

RICHIBUCTO, N. B., APRIL 5, 1900.

HON. W. S. FIELDING'S GREAT BUDGET SPEECH

The British Preference Will in Future be 33 1-3 Per Cent.—Canadian Securities on British Trustee List—Free Trade With Trinidad. Beet Root Sugar Industry Encouraged.

Ottawa, March 23.—Seldom has such an important utterance fallen from the lips of a public man in Canada as that which was delivered in the House of Commons this afternoon by Hon. W. S. Fielding.

The Minister of Finance has a well established reputation as an able and pleasing speaker, and a full House and crowded galleries greeted him as he rose to speak at 3.35 o'clock, and followed with the closest attention his masterly speech, couched in clear, concise language and full of meaning to Canada and the Empire.

Hon. Mr. Fielding was in splendid form, and was generously applauded.

BRITISH PREFERENCE RAISED.

(4) The raising of the British preference from twenty-five per cent. of the duty to thirty-three and a third per cent.

This measure, the most important of all, would, under normal conditions be an adequate expression of the feelings and wishes of the Canadian people. Its importance can scarcely be over-estimated at the present time when Canada is awakening to the consciousness of the debt of gratitude which she owes to the Motherland, when the Dominion has everything to gain by cultivating the good opinion which the people of Great Britain have formed of Canada as the result of the sympathetic legislation enacted since the accession of the Laurier Government to power.

The Budget Speech.

Ottawa, March 24.—(Special).—Budget day brought the usual large attendance of members and visitors to the House yesterday. Mr. Fielding was in splendid form, and his speech of two hours and twenty minutes length was attentively listened to and frequently applauded.

Hon. Mr. Fielding rose at twenty-five minutes to four, and was received with hearty cheers. He said:—Mr. Speaker, when I had the honor to deliver the budget speech a year ago, I spoke to the House of the affairs of the preceding year, which I was able to describe as the most prosperous period in the history of Canada.

The year 1898 was regarded as a phenomenal year, but great as was its activity, that of 1899 was still greater, and I may say that year that it was beyond all question the most prosperous year in Canadian history. The evidence of that prosperity will be found in the public documents, in the returns of the banks, in the reports of the Boards of Trade, in the reports of our great railway and industrial corporations.

Let me, sir, following the usual method of the budget speech, invite attention to the financial affairs of the year ending the 30th of June last which we describe in our blue books as the fiscal year 1898-99. During that year the revenue collected from all sources amounted to \$46,741,249. This amount, which I may say, by the way, exceeds the anticipation expressed in my statement of last year by \$108,850, represents the very pronounced increase of \$6,186,000 over what was received by way of total revenue in the preceding year. (Cheers.)

Sources of Revenue.

The following are the particulars of how the revenue has been derived:—

Table with columns for 1897-8, 1898-9, and 1899-0. Rows include Customs, Excise, Post Office, and Miscellaneous.

Increase of Customs.

The increase of customs was great along the line, there being but two articles on which there was not an increase of revenue. In case of excise there was an increase on all articles. I have here a statement of the revenue collected on each article in the excise department as follows:—

Table with columns for Article, Duty accrued, and Increase. Rows include Spirits, Malt, Cigars, and Tobacco and snuff.

SECURITIES IN "TRUSTEE LIST"

(3) The admission of Canadian securities to the "Trustee list" in Great Britain. How great will be the advantage of this most important concession will at once be admitted by financial men. The effect will be to open the great volume of funds held in trust, such as money held in chancery and other capital for which absolutely safe investment is of first importance, and the investment of which has hitherto been restricted to such gilt-edged British securities as consols, to investment in Canadian Government securities, and, as Hon. Mr. Fielding explained, this will greatly improve the standing of Canadian bonds by placing them practically on the same footing as British consols, will strengthen Canada's financial standing, will advance the selling price of Canadian bonds from two to three points, and will directly bring about \$2,500,000 into the treasury of the Dominion.

The Post-Office Department.

In this general classification of our sources of revenue, the only item which shows a diminution is the Post-office Department, and that we do not regard as a matter of regret, because the reduction in the revenue of the Post-office Department is a reminder of the great reform accomplished in the department by my honorable friend the Postmaster-General when he established the great boon of the penny post. (Hear, hear.)

Unusual Expenditure.

There are certain things of an unusual character, such as the construction of great public works, railways and canals, the subsidizing of railways and other ex-

ceptional charges of one kind or another which do not form part of the ordinary everyday expenditure of Governments, and these from time immemorial are collected together under the heading of "Capital Account," distinguished from the ordinary revenue account.

