dollars more than during the corresponding months of the preceding year. The grave financial problems that confronted the Fathers of Confederation and their immediate successors have in large measure already disappeared with the growth of Canada. Not that increasing prosperity does not bring with it new problems in national finance. There are dangers inherent in conditions of plenty as well as in times of straitened resources. The prospect of steadily increasing revenues would be no justification for entering upon an era of reckless public expenditure. The mere showing of a current surplus year by year would mean little, if overbalancing increases were continually made to the public debt. It is a matter of gratification that the revenue surplus over current expenditures during the past nine months has been large enough to make possible the reduction of the national debt by nearly fourteen and a half millions of dollars. This result is the more notable when it is borne in mind that since confederation all previous reductions of debt by the use of surplus revenue amounted altogether to less than this sum. At March 31, the net debt of the Dominion stood at $252,576,841, the reduction for that month alone being over two and a half million of dollars. The expenditure on capital account for the nine months was $10,385,690 as compared with $9,146,337 for the corresponding period of 1905-6. Below is given a summary of the revenue and expenditure on account of consolidated fund.

Revenue—	1906.	1907.
Customs	$33,614,880	$39,212,990
Excise	10,387,891	11,630,879
Post Office	4,175,045	4,689,213
Public Works, including railways	6,031,820	6,794,632
Miscellaneous	2,805,924	3,486,741
Total	$57,015,562	$65,814,457
Expenditure	$41,706,380	$41,858,739

It is to be remembered, of course, that all the foregoing statistics are for nine months only, owing to the close of the fiscal year having been changed from the last day of June to the last day of March.

Budget Showing of Newfoundland.

The annual budget speech of Hon. E. M. Jackman, Finance Minister of Newfoundland, gives evidence on the whole of a most prosperous year. Indeed, each year of the past seven has seen a surplus in the fiscal transactions as follows:

1900	$258,602
1901	35,629
1902	64,060
1903	120,347
1904	157,835
1905	130,254
1906	69,569

Of these amounts about half a million dollars has been deposited with the Bank of Montreal as a special reserve fund against possible hard times. In the seven years, the island's imports have increased by nearly $3,000,000 from $7,500,000 to $10,400,000, while the exports have grown in the same interval from about $8,600,000 to over $12,000,000, an increase of almost $3,500,000. From Canada the country bought $3,521,000 in 1906, but the exports to the Dominion were small, its fish and other products going farther afield.

Bank of England Rate Reduced.

As we go to press it is reported that the private rate of discount in London, has in some instances gone as low as 4 p.c. The report is confirmed also that the Bank of England has reduced its rate from 5 p.c. to 4½ p.c., there being no longer any apparent danger of America taking gold from the London market, in view of easier money conditions in New York and the resultant advance in sterling rates. This condition clears away the prospect of American competition in the bank's securing of fresh gold arrivals from South Africa. The last week's statement of the Bank of England was not so favourable as it would have been, on account of withdrawals and expansions of loans in connection with the April settlements. It is expected that the statement for this week will be considerably more favourable. Some contrast to the easier money conditions of New York and London markets is afforded by the outlook in Berlin and Paris. There is still discussion as to a possible further advance upon the 3½ p.c. discount rate of the Bank of France. The Paris Journal des Débats recently referred somewhat pessimistically to general market conditions as follows: "To appreciate fully the situation one must keep in view, not only our own market, but the whole group of the world's great markets. Everywhere there has been excessive indulgence in speculation and too great increase in the supply of stocks afloat in the market. Such a situation has, in fact, no other solution than a fall in prices, sufficiently severe to attract real capital again.

"The question of money rates is at the present moment relegated to second place. The main preoccupation everywhere is the carrying through of the necessary liquidation."

Arguing that the immediate continental outlook is considerably less favourable than that of Britain and America, the London Times urges that the Bank of England move cautiously until its reserve has been raised to a more satisfactory level.