

THE ACCOUNTS OF THE PROVINCE FOR 1864.

THE Hon. Mr. Galt, Minister of Finance, has issued from the statistical branch of this department, a small tract of 16 pages, containing "statements explanatory of the Financial Position of Canada, and a comparison thereof with the position of the other British North American Colonies." It contains information relating to the Revenue and expenditure of this Province for 1864, and to the state of its affairs on the 31st December last, which we have not met with elsewhere. The following are given as the Payments and Receipts for the twelve months ending December last:—

PAYMENTS.		1864.
Interest on Public Debt, Charges of management, &c.	\$	4,126,817
Redemption of Public Debt.		3,957,740
Civil Government, including Pensions.		478,198
Administration of Justice, including Prison Inspection, &c.		840,510
Legislation.		379,963
Education, Grants to Literary Societies and Geological Survey.		492,392
Hospitals and Charities.		299,831
Militia and Enrolled force.		317,061
Agricultural Societies, Grants to.		110,019
Public Works and Buildings, Rents and Repairs, Roads and Bridges, Steam and Coast Service.		1,998,107
Redemption of Seigniorial Rights.		199,699
Advances and Payments to Subsidiary Lines		12,290
Municipalities Fund.		104,110
Indian Fund and Indian Annuities.		168,420
Minor Payments.		262,802
Collection of Revenue.		1,408,093

\$ 14,544,38

RECEIPTS.		1864.
Customs.	\$	6,664,826
Excise.		890,814
Post Office and Ocean Postage.		664,946
Public Works and Provincial Steamers.		429,810
Territorial.		594,946
Interest on investments, Prom. and Disc't.		319,487
Minor Revenues of the Consolidated Fund.		365,410
Miscellaneous Receipts on open Accounts.		320,620
Debentures and Stock.		4,364,682
Sales of Public Works and Buildings.		15,646
Municipal Loan Fund.		174,850
Bank of Upper Canada Special Account.		236,697
Miscellaneous guaranteed, and Advance Accounts.		165,018
Municipalities Fund.		164,606
Education, and School Funds.		189,918
Indian Fund.		176,698
Minor Trust Funds.		88,107

\$15,526,549

To arrive at the correct amount of the Revenue and Expenditure of a country, it is of course necessary to deduct from the one the moneys realized by the sale of Debentures or Stock, and from the other the amount of Debt repaid. Mr. Galt does this, and arrives at the following figures as to Ordinary Revenue and expenditure of the last four years:—

	Revenue.	Expenditure.
1861.....	\$ 9,899,275	\$ 12,008,962
1862.....	8,408,444	11,116,092
1863.....	9,760,816	10,742,807
1864.....	11,171,967	10,587,142

The last year is thus the only one of four during which there was a surplus of revenue, while the deficit of the four years was, in round numbers \$5,200,000, or on the average, \$1,300,000.

It becomes interesting to enquire whether the Province can bear such an annual addition to its debt; and Mr. Galt's pamphlet enables us to form a conclusion on this point. He gives as the net funded debt, in 1861, \$58,173,020, and estimates the population to have increased since then from 2,596,200, to 2,891,900. An easy calculation will show that the burden of \$58,173,020 in a population of 2,596,200, is equal to the burden of \$64,500,000 in a population of 2,891,900, a difference in three years of \$6,300,000, or \$2,100,000 per an. While, therefore, we by no means counsel, but on the contrary must disapprove of, a lavish expenditure of our resources, it is evident that we should have been no worse off, as far as debt goes, with \$64,500,000 at the end of 1864, than we were with the \$58,173,020 at the end of 1861. Or, in other words, having increased our debt by only \$1,300,000 per an., while the estimated increase of our population would have justified our increasing it by \$2,100,000 per an.; each of us is less in debt now than in 1861. We notice that our net funded debt is said to have increased from \$58,173,020 to \$60,287,575 only, a difference of little over \$2,000,000; but the figures showing the revenue and expenditure of each year, are the best test of the increase or decrease of our liabilities; and we prefer to reason from them, since the bank balances and the altered state of the Consolidated Fund and of

the Trust Fund, and other accounts must be taken note of if we argue from the comparison of the Balance sheets of the Province.

Mr. Galt gives the following table respecting the debt, revenue, &c., of Canada, *per head*, for the past four years, which we transfer to our columns.

Calculation as to the Duty per head of the population of Canada, during the last four years; also as to the Debt, Ordinary Revenue, and Ordinary Expenditure, per head.

	Duty per head.	Debt per head.	Revenue per head.	Expenditure per head.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
1861	1 83	22 31	3 35	4 27
1862	1 73	22 30	3 10	4 03
1863	1 85	21 69	3 48	3 75
1864	2 30	20 92	3 79	3 62

RECIPROCITY REMEDIED.

THE probability of the abrogation of the Reciprocity Treaty with the United States, and the uncertainty that exists regarding future arrangements with that excellent customer, does not seem to excite that interest among the commercial or agricultural community which the vital importance of the subject demands. Complete apathy or ignorance of the immediate effects certain to ensue, seems to be the rule among the latter class, whose interests are more immediately involved, and whose sagacity is so proverbial in aught that concerns their pockets.

