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## CURRENT COMMENTS

### *Dominion Finances and Tariff Changes*

THE annual budget of the Finance Minister, while it may sometimes be subject to political criticism, may be taken as an accurate indication of how the country's finances are moving. The budget for the last fiscal year is a notable one. It shows a steady, healthy growth, and very satisfactorily bears out the evidences on every hand of general prosperity.

Canada's revenue now amounts to sixty-five millions, and the surplus for the last financial year was \$7,291,389. The estimated surplus for the year ending with this month is nearly double this, and is the largest in the history of the Dominion. This increase in the revenue has been in the face of greatly increased expenditure, yet the per capita debt has been lowered from \$50.96 to \$48.31. The Government finances reflect the general commerce of the country, and back of these figures is a widely-spread activity in business circles.

The position which the Government would assume in regard to the tariff question had been eagerly awaited. Mr. Fielding announced it to be a policy of compromise between the extreme free traders and the advocates of protection. "Moderation and stability" was to be

the motto of the Government. Certain changes are to be made, the most notable of which are a higher tariff on German goods, in retaliation for Germany's tax on Canadian imports, made six years ago, and a duty on steel rails, to take effect as soon as the Canadian steel mills are able to meet the home demand. A policy of tariff compromise will not, however, be long satisfactory. Compromises between two such courses as are now marked out in connection with Canada's tariff have never proved lastingly effectual. The policy of the Liberal Government to-day is neither free trade nor protectionist; it is something of both, and while this is no doubt the simplest way of meeting the difficulty at the present time, the modern tendency is decidedly toward high protection. The demand for a revision of the tariff in Canada cannot be indefinitely parried by the argument that the country is already prosperous.

Mr. Fielding's announcement that Canada's finances are in a flourishing condition has been received with great satisfaction, as very naturally it would be. But the fact remains that Canada's recent growth and prosperity have not been the result of low protection, but have been realized in spite of it. The coun-