THE REVIEW

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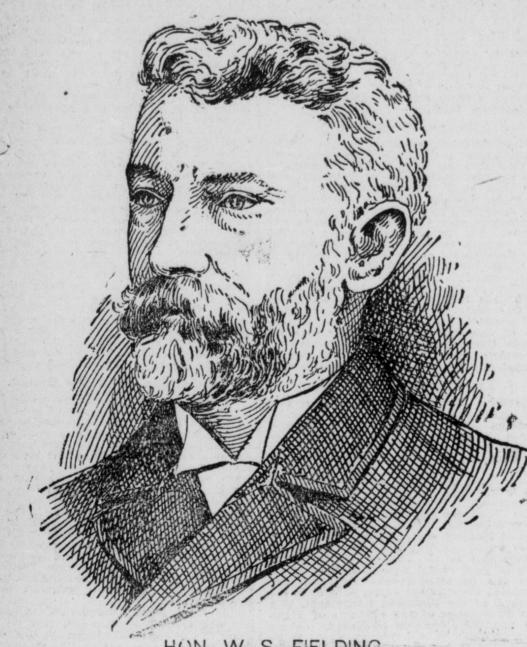
HON. W. S. FIELDING'S **GREAT BUDGET SPEECH**

The British Preference Will in Future be 33 1-3 Per Cent.-Canadian revenue in consequence of the granting of that boon, I rejoice to know that that Securities on British Trustee List-Free Trade With Trinidad. Beet Root Sugar Industry Encouraged.

Ottawa, March 23.-Seldom has such an important utterance fallen | BRITISH PREFERENCE RAISED. 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. Rarely if ever in the Parliamentary history of the Dominion has a budget speech been so enthusiastically received.

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 ->plaud-



(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. At one point, could be placed upon the Trustee List in England, he was cheered by both sides of the House. At the close the members all rose and sang "God Save the Queen."

be no doubt gratifying to the honorable which do not form part of the ordinary gentleman to know that no new taxes everyday expenditure of Governments, and have been imposed, and that consequently the concession of penny postage has been a great reduction of taxation to the people at large because there is no tax that is universal throughout Canada than that which may be called taxation to meet the cost of the postal service of the coun-The public will be glad to know

that the anticipation of my honorable friend not been realized, and that this great boon has been given without entailing the necessity of any increase of taxation in other respects. (Applause.)

But while there is temporarily a loss of loss will not last much longer. It is a principle which we on this side at any rate recognize that when you cheapen an article to the public they will use more of it, and that principle applies in the matter of postage as in other matters. We

are glad to know that owing to the reduction in postage, the people are writing more letters than ever before, and it will be but a few months, in all probability revenue from the Post-office Department will be as much as it was before the penny postage was established. (Applause.)

REVENUE AND EXPENDITURE.

250

240

230

210

200

190

180

170

160

150

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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 oublic debt, Mr. Speaker, is somewhat lar. grants which were appropriated in that defor the year was \$41,903,500, or an in- ger than I at one time expected, but it is, partment were not expended. But arrangecrease of \$3,070,974 over the previous year. notwithstanding, a very moderate increase ments have since been made, and I have

new taxes somewhere else. Well, it will ceptional charges of one kind or another these from time immemorial are collected together under the heading of "Capital Account," distinguished from the ordinary

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. I trust, therefore, that those honorable gentlemen who have confused these two ac-

counts will draw the line between them revenue in consequence of the granting of and see that any comparisons they submit are properly made.

> We expended during the last year on capital account, that is to say outside ordinary charges against revenue, \$9,137,562.

> > 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 ad ditions to the net debt on the 30th June, not more than twelve months, when the 1899. Capital expenditure \$5,936,342.94, railway subsidies \$3,201,220.05, expenses of loan of 1897 \$3,786.87, allowance to Manitoba (under 61 Vic. Cap. 4) \$267,026.43. amount paid to Manitoba (under 61 Vic. Cap. 4) \$231,292.82; total, \$9,639,-669.11. Less surplus \$4,837,749, sinking fund \$2,482,484.65, refund account N.W.T. rebellion \$1,853.41, con. fund transfer \$534.36; total, \$7,322,621.42. Increase of net debt, \$2,317,047.69. This increase of the through illness, and very many of the

for the good of the country. I have here a statement of the expenditures on canals, this moment ; and though, as any one 301 All these expenditures are chargeable to capital, and were as follows :

1894-6. Canals\$7,738,216 \$9,455,764
 Public works
 316,877
 653,409

 Intercolonial
 1,027,209
 1,525,256

 Railway subsidies
 5,033,110
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 (Cheers.) Our expenditure up to mark. the first of the present month was \$25,-It will be necessary to make a 018.290. somewhat liberal allowance for the expen diture of the remainder of the year. Last will be remembered, Parliament adjourned at a late date. The Minister of Public Works was, unfortunately, absent

these expenditures have produced nothing cially, therefore, sir, is a very stroke re We have not a dollar of floating public works, I.C.R. and railway subsidies nected with finance is aware, we have for two periods of three years, the three been passing through a period of great years 1894-5-6 and the three years 1897-8-9. | stringency in the money world, it is grath fying to us to know that we have been able to bear these difficulties and not ge

Supplem

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 the is going to be any early check to that perity.

