

with the Brazilian Government undertakes to maintain Brazilian coffee at a high selling price. This week 600,000 bags were sold in Europe and the United States. The sales were apparently accomplished without difficulty.

Call loan rates in the Dominion are still quoted at 5 to 5½ p.c. Further complaints have been heard regarding the difficulty of borrowing money. As mentioned in last week's article, the Porcupine craze gets credit for intensifying the stringency. It is said that large sums have been withdrawn from brokers' accounts for the purpose of speculating in the shares of companies operating in the new gold camp. However, it cannot be said that the market value of the representative Canadian securities has suffered materially as yet from the monetary stringency. A number of the speculative favorites show a tendency to rise, and doubtless they would make better progress if bankers' credits were to be had with less difficulty. As regards the strong upward movement in Canadian Pacific that, of course, is independent of monetary conditions in Montreal and Toronto. While there are a few transactions in this stock on the local markets the bulk of the trading occurs in New York and London. And nearly all of the borrowing is done in those outside markets. If a broker borrowed on C.P.R. stock in Montreal or Toronto he would have to pay 5 p.c. interest. As the stock is acceptable as collateral in New York and London a great saving in interest is effected by borrowing on it in one of those centres.

CANADA'S BUDGET.

Surplus on Revenue Account of \$30,500,000—Net Increase of Debt, \$3,900,000—Wire Rod and Iron and Steel Bounties not to be Renewed.

Mr. Fielding's Budget speech on Tuesday took little time—it was all over in forty minutes—and was in itself lacking in sensation. The most interesting announcement was made not in the speech at all, but subsequently, in answer to a question, that the bounty on wire rods, which expires on July 1 next will not be renewed by the Government, and that the bounties on pig iron and steel, which expired on December 31 last, likewise will not be renewed.

As was pointed out, owing to the large extent of Canada, some weeks must pass before it is possible to say what were the actual results of the year which closed on March 31. But Mr. Fielding believes that he has been able to make a fairly close estimate. The figures of revenue he gave are as follows, those for 1910-11, of course, being estimated:—

	1909-10.	1910-11.
Customs	\$60,156,133	\$72,704,000
Excise	15,253,352	16,651,118
Post Office	7,958,547	8,642,099
Dominion lands	2,885,995	3,023,872
Railways	9,647,550	10,368,596
Miscellaneous	5,602,126	3,276,558

This represents an increase in revenue during 1910-11 in comparison with 1909-10, of about \$16,000,000, and Mr. Fielding expressed the opinion that when the final accounts are made up, the increase will be found to be greater than this.

Expenditures on account of the consolidated fund are estimated at \$87,000,000, an increase over 1909-10 of \$7,500,000. This account has this year been

charged with several expenditures which formerly were charged to capital account. The surplus of revenue over expenditure on account of the consolidated fund is about \$30,500,000.

On capital account, the principal expenditure was that, of course, upon the National Transcontinental. This absorbed \$24,000,000. Capital expenditure on public works, railways and canals, subsidies and bounties is about \$11,500,000, making a total of \$35,500,000. The net increase in the debt of Canada for the year has been \$3,900,000.

The country's debt as at March 31 last, was \$340,108,548 or taking the census department's estimate of the population, \$43.60 per head, against \$43.0 twenty years ago.

Mr. Fielding referred to the loans, pointing out that all heavy liabilities had been cleared off and no temporary loan was now outstanding. Sinking funds, which had been abolished since 1885, had been re-established, not that it was impossible to obtain these loans unless such sinking funds were attached, but because it was deemed more convenient and advisable to return to the old policy. Sinking funds would, therefore, be attached to all loans hereafter.

On the subject of bounties, Mr. Fielding stated that during 1910-11 the sum of \$1,404,366 had been paid out as follows:—

Pig iron, \$261,474; steel, \$350,456; manufactures of steel, \$468,461; lead, \$138,913; manilla fibre, \$37,285, and petroleum, \$147,814. The total amount of bounties paid for the previous year was \$2,414,171, and since the inception of the bounty system, \$21,031,700 had been paid out. The bounties on pig iron and steel puddled bars expired on December 31 last, the bounty on wire rods expires on July 1 and the lead bounty in June, 1913.

Mr. Fielding was optimistic in regard to the coming fiscal year. He saw no reason, he said, why it should not be as prosperous as its predecessors. The revenues promised to be buoyant, sufficient to pay all ordinary expenditures, and a fair share of the capital and special expenditures. The prosperity of Canada depended so much on agriculture, and it was too early yet to prophesy anything about the crops, but he had no reason to believe that the bountiful harvests of the past years would be denied. A better class of immigrants, more desirable in every way, was coming in, and the Department of the Interior was adopting the policy of "quality rather than quantity." The prospects for capital investment and increased population so necessary for the development of the country were unexcelled.

CONSOLS AND OVERSEAS STOCKS.

The Real Causes in the Fall in Consols—Will the Same Influences Affect Overseas Stocks—Some Important English Developments.

(Exclusive London Correspondence of The Chronicle).

One of the most interesting debates of recent years has been upon the causes which have led to the decline in the price of Consols. From being regarded as the safest security in the world, the first and last resort of the trustee in difficulties, Consols have become what may almost be described as the most speculative security in the world. The day of the "sweet simplicity of

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