Let it be clearly understood that the accounts of the Government as respects these two classes of expenditure are kept to-day exactly as they were in former times, and therefore the comparisons we make are those we have the right to make with the expenditures of former administrations.

The Public Debt.

Let us turn now to the effect of this expenditure in increasing our public debt. I have here a statement showing the additions to the net debt on the 30th June, 1899. Capital expenditure \$5,936,942.94, railway subsidies \$3,201,220.05, expenses of loan of 1897 \$3,786.87, allowance to Manitoba (under 61 Vic. Cap. 4) \$237,024.45, amount paid to Manitoba (under 61 Vic. Cap. 4) \$231,292.32, total, \$9,893,660.11.

REVENUE AND EXPENDITURE.

The total revenue for 1898-9 was \$46,741,249, or an increase of \$6,186,000 over the revenue of the previous year. The expenditure chargeable to consolidated fund for the year was \$41,903,500, or an increase of \$3,070,974 over the previous year.

These expenditures have produced nothing for the good of the country. I have here a statement of the expenditures on canals, public works, I.C.R. and railway subsidies for two periods of three years, the three years 1894-6 and the three years 1897-9. All these expenditures are chargeable to capital, and were as follows:

Table with columns for 1894-6 and 1897-9. Rows include Canals, Public works, Interoceanic, and Railway subsidies.

Taking these four large classes of expenditure chargeable to capital, I find in the last three years of the late Government they spent \$14,851,483, while our expenditure of like character in three years amounted to \$16,667,500, and so it will be seen that, while we have a larger expenditure in the aggregate, we are able to point to such items as this to show that this expenditure has been applied to services absolutely necessary for the "growing time" in Canada.

A SURPLUS PREDICTED.

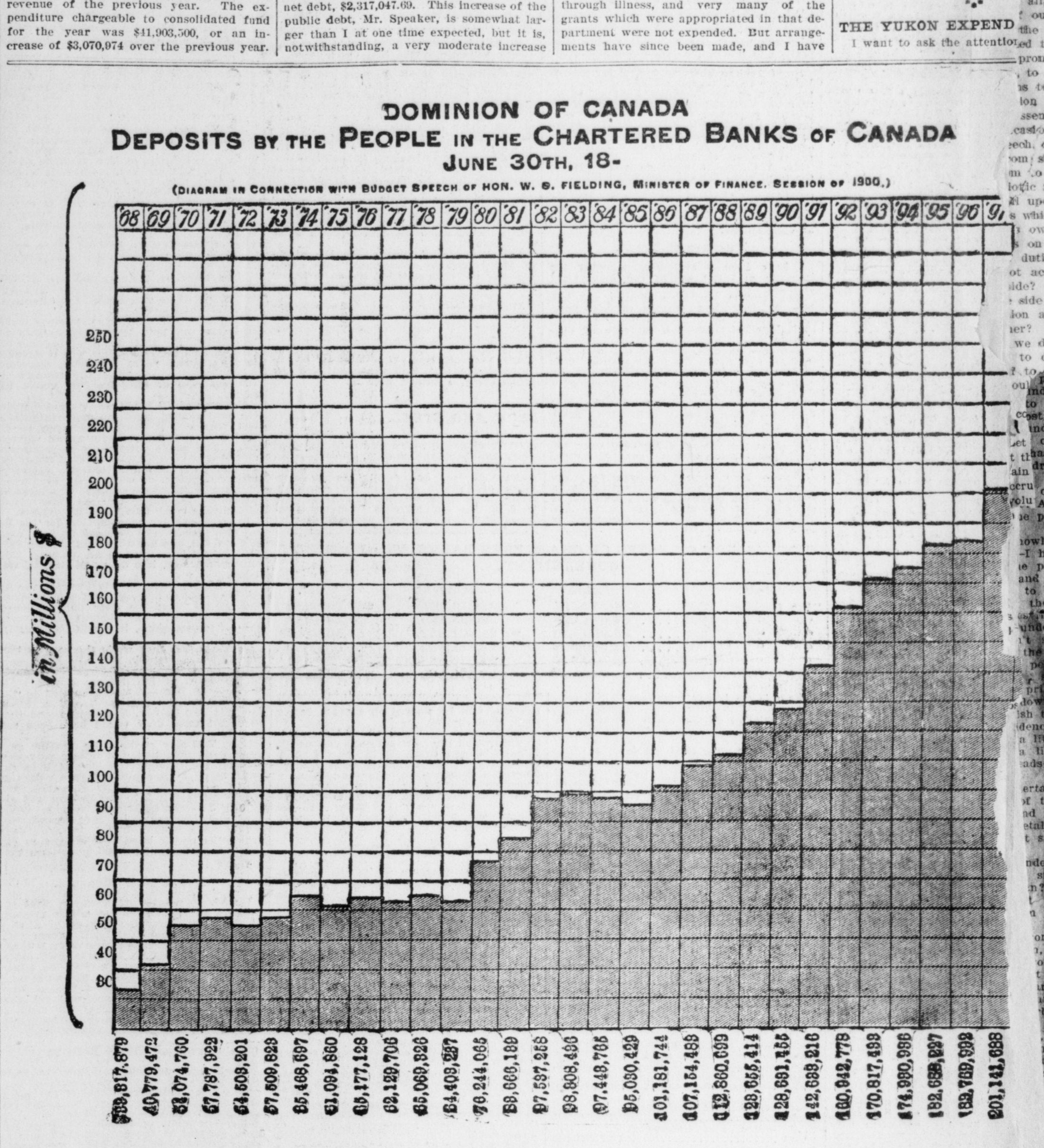
I turn now to the affairs of the year of which some eight months have passed. I estimate that the total revenue for this year will pass the fifty million mark. (Cheers.) Our expenditure up to the first of the present month was \$25,018,290. It will be necessary to make a somewhat liberal allowance for the expenditure of the remainder of the year.