I do not think it is reason. and the flag look forward to a continued prosperity as we have had. to remark on a previous oc dulum that swings one way friend swing back and it is alway should keep that in cloud ; there is that the new fiscal prosperity in Canada come out of it at financial statement. (Applaus

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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.) 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 85 87 88 89 90 91 92 93 94 95 96 91

HON, W. S. FIELDING Minister of Finance.

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

FOUR IMPORTAINT 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 com. modities 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.

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. It is, I am sure, a case of gratification to us all that the favorable conditions which then existed have continued, and that the year which followed was also one of wonderful progress in Canada.

The year 1898 was regarded as a phenomenal year, but great as was its activity, that of the year 1899 was still greater. and I may say of 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. I may as J proceed have occasion to refer to a few of the more striking features of that prosperity, and at the close I shall place on the table of the House, as I did on a previous occasion, a series of diagrams which will in a very vivid way illustrate the progress which Canada has made during the comparatively short period of her national existence.

The Year 1898-99.

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 receiving year. (Cheers.)

Sources of Revenue.

The following are the particulars of how the revenue has been derived :---1897-8. 1898-9

9,641.227 Miscellaneous 7,450,973 8,589,404 Total\$40,555,238 \$46,741,249

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:-

year 1898-9 of \$46,741,249, and an expendi-Article. Duty Duty Increase. ture for the same year of \$41,903,500, so accrued. accrued.
 1898.
 1898.

 Spirits
\$3,563,575
 \$4,566,147
 \$1,002,573

 Malt

 584,321
 \$43,193
 258,872

 Cigars

 676,577
 768,496
 91,919

 Cigarettes

 240,343
 302,841
 62,498
\$4,837,749. (Loud cheers.) Capital Expenditure. Tobacco and snuff 2,651,633 3,014,951 363,318 I should now refer to the question of what we call capital expenditure. There \$7,716,449 \$9,495,628 \$1,779,179 is a disposition occasionally on the part of ... some honorable gentlemen, who perhaps As I have already stated, in miscellanhave not given the matter sufficient attention, to confuse capital account with eous revenues we have a large receipt from the Yukon, which is a comparatively new income account, and even during the pressource of revenue in the last year or two: ent session we have heard honorable genand we have an increase of \$600,000 in tlemen treat these two accounts as if they the earnings of Government railways. were one and the same, and put the total expenditure of both capital and income The Post-Office Department. during our time against the expenditure In this general classification of our sources of former Governments which included inof revenue, the only item which shows a come charges only. diminution is the Post-office Department. There ought to be no misunderstanding and that we do not regard as a matter in a matter of that sort. I am sure that of regret, because the reduction in the there will not be any on the part of the revenue of the Post-office Department is a leader of the Opposition, who at one time reminder of the great reform accomplished controlled the Finance Department himself, in the department by my honorable friend nor on the part of the ex-Minister of Fithe Postmaster-General when he establishnance, because both these honorable gened the great boon of the penny post. (Hear, tlemen are well aware that there is a hear.) broad distinction between these two acts. I remember that my honorable friend the leader of the Opposition when speak-Unusual Expenditure. ing on that subject at a public gathering There are certain things of an unusual in the city of Brockville not many months ago said that the Government had re- character, such as the construction of duced the postage to two cents, and that great public works, railways and canals, peuditure for the last three years that the | The total capital expenses, I estimate, sher would make up for that reduction by the subsidizing of railways and other ex. House and the country may judge whether will seach \$9,875,000. Our position finan-

in Millions 140 130 120 110 100 90 58,074,760. 61,094,860 40,779,472 107,154,489 86,468,697 05,030,429 101,181,744 57,787,923 06,177,128 62,129,706 85,069,826 70,244,065 B8,666,189 97,537,268 08,808,490 97.448,766 57, 509, 829 64,409,287 54,509,201 118'80 ed by way of total revenue in the preced. The principal increase is in the interest | of the debt, having regard to the very no doubt that during the working season | for one moment to an item t. on the public debt, in which connection | large undertakings in which we have been between now and the 1st of July very libwe had to pay a full year's interest, in the previous year. what larger than some of us anticipated. In legislation we had to provide for the one of my hon. friends opposite said plebiscite; in militia we had to provide for the Yukon contingent expenses and the expenditure on annual drill; in of the public debt under this administra- pate that at the close of this fiscal year. public works we had to provide for adtion has been very large. No statement is making all our calculations and keeping ditional dredging plants and numerous, remore unfounded. There is absolutely no our accounts in exactly the same way as pairs and extensive additions to these. ground for any statement of that charac- our predecessors, we shall have a surplus works; in our ocean and river service we ter if a fair comparison be made between of \$7,525,000, the largest surplus in the hishad to provide for the cost of a new the expenditure of the present Government | tory of Canada. (Cheers). I may find mysteamer. We had also to provide for exand that of our predecessors. penditure in the Yukon territory which was absolutely necessary, and as honorable gen-A Comparative Statement. tlemen know, our Government railways are being developed to a considerable extent. plause.) I have here a comparative statement of but our expenditure in that connection is a the public debt for two periods. I take profitable expenditure, as it is the cause

