

but against an adverse balance of forty or fifty millions in two years, he is only able to set, in figures, some five or six millions of return freights to ship-owners. [We are sure this explanation could not have been satisfactory, even to Hon. Mr. Tilley himself. If his view be correct we should be thankful for an explanation of the drain of gold with which we are constantly threatened. Were it not for the money that is coming into the Dominion as the proceeds of loans effected this drain would soon become so urgent as to tax even more than at present the ingenuity of the Government in order to retain their legal tender reserves. Why is it that in 1868-9 the balance was only about one and a-half millions? It is impossible that there could be in two or three years so marked and rapid a development of our resources as to be a set-off against such unprecedented and, as we believe, excessive imports. The fact is beyond doubt that this country still owes for a large portion of the balance against us; that debt may have assumed the form of or been substituted by discounted paper received for the sale of these goods to retailers and jobbers; but still the debt is unpaid. While an important distinction must be drawn between foreign purchases of necessary and useful articles and purchases of mere luxuries, yet with reference to the immediate settlement the one requires gold or its equivalent in commodities as well as the other. It is useless to deny that for whatever articles incurred, the balance against us on the transactions of two years is large, and the settlement of it, out of the ordinary sources of payment, would be most inconvenient. Making every allowance for return freights to ship-owners, money brought in by emigrants, and other items which go to our credit, a large balance must still remain.]

Let us not be understood to say that we have not the means of settling our balances and honoring our obligations. We pay, and Hon. Mr. Tilley has shown us how. The recent sales of exchange by the Government; the large amount of municipal and railway bonds placed in London, all go to swell up the account, and to prevent the demand for gold which would otherwise exist. And if Hon. Mr. Tilley's glowing anticipations respecting the next ten years are realized, it will be because we are converting large floating into permanent debts; and thus postponing to the future a settlement which at the present it would be difficult to make. We are not only doing this, but propose to make the boundless tracts of the North-West—hitherto waste and unproductive—the basis of a credit, for that is what it amounts to, reaching

millions, the whole of which money will be brought into the country and expended amongst us, and will act as a set-off to our foreign balances for years to come. Living upon borrowed money is something that cannot last; it is necessarily an exceptional state of things. To overlook this fact is the mistake of a spendthrift. We have fairly entered upon an era of money-spending for which the past history of Canada forms no parallel.

At the present moment Canadians are a lightly taxed people. This is not so much due to economy or frugality as to the fact that we have not been embroiled in expensive wars; for a people blessed with almost uninterrupted peace, we are taxed heavily enough. Still, there is no doubt of our ability to bear heavier taxation, and that our people would readily submit to, providing the money is honestly expended in working out our manifest destiny—in realizing the bright anticipations that already seem so nearly attained.

The estimated expenditure for the next fiscal year is \$30,894,089, nearly ten millions of which will be charged against capital, and the estimated income \$20,826,849. It is expected that about \$60,000,000 will have to be borrowed; \$25,250,000 of this amount will have the Imperial guarantee, and can be borrowed at 4 per cent; the balance will cost 5 per cent. The interest on this new debt, with expenses of management, will involve an additional charge on the revenue of \$3,367,400. It is expected that the increase of population and taxable wealth will be sufficient to meet this charge at about the present rate of taxation; but should it not, it is believed that the present rate of taxation may be sufficiently increased without imposing an insupportable burden upon the taxpayers of the Dominion.

#### COMMERCIAL LEGISLATION.

Two or three measures of much importance in their bearing upon commercial or trading interests were introduced by members of the Dominion Government during the past week. One, by Hon. Dr. Tupper, relating to weights and measures, was explained by him to the House in a clear manner, and a synopsis of his remarks are given under another heading. It will be observed that standards of length are to be adopted which will be authoritative for the whole Dominion. A standard measure of capacity has also been fixed upon, and in that respect a somewhat important change has been made, in substituting for the wine gallon the imperial gallon—a measure of greater capacity. In justification of this change the fact is appealed to that the great bulk of our trade

in liquors and other substances that are sold by liquid measure, is carried on with Great Britain. As grain is sold wholly by weight and not by measure this change will not create any difficulty in our grain trade, which is carried on chiefly with the United States. The use of Troy and avoirdupois weights will be placed under strict regulations, to be enforced by an inspector, who is to be attached to the Inland Revenue Department. So far as we can judge of the bill by the explanations given we regard it as a practical and useful one that ought to pass into law.

Hon. Peter Mitchell presented two measures affecting our shipping interests that were well received by the House. We are without a doubt that no man in the Commons so fully understands this class of questions as Mr. Mitchell; and his measures will be of the utmost service in controlling and regulating our maritime affairs. One bill provides for the appointment of harbor commissioners at the sea-ports of the Maritime Provinces. Without these officers the protection of the harbors and the enforcement of regulations is not considered possible. The objection that these commissioners should be appointed by the local boards of trade was effectively silenced by stating the fact that no such bodies exist at many of the seaports. Another bill provides a remedy for the practice of loading grain in bulk, which was carried on at Montreal to such an extent as to be the means of causing a large number of shipwrecks last season, with loss of life. It has been found that the penalty for loading vessels contrary to the instructions of the port-warden—which we believe is a fine of \$40—is altogether inadequate. Masters would load in defiance of orders and proceed to sea after paying the fine. Mr. Mitchell proposes to increase the fine so as to make it too heavy to pay as the price of breaking the law. The passage of these useful and necessary measures will be good evidence that the vast importance of our commercial interests is not being overlooked or neglected by the Government.

#### BANK OF BRITISH NORTH AMERICA.

A statement of this Bank's operations last year has been issued. After paying an 8 per cent dividend out of the net undivided profits which amounted to £202,000 stg. there remained a sum of £117,000, after treating all doubtful debts as bad. Out of this amount the reserve will be so largely increased as to bring it up to the minimum refused by the banking law to be held by a bank, in order to enable the directors to declare more than an 8 per cent dividend.