successive stages as the population increases. The second item (on population) changes every 2½ years, varying directly as the population. When the population reaches 2,500,000 the rate per capita will drop from 80 cents to 60 cents upon further increments. These two changes are authorized by amendments to The British North America Act. Another series of additions to the revenue from the Dominion is provided for by The Saskatchewan Act, and affects the fourth item in the foregoing statement. Until the population reaches 400,000 there will be no change in the grant, which is at present fixed at $375,000. With the population varying between 400,000 and 800,000 the grant will stand at $562,500; between 800,000 and 1,200,000 the grant will be $750,000; and when the population passes 1,200,000 the grant will be $1,225,000 annually.

The maximum annual grants, therefore, payable at the provinces out of the Dominion revenues will be:

Government and legislature, $240,000; population, indefinite, depending entirely upon population, ——; debt allowance, $405,375; in lieu of lands, $1,225,000.

The financial position of Saskatchewan is altogether very gratifying.

RUBBER COMPANIES MERGE.

The Goodyear Tire and Rubber Company, of Canada, Limited, with head office in Toronto, operating under a Dominion charter, has purchased the Durham Rubber Company, Bowmanville, and now has possession of its plant. The new company has let tenders for additions to machinery and buildings and intends to increase the power plant at Bowmanville. All the lines made by the Durham Rubber Company will be added to by the Goodyear Tire and Rubber Company, of Canada, Limited, including a complete line in automobile cases and tires, carriage tires, motor truck tires, motor cycle tires, and tire accessories. All the tires will be made on the Goodyear machines and the equipment will be modern.

Last year the Goodyear tires had 41 per cent. of the tire business in Canada and will have 58 per cent. of the manufacturing business for 1911.

The directors of the Goodyear Tire and Rubber Company, of Canada, Limited, are: President, Mr. F. A. Reiberling, Akron, Ohio; vice-president, Mr. L. C. Van Beder, Toronto; secretary-treasurer, Mr. C. H. Carlyle, and Messrs. G. M. Stadlenum, E. W. Litchfield, and W. E. Cavanagh. Branches will be established at Montreal, Winnipeg, Vancouver, Toronto, and agencies in all the important parts of the Dominion.

The sales and mechanical end of the business will be under the direction of Mr. P. D. Saylor, formerly of the Tire and Rubber Goods Company, of Hamilton, and Canadian Consolidated Rubber Company.

The firm of Messrs Gault Lloyd-Jones & Company Montreal, has been dissolved by mutual consent and the business will be carried on under a new partnership composed of Messrs. F. Chattan Stephens and Reginald Gault, under the name of Messrs. Gault, Stephens & Company.