first the period from 1878 to 1896, 18 years. of increased earnings on the Intercolonial. Net debt, 1st July, 1878, \$140,362,069.91; We had, therefore, a revenue for the net debt, 1st July, 1896, \$258,497,432.77; inthat we closed the year with a surplus of | 563,075.71. I now present a similar statement for the three years from '96 to '99 : Net

1st July, 1899, \$266,273,446; increase for three years, \$7,776,013; average increase per annum, \$2,502,000. But this statement, favorable as it is, hardly tells the whole story. Of the expenditures of the last three ing 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 ture, and hold this Government responsible outlay for charges occuring subsequent to their coming into office, you will find that the average annual increase of the public only about \$1,700,000, against about \$6,500,-000 for every year of the government of their predecessors. The other day, when

self tempted to infringe on the copyright of the Postmaster-General (Mr. Mulock)

The Capital Account.

Coming now to the capital account for crease for 18 years, \$118,135,263.86: aver- the current year, our expenses to the 1st age increase per annum for 18 years, \$6,- of March have been \$5,341,462. We have large expenses on railways, on canals, and on public works yet to make. We have debt, 1st July, 1896, \$258,497,432; net debt, provided liberally for these.

Then we have this year some services of

recently appeared in our pub which has taken a great de money and which swells the exp well. I desire to call the attend result in House to it as an evidence of the can belie a mere increase of expense is never burie an evidence of any increasing dirdens to the people but there may be ca set in which increasing expenditures, far from being a expenses, for three years.

174,990,996

the total expenditure, though it gives hon. gentlemen opposite an opportunity to talk of this great expense, still the same account shows that the Yukon has also been actually the source of a small revenue. (Applause.)

SURPLUSES AND DEFICITS.

I will now say a word as to surpluses and deficits.

I do not know that it is absolutely necessary for the prosperity of a country that

42,689,216 112,860.699 28,655,414 80,942,778 70,817,499 29,691,455 engaged. When I stated that it was some- eral expenditures will have to be made. We make allowances for a liberal expenditure on that account, and, making such "Hear, hear." There is a popular idea, I allowances, I estimate that the expense of know, in some quarters that the increase the year will be \$43,175,000, and I antici-

and inscribe on the public accounts, "We hold a vaster surplus than has been." (Ap-

burden, actually tends to reduce the burdens of the taxpayer. I have here the figures of the Yukon district, receipts and Though this Yukon statement swells up

201,141,688

89,769,998

82,668,897

the ex

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 by 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 ful, recouped for every penny of the outlay involved by sending troops to outh Africa. The action will be announced contemporaneously by legislation in the Canadian and the Imperial Parliaments.

opposite said "Notaing." But let me call attention to two or three items of our ex-

an exceptional character, which we are proud to mention, a service which is not for years about two and a half millions, in (Cheers.) We have a large expense to meet be well justified in having a deficit. Still, round numbers, has been expended in pay- on that service. I desire to speak of the I suppose we shall agree that it is well to public Jebt of the year with some caution because I know that one may easily err. and I know that the increase last year was somewhat more than I anticipated, but looking at the matter carefully, making the two and a half millions from our expendi- best estimate one can for the year of which four months have yet to elapse, I am of only for that portion of the increase of the opinion, and I think that opinion will debt which is represented by their own, prove to be correct, that during this current year we shall pay all the liberal outlay on ordinary account that hon. gentlemen opposite talk of so often ; we will pay all debt under this administration has been the capital charges we occasionally hear about ; we will pay all the railway subsidies ; we will pay every dollar of the expense required to 1st of July for our sersome reference was made in the course of vices in South Africa, and at the end of discussing some large expenditures on the the year we shall not have added one dolpart of this Government, somebody asked lar to the public debt. (Cheers). what they were for, and an hon, gentleman

Strong Financial Position.

ourselves, but for the Empire and for the not properly say there may not be cir-s of the maintenance of our troops in Africa. cumstances in which a government would, have a balance on the right side, and it is better to have a series of surpluses than a series of deficits.

Seeing, then, that some of our critical friends have been disposed to expect that great disaster will come from the financial management of this Government, it may not be without interest to present comparative statements of the surpluses and deficits for the periods of the three years, 1803 to 1896 :

COMPARATIVE STATEMENT. SURPLUS AND DEFICIT. 1893 TO 1896.

Deficit. 1893-4\$1,210,332 45 1894-5 4,153,875 58 1895-6 330,551 31

Total deficit for three years \$5,694,759 34 Average annual de-Acit 1. 12. 11. 198.253 11