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THE MONETARY TIMES,
AND TRADE REVIEW.

TORONTO, CAN., FRIDAY FEB. 12, 1875

THE FINANCIAL POSITION OF
CANADA.

Several of the Departmental reports have been laid before Parliament with commendable promptness. These include the Public Accounts, the Trade and Navigation, and Inland Revenue. It is important to have these reports promptly laid before Parliament when it meets, so that the people's representatives may have sufficient time to fully examine and express their opinions upon their contents.

The Trade returns for 1873-4, we need scarcely say, have already been laid before the readers of the TIMES—at least the totals of the year's operations were given by us some weeks ago. We shall hereafter, as occasion offers, have something to say of the details, for everything that relates to our commerce is of interest to the public. We propose, however, at this time, to confine our remarks to the financial results of the year and the position of our Public Debt, as exhibited by the Public Accounts.

The total receipts of the Dominion from all sources during 1873-4 (the year ending 30th of June last), were \$39,930,791. This large sum was derived from the following sources:—

Consolidated Fund.....	\$24,205,092.54
Loans.....	14,103,599.78
Premium and discount on Loans	384,327.14
Open accounts.....	1,237,772.19

Total..... \$39,930,791.65

The expenditure of all kinds—that is on capital account as well as all other services—was \$36,524,876. Of this sum, \$3,858,259

were used to redeem portions of the Public Debt which fell due during the year, and \$9,253,787 were expended on Open Accounts, the greater portion being for public works.

To ascertain how the ordinary revenue balanced the ordinary expenditure of 1873-4, it is necessary to confine ourselves to the receipts and expenditures of the Consolidated Fund. These were as follows: revenue, \$24,205,092, and expenditure \$23,316,316, which would show a surplus on the year's operations of \$888,776. The point whether there would be a surplus or not during the year, excited considerable discussion last Session. The Hon. Mr. Tilley during the previous Session had predicted, in making his Budget Speech, that there would be a moderate deficiency, and Hon. Mr. Cartwright took a still more unfavorable view of the subject; and it is now difficult to say whether there would have been or not, provided no changes had been made in the Tariff during last Session. The increased duties no doubt added to the receipts of the Exchequer, and the very fact that the Tariff was to be changed, led to large quantities of articles, more particularly excisable articles, being taken out of bond in anticipation of higher duties being imposed. Whether there would not have been a deficit, had the Tariff been left untouched, is a knotty problem.

To bring clearly into view the manner in which the ordinary income and outlay of the Dominion have increased since Confederation took place, we annex the official statement given of each. It is as follows:

	REVENUE.	EXPENDITURE.
1867-8.....	13,687,928	13,486,092
1868-9.....	14,379,174	14,038,084
1869-70.....	15,512,225	14,345,509
1870-71.....	19,335,560	15,623,081
1871-2.....	20,714,813	17,589,468
1872-3.....	20,813,469	19,174,647
1873-4.....	24,205,092	23,316,316

For several years past the revenue has exhibited extraordinary buoyancy. This has been caused by the general prosperity of the country, and partly by the great number of railways and other public works being prosecuted, which necessitated large importations of various kinds. The country, however, has been borrowing largely abroad. This remark applies to Municipalities as well as to the Government, and now that many of the public works under construction (such as Railways) are being completed, and capital begins to flow out of the country to repay the principal and interest of these loans, it will not be surprising if the public revenue should not prove quite so elastic for some time in the future as in the past.

The gross amount of the liabilities of the

Dominion is shown to have been on the 30th of June last, \$141,163,551. Deducting from this the available assets—mostly all of which, we think, can be relied upon as good—which are set down at \$32,838,586, the nett amount of the liabilities of the Dominion would appear to be \$108,324,964. This is probably not a very burdensome Public Debt, but it is large enough for 4,000,000 of people, and its increase since Confederation has been pretty rapid. The nett amount for each year since the Union was as follows:—

July 1st, 1867.....	\$75,728,641
" 1868.....	75,757,134
" 1869.....	75,859,319
" 1870.....	78,209,742
" 1871.....	77,706,517
" 1872.....	82,187,072
" 1873.....	99,848,461
" 1874.....	108,324,964

During the last three years, it will be observed, there was an increase of \$30,618,447. This increase is due mainly to the Intercolonial Railway, the North-west, the admission of British Columbia and Prince Edward Island into the Union, and the assumption of the old Province of Canada. The country may consider the increase of the Public Debt during the past three years, however, as only a foretaste of what is to come. The Dominion is committed to expenditures which must, of necessity, before they are completed, largely swell our indebtedness. We are pledged to the improvement of the St. Lawrence navigation, estimated to cost about \$30,000,000; the Bay Verte Canal, which cannot cost less, we fancy, than \$6,000,000; and to the construction of the Pacific Railway—and who can tell how much less than \$100,000,000 that will require, or if it will not be more? Of course, these great works cannot be finished before many years, during which time we hope Canada will grow greatly in population and wealth. But after making due allowance for such contingencies, we fear our public indebtedness will be pretty burdensome before ten years pass.

However, these improvements must go on. We believe public works, wisely undertaken, more than repay the money invested, not directly but indirectly. But it is questionable if Parliament has not of late years been too ready to bind the Dominion to immense undertakings, which may yet prove troublesome for a sparsely-populated country like the Dominion to pay for. There is, at any rate, necessity for caution in this respect, for assuredly nothing would prove more injurious to Canada than to have to impose heavy taxation in order to keep faith with the public creditors.