While all acknowledge that we are surrounded by commercial difficulties only exceeded by the disastrous years of '56 and '7, few consider how much more aggravated would have been the evil, had it not been for the vast sum of money obtained from the sale of our surplus Barley and Wool crop at high prices to our American neighbors. The circulation derived from this source gave an impetus to the early Fall trade, in many localities, enabling the country storekeepers to relieve themselves to a considerable extent of large over-stocks, and sustain their credit above low water mark in this city. While entertaining the opinion that our American cousins are much too acute to permanently sever the bonds of mutual interest which have bound us commercially for so many years, still it must not be overlooked that there exists in that extensive country sectional interests whose representatives will do all in their power to delay, if they cannot ultimately prevent, the consummation of a new and amended treaty for the national and consistent interchange of our respective commodities. In view therefore, that for an uncertain period a profitable outlet for our coarse grains and wool can not be looked for, even at the extraordinary high figures which have ruled during the past eighteen months, and that under ordinary circumstances and prices, the duties levied on foreign products by the United States would amount to a positive prohibition, it is time that we Canadians bestirred ourselves to find a new channel for the stream of prosperity whose course is about to be checked by so formidable a barrier.

As a means to this desirable end, some of our contemporaries have suggested that the farmer should return with renewed energy to the cultivation of an article of European demand—to wit, our great staple wheat, to the growth of which for so many years every other article in the lists of husbandry has been forced to succumb, and which has tasked so long the fertility of our virgin soil, that years of judicious and scientific cultivation will be required for the restoration of its original fecundity.

Conversant as we are all with the lamentable lack of enterprise and versatility peculiar to the bulk of Canadian farmers, illustrated so powerfully by the absence of any general response to the efforts of journalists and others who have labored to induce a trial of flax cultivation, the conclusion is safe that the culture of wheat will not be neglected, and that it will require every effort, backed by the stimulus of necessity, to prompt the trial of new pathways to personal and national prosperity. If the pressure initiated by the foregoing considerations,—the stagnation certain to rule in Lumber,—the comparatively low prices which can be afforded for Wool whether it pay duty to enter the States, or be shipped free to Britain, there to compete with the fleeces of Australia—if all this have the effect of developing the resources we possess for the production of a uniform marketable article of BUTTER and CHEESE, then the temporary depression (heralded by the lapsing of the treaty) which we deem injudicious to ignore or underrate, will have been productive of permanent benefits of no small moment. Even now the quantity of the former article, which, during the

season of navigation is weekly consigned to Britain goes far to furnish our Atlantic steamers with return cargoes; and yet the Butter trade is still in its infancy, and capable, with proper encouragement, of taking rank as one of our most important articles of export. Regarding Cheese, the more we say, just so much more will we publish the degraded position of those whose duty and profit lay in the development of the resources with which they are unfortunately entrusted. If this were not the case, why is it that seven-eighths of the Cheese consumed in these Provinces pays profit to a foreign farmer, foreign manufacturer, and foreign trader, which should legitimately fall to the lot of the native farmer and exporter; if the first named of the two latter personages had the energy or ability to grasp the advantages placed within such easy reach. What apology have our people to urge for this state of affairs? Why is it that the majority of our Butter ranks so low in the New York market as to be nearly unsaleable, except as a substitute for Lard to pastry cooks?—that not one out of every ten packages comes up to the standard of "thirds" in Liverpool or Glasgow?—that our Cheese meets with no respect in our own country, and is not likely for some time yet to meet a better fate abroad?

That Reciprocity has tended indirectly to the neglect of those seemingly minor productions, in which exists the germ of future trade to an extent not generally realized, proves that it has been far from an unmitigated benefit; and if its temporary cessation tends, as we hope, to rapidly accelerate the development of the above and several other dormant sources of wealth, it will lessen greatly our regret for its loss. In our next issue, we contemplate reviewing the present position of the Butter trade, and offering some suggestions for its encouragement and establishment on a more reliable basis.

Petroleum in Canada.

We are glad to learn that the demand for Oil Lands in Enniskillen is daily increasing—that large transactions have taken place at highly satisfactory prices. The best posted petroleum men from the United States seem satisfied that the chances for making money in Canada are quite as good, if not better than in Pennsylvania, and are rapidly securing choice locations. In fact it is said there is much greater certainty as to sinking oil in our petroleum regions than in either Pennsylvania or Virginia, and at a less depth. As to the quality of the oil, the Canadian is in many respects much to be preferred. At all events, there is a great demand for land, and it is said large orders for Canada oil are already in the market from England, and the anxiety manifested to get Canadian lands evinces the appreciation in which our oil is held. We are glad to hear that there is such good prospect for an improved condition of things in Enniskillen.

The English Markets.

The Produce Circulars by the *Canada* still indicate an exceedingly dull market for Foreign Breadstuffs. Messrs. Bardgett & Picard say that—"All the ports of the North of Europe, Black Sea and Azoff, are again closed with ice, and it will be some time ere shipments of Grain can be resumed from any of them. Not a single quarter of Foreign Wheat has reached London this week, and our arrivals from abroad are certain to be insignificant for some time to come. This consideration, however, fails to have any material influence on the trade, which though firm, is as inactive as ever. Millers can supply all their wants with English Wheat, and the diminished supplies of Foreign cause them no uneasiness."

The Money Market.

There has been no particular change in the condition of the Money Market during the week. The remittances from country merchants, though somewhat diminished, are still more than could be anticipated from the general report as to the state of the country. The demand for discount is moderate, with a liberal disposition on the part of the Banks toward really good paper. Sterling Exchange continues to rule low—New York Bankers' 75-day bills, endorsed by our Banks, selling 108 to 109½ for cash. For paper, the counter rate has been reduced from 110 to 109½. In New York, on Wednesday, first-class bills were sold at 107½, a point lower than for ten days previous. Stocks are a shade firmer, especially Montreal Bank, which has advanced slightly. Other stock steady at last week's quotations.