

At the time of writing there is no certainty that any will come and even if optimistic forecasts of those who say that 5 millions is coming are borne out by events, this is no more than will suffice to give the bank's present attenuated stock of the metal more comfortable proportions. Certainly it is not too much. In many quarters somewhat pessimistic views are becoming current that unless the bank can obtain, in the near future, substantial quantities of the metal, the directors will be compelled to put up their official rate to 5 per cent.

Five per cent. is admittedly a possibility. About a million of the metal was in the market on Monday, and it was at first reported that the bank had been able to secure one-half at the standard price of 77s 9d. It now appears, however, that Russia and India will commandeer considerably more than one-half of the million between them so that the bank's share will be less than had been anticipated.

#### The National Deficit.

Having come at length to the end of the financial year we are now in possession of what may usefully be described as the ultimate figures of the deficit in the national finances caused by the non-passing of the budget of 1909-10 into law. Twelve months ago Mr. Lloyd George budgetted for an expenditure of £162,102,000 and a revenue of £162,590,000, whereas the actual results have been as follows: Expenditure, £157,944,611; revenue, £131,696,456; deficit £26,248,155. There is a shortage of over 30 millions in revenue in comparisons with the estimates. The principal loss, is, of course, in income tax, which was estimated to produce £3,470,000 more than in the financial year 1908-9 and has actually produced £20,635,000 less. The realized deficit too, would have been four millions larger had it not been for the latest raid upon the sinking fund, which has the effect of making a technical reduction in expenditure.

This realized deficit, of course, might have been substantially less had the Government passed the Income Tax resolutions, as it was suggested they should, in February, and their refusal to do so in the interests of the agitation against the Lords is costing the country a pretty penny in interest. The Editor of the Bankers' Magazine this month has a powerful plea for the removal of the finances of the country. So far as such a removal is possible, from the completed sway of mere party interests, to the control of a body similar to our committees of National Defence, "whether," he writes, "the restraining and adjusting influences are to be obtained from a Second Chamber or from a financial committee of experts, selected irrespective of political opinions, the future must determine, but whoever can devise greater statesmanship and less politics in the conduct of the national accounts, will have accomplished a reform that is absolutely essential if the best traditions of British finance are to be maintained and if public confidence in British credit is to be restored.

The suggestion is an interesting one and undoubtedly voices the views of a very influential section of city opinion, but it is Utopian. To ask a political party to give up the use of what in these days is its most potent weapon, the power of the purse, is to ask too much of human nature. That the step suggested would be extremely

desirable (if it is practicable) no one who has watched the party tactics of the last few weeks on the subject of the national finances is likely to deny. They have been little short of disgraceful. By the way, the new issue of Exchequer Bonds is standing at five-sixteenths discount. Cheerful this for the country whose credit is "the best in the world."

#### Some More New Issues.

The New Zealand loan is now out—£1,850,000 3½ p.c. debentures at 98½, redeemable at par in 1915. There is an unusual provision in the prospectus that those subscribers undertaking to convert their allotments when fully paid into 3½ p.c. inscribed stock (at the rate of £102 stock for £100 debentures) will receive preferential allotment and further, those paying up in full and converting on or before June 1st, will receive a full six months interest on July 1. Messrs. Speyer Brothers are issuing to-day \$5,000,000 of Vandalia RR. 4 p.c. bonds at 100½. The line is controlled through stock ownership by the Pennsylvania system. Several other big issues are expected including 1¼ millions 4 p.c. Grand Trunk Pacific bonds at 98½ with the guarantee of the Province of Saskatchewan.

The rapid rise yesterday in Grand Trunk junior issues was the result of steady buying on a market bare of stock. The ordinary went up to 27½ closing at 26 15-16, a rise of ¾, and the third preference 1¼ to 63¼ having touched 63½.

Two interesting continental operations which are on the tapis may be noted. Hungary is shortly borrowing 4½ millions in 4 p.c. Crown Rentes and later on in the year proposes to raise another loan of 20 millions. The first loan will be raised in Berlin and Austria Hungary; for the larger one the aid of Paris also will probably be secured. The Italian Government has under weigh, a 20 millions 3 p.c. internal railway loan, which it hopes to place at par. Bonds will be for as small amounts as £4, and it is anticipated that with these available, the new loan will become as popular a security as the Rentes which are now very widely held in small amounts. The cultivation of the small investor has, in fact, had a most healthy effect upon Italy's credit, the flourishing state of which may be judged from the mere fact that a 3 p.c. issue at par is seriously proposed and apparently will be successfully carried out.

#### Canadian Land.

The Western Canada Land Company's report, out this week, suggests that the company has not had a very active year. Only 4,371 acres were sold at an average price of \$8.67 per acre, which compares with 9,693 acres at an average of about \$9.18 for the preceding 18 months. Since the close of the financial year, however, the board have made arrangements to sell 200,000 acres over a period not exceeding four years at an average price of \$8.25 per acre. In order to develop their property of 436,612 acres the board are initiating active development of local industries and, additionally, are acquiring a coal field in the immediate vicinity of the company's lands. They propose to spend £200,000 on the purchase and equipment of these mines for an initial output of 300,000 tons a year estimated to yield net profits of £45,000