

panies organized, of which 3,327 went promptly into liquidation, and 1,564 were struck off the Register before their organisation was complete. The capital involved in these wholesale liquidations in 1897 was \$267,738,000, and in 1898 \$333,501,000. The total capital of companies liquidated from 1894 to 1898 was \$1,215,650,000. It is estimated that the total loss resulting from these liquidations in past five years was \$558,900,000. The Inspector classifies the causes of the numerous failures of joint stock companies under four heads, which may be thus summarized, reckless organization without adequate knowledge of the business proposed to be established or bought; the acceptance of illegal pecuniary benefits by the promoters; the using of incompetent directors as tools by a wily promoter, and the irregularities of directors. One class of company that has an especially disastrous record is that formed to purchase patent rights. This class of company usually puts out a most glowing prospectus, it promises fabulous dividends, and the list of a large number of these now before us shows them to be an especially risky form of investment. A large proportion of the companies that came to grief in the last five years were those with small capital, that were organized to take over a trading business. Many such businesses were prosperous, but, when capital was raised to five times that already engaged in the business to be taken over, of which a large share went to a promoter, and to buy out a proprietor at his own price, the new company naturally soon went into liquidation. The enormous aggregate losses, as above stated, amounting to \$558,900,000, are individual losses, the capital has not been destroyed, as it is by fire or war, but has been transferred to other lands, redistributed as it were. That, in five years, joint stocks companies in England with a total capital of \$1,215,650,000 should have gone into liquidation quietly without causing any stir in the money market affords a marvellous exhibit of the monetary resources of the old country.

#### PUBLIC ACCOUNTS CAPITAL DEPARTMENT, 1899.

The statistics we gave in a recent issue related exclusively to those that are classified under the heading "Consolidated Fund," which comprises the ordinary public revenue of the country, and those expenditures required for meeting the interest and charges on the public debt, and the maintenance of the departmental services. The outlays on Consolidated Fund Account are only partially under the control of the Government of the day. If they exceed the revenue for same year, there is a "deficit;" if they fall below it there is a "surplus," and the balance either way is transferred to the capital or debt account. Thus, we find in the Public Accounts "Deficits" ranged under the schedule of "Items which increase the Debt," and, under "Items which decrease the Debt," we find "surpluses." Since 1868 there have been 12 years with each a deficit, aggregating \$23,069,589, and 20 years each having a surplus, the total being \$46,433,530. The gross excess of surpluses since 1868 over deficits is thus shown

to have been \$22,363,941, which sum has been transferred from the ordinary revenues of Canada towards meeting expenditures of a capital nature. The several amounts expended on Railways and Canals, for other Public Works and purposes, chargeable to capital Account, in 1899 and preceding three years are detailed below:—

	1899.	1898.	1897.	1896.
SERVICE	\$	\$	\$	\$
Canals.....	3,899,877	3,207,249	2,348,636	2,258,778
C. P. R.....	8,118	692	14,054	65,669
Allowed to Prov....	267,026	.....	.....	.....
Dom. Lands.....	151,212	127,504	91,411	82,184
Govt. Railways.....	1,081,929	252,755	190,569	260,395
Public Works.....	325,236	198,936	129,237	114,825
Ottawa Bldgs.....	59,357	165,082	.....	.....
P.E.I. Railway.....	22,000	17,541	.....	.....
North W. Terrs....	1,853	1,272	3,284	542
Militia.....	387,810	173,740	745,964	1,000,000
Totals	6,201,515	4,142,231	3,523,160	3,781,311
Access over	.....	.....	.....	.....
Preceding year....	2,059,284	619,371	.....	.....

The several items which, in the aggregate, constitute the gross liabilities of the Dominion, stood as follows in 1899 and three preceding years:—

	1899.	1898.	1897.	1896.
	\$	\$	\$	\$
Debt pble in				
Lond.....	227,958,836	227,958,836	218,225,503	218,225,503
Debt pble Can.	8,812,866	8,992,958	9,188,638	9,708,835
Dom Notes ..	24,236,466	22,178,193	22,318,096	20,372,215
Prov. " "	39,429	39,429	39,438	39,475
Savings Bks...	50,241,715	50,111,118	48,934,975	46,799,318
Miscellaneous..	2,615,289	2,241,944	2,140,403	1,903,651
Temp'y. Loans	3,893,333	.....	4,866,866	1,946,666
Trust Funds..	10,690,677	10,446,967	10,409,788	10,314,883
Prov. Accts'..	16,722,686	16,406,434	16,406,720	16,406,986
Totals.....	345,160,992	338,475,984	332,530,131	325,717,536
Totals Assets	78,887,455	74,419,585	70,991,534	67,220,103
Net Debt....	266,273,447	263,956,399	261,538,597	258,497,433
Increase over	.....	.....	.....	.....
Preceding Year	2,317,048	2,417,802	3,041,164	5,422,506

The net debt in each of the four years before 1896 stood thus:—

	1895.	1894.	1893.	1892.
	\$	\$	\$	\$
Net Debt.....	253,074,927	246,183,029	241,681,039	241,131,434
Increase over	.....	.....	.....	.....
preceding year	6,891,898	4,501,990	519,605	3,322,404

The above statistics show the several annual amounts by which the net debt has been increased since 1891, the total of which aggregates an increase of \$28,464,417. During the same term of 8 years, 1892 to 1899, the expenditure on Canals alone amounted to \$20,726,833, on Railways \$3,980,808, on Public Works \$1,603,889, on the Militia \$2,307,515, those four items amount to \$28,619,045, which exceeds the total net increase of the Debt in those 8 years by \$154,628. The canal expenditure since 1891 is responsible for 72.8 per cent. of the increase in the net debt in that period. There is, therefore, no mystery as to the main purpose for which the debt has been increased. Since 1891 the rate of interest on the net debt has declined from 2.93 per cent. to 2.68 per cent., which, practically, effects a reduction of the debt in the same proportion. The increase of the Dominion debt in recent years may be viewed with complacency in view of the expenditures by which it was caused, having placed our unrivalled waterway in a condition to facilitate the necessities of transportation now that so enormous a volume of produce is seeking an outlet to the sea along the Canadian route.