Last year, it will be remembered, Parliament adjourned at a late date. The Minister of Public Works was, unfortunately, absent through illness, and very many of the grants which were appropriated in that department were not expended. But arrangements have since been made, and I have

DOMINION OF CANADA DEPOSITS BY THE PEOPLE IN THE CHARTERED BANKS OF CANADA

JUNE 30TH, 18-

(DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE, SESSION OF 1900.)



The principal increase is in the interest on the public debt, in which connection we had to pay a full year's interest in the previous year.

In legislation we had to provide for the plebsite; in militia we had to provide for the Yukon contingent; expenses and the expenditure on annual drill; in public works we had to provide for additional dredging plants and numerous repairs and extensive additions to these works; in our ocean and river service we had to provide for the cost of a new steamer. We had also to provide for expenditure in the Yukon territory which was absolutely necessary, and as honorable gentlemen know, our Government railways are being developed to a considerable extent, but our expenditure in that connection is a profitable expenditure, as it is the cause of increased earnings on the Interoceanic.

A Comparative Statement.

I have here a comparative statement of the public debt for two periods. I take first the period from 1878 to 1898, 18 years. Net debt, 1st July, 1878, \$140,302,069.51; net debt, 1st July, 1898, \$258,497,432.77; increase for 18 years, \$118,195,363.26; average increase per annum for 18 years, \$6,566,075.71. I now present a similar statement for the three years from '96 to '99: Net debt, 1st July, 1896, \$258,497,432.77; net debt, 1st July, 1899, \$263,273,446; increase for three years, \$4,776,013.23; average increase per annum, \$1,592,004.41. By this statement, favorable as it is, hardly tells the whole story. Of the expenditures of the last three years about two and a half millions, in round numbers, has been expended in paying obligations entered into by the late Government or obligations which existed prior to this Government coming into power and which should have been met by the previous Government, and, if you take this two and a half millions from our expenditures, and hold this Government responsible only for that portion of the increase of debt which is represented by their own outlay for charges occurring subsequent to their coming into office, you will find that the average annual increase of the public debt under this administration has been only about \$1,700,000, against about \$6,500,000 for every year of the government of their predecessors. The other day, when some reference was made in the course of discussing some large expenditures on the part of this Government, somebody asked what they were for, and an hon. gentleman opposite said "Nothing." But let me call attention to two or three items of our expenditure for the last three years that the House and the country may judge whether

no doubt that during the working season between now and the 1st of July very liberal expenditures will have to be made.

We make allowances for a liberal expenditure at that account, and, making such allowances, I estimate that the expense of the year will be \$45,175,000, and I anticipate that at the close of this fiscal year, making all our calculations and keeping our accounts in exactly the same way as our predecessors, we shall have a surplus of \$7,525,000, the largest surplus in the history of Canada. (Cheers.) I may find myself tempted to infringe on the copyright of the Postmaster-General (Mr. Mulock) and inscribe on the public accounts, "We hold a vaster surplus than has been." (Applause.)

The Capital Account.

Coming now to the capital account for the current year, our expenses to the 1st of March have been \$5,341,462. We have large expenses on railways, on canals, and on public works yet to make. We have provided liberally for these.

COMPARATIVE STATEMENT, SURPLUS AND DEFICIT, 1893 TO 1899.

Table with columns for Year, Surplus, and Deficit. Rows include 1893-4, 1894-5, and 1895-6.

Strong Financial Position.

The total capital expenses, I estimate, will reach \$9,875,000. Our position now

is, therefore, sir, is a very strong one. We have not a dollar of floating debt. But this moment, and though, as any one concerned with finance is aware, we have been passing through a period of great stringency in the money world, it is gratifying to us to know that we have been able to bear these difficulties and not upon the money market at all.

Predictions of Prosperity.

I have spoken of the year 1898-99, ending in June, and I have spoken of the current year which will end on the 30th of June next. I have placed on the table the main estimates for the year beginning the 1st of July next, and supplementary estimates will follow in due course. I do not think it is necessary at present to go into any speculation as to the finances of next year further than to say this, that great as has been the progress and prosperity of Canada during the past two or three years we have no reason to believe that this is going to be any early check to that prosperity.

THE YUKON EXPENDITURE.

I do not think it is reasonable to look forward to a continued found fault prosperity as we have had. Instead of remarking on a previous year that we were swinging back and it is always a friend who should keep that in mind, Canada if we can see now there is not even a shadow; there is every reason to believe that the next fiscal year will from us a prosperity in Canada and that of your own country. (Applause.)

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ed by the Government members as he proceeded to drive home point after point in a manner which carried conviction.

FOUR IMPORTANT ANNOUNCEMENTS.

He began by giving the House an account of the Government's stewardship and a faithful picture of public finance in Canada was in turn reviewed, the result being to show that the Dominion has just closed the most prosperous year in its history.

This having been done and the financial administration of the Government having been vindicated by its results, he turned to the constructive part of his speech, making four important announcements, each far-reaching in its effects and all showing the determination of Sir Wilfrid Laurier and his colleagues to make it possible for Canada to make the most of her great resources and to take the place in the van of Imperial progress to which she has been called.

BEET ROOT SUGAR INDUSTRY.

These four measures are:—

(1) The encouragement of the beet root sugar industry by placing on the free list the machinery used in the manufacture of sugar from the sugar beet. As Mr. Fielding explained, Quebec experience has not been very encouraging, but companies formed in Ontario claim that with the duty removed from the machinery which they have to buy in the United States, France and Germany, they can compete in the sugar market without the assistance of a bounty. He had been informed that of the \$500,000 requested to operate the industry on a paying basis \$300,000 was required for machinery, much of which had to be imported as above stated.

FREE TRADE WITH TRINIDAD.

(2) The decision to inaugurate free trade with Trinidad had, the Minister of Finance explained, been arrived at as the result of the findings of Mr. Parmalee, Deputy Minister of Trade and Commerce, who had been deputed during the past summer as a commissioner to discover the possibilities of trade with the West Indies. Mr. Parmalee had reported favorably upon the prospect of the development of a profitable trade with the Island of Trinidad, which at present imported large quantities of manufactures and other commodities from the United States, and which exported chiefly sugar and cocoa. The attention of the people of Trinidad had been attracted to Canada as the result of the operation of the preferential tariff, negotiations have been entered into, and the Canadian Government has proposed free trade between Canada and Trinidad in all commodities excepting tobacco and spirits. Up to the present the Trinidad authorities have made no final statement, but they have declared themselves anxious to develop trade with Canada, and there is every likelihood of a satisfactory arrangement being concluded. The effect so far as Canada is concerned will be lower prices to the Canadian consumer, and to furnish a good market for Canadian products.

SECURITIES IN "TRUSTEE LIST"

(3) The admission of Canadian securities to the "Trustee list" in Great Britain. How great will be the advantage of this most important concession will at once be admitted by financial men. The effect will be to open the great volume of funds held in trust, such as money held in chancery and other capital for which absolutely safe investment is of first importance, and the investment of which has hitherto been restricted to such gilt-edged British securities as consols, to investment in Canadian Government securities, and, as Hon. Mr. Fielding explained, this will greatly improve the standing of Canadian bonds by placing them practically on the same footing as British consols, will strengthen Canada's financial standing, will advance the selling price of Canadian bonds from two to three points, and will directly bring about \$2,500,000 into the treasury of the Dominion. This advantageous arrangement has been arrived at as the result of the business security in Canada under Liberal rule, the efforts of the Canadian Government, the co-operation of Lord Strathcona and the good work done by Mr. John Courtney, Deputy Minister of Finance, whose hand—Hon. Mr. Fielding modestly refrained from stating—was strengthened by the statesmanlike energy of the Minister of Finance for Canada. As the result of this single stroke of statesmanship Canada will be at once and full, recouped for every penny of the outlay involved by sending troops to South Africa. The action will be announced contemporaneously by legislation in the Canadian and the Imperial Parliaments.

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