

FOURTEENTH BUDGET AND SPEECH

Of Finance Minister Fielding—Surplus, No Tariff Changes, Proposed New Currency and Trade Relations Were Chief Features.

OUR NATIONAL ACCOUNT

Estimated

Revenue for year ended March 31, 1910..\$97,500,000
Ordinary expenditure 81,000,000

Surplus\$16,500,000

Capital Expenditures

National Transcontinental
Railroad\$20,000,000
Other Special Charges 15,500,000 35,500,000

Less Surplus 16,500,000
Less Sinking Fund 1,250,000 17,750,000

Balance to be added to Debt\$17,750,000

Picking up one morning paper, the Budget presented to the House of Commons on Tuesday showed a surplus of sixteen and a half millions. Glancing at another published in the same city on the same day, one read that Mr. Fielding's budget speech resembled many of its predecessors in announcing a deficit. These two opposing statements are befogging until it is remembered that the difference between sixteen millions surplus and a deficit is possibly accounted for by party politics, the viewpoint and bookkeeping. Both Conservative and Liberal governments of Canada have invariably separated the expenditure of capital and revenue account. In that way, the budget presented this week shows a surplus of sixteen and a half millions. As the method of keeping accounts is common to both parties, congratulations to the country and its Finance Minister are in order. The tide of prosperity ebbs and flows and the pendulum of economics swings to and fro, governments notwithstanding. Mr. Fielding was placed in the happy position of presenting his Budget to the country at a time when the tide of prosperity has again begun to roll over the country. Mr. Fielding took for his government credit for much of this state. That is permissible. No one desires to quarrel when bank deposits are increasing, trade and commerce are improving rapidly, railroad earnings are making new records and the individual is beginning to see the light of a new era of good times.

Trade Relations With Europe, United States and West Indies

There is no need at the present time to analyze the revenue and expenditure figures. Nearly four months have to run before the end of the fiscal year, March 31st, 1910. Dealing with Canada's trade relations Mr. Fielding referred to the Royal Commission appointed to investigate the trade between this country and the West Indies. There was hope for a preference being granted to Canada by the British West Indies. Germany, Italy, and Belgium were all anxious to enter into friendly negotiations with this country.

Speaking of the recent tariff legislation in the United States, Mr. Fielding stated that after reading the admirable message of President Taft to Congress a few days ago he thought that the United States Government had a very correct appreciation of what was due to other countries, and to Canada particularly. "I think the terms in which President Taft has addressed Congress on that subject give us abundant assurance that he and his Cabinet are desirous of continuing the close and friendly relations which prevail between the Republic and Canada; and for the present we are not going to assume that there is any cause for anxiety as to any friction arising between the two countries."

Tariff Continues: Combine Legislation

To the disappointment of a few and the satisfaction of many the Minister announced that no tariff changes would be made. The Government were of opinion that it was not in the best interests of the business of the country that there should be frequent changes. In response to the many applications made to Parliament regarding the tendency to combines in Canada, Mr. Fielding said:—"We shall at an early date introduce a measure dealing with that subject. It will provide that the Government, not hastily or recklessly, because large interests are involved which must be considered, but after inquiry and a reasonable prima facie case has been made out, that there seems to be a combination for unduly enhancing prices, shall pay all expenses for conducting the inquiry, including the fees of counsel."

"It must be a matter of gratification to every good citizen," he concluded, "to see so many favorable signs in the

outlook of our country. We have known all along that we but needed two things—population and capital. Both of these things are now coming to Canada. There never was a time when there was more interest in Canadian affairs throughout the world than there is to-day or a greater willingness on the part of capitalists to invest in Canada. This is Canada's growing time. We have had growth in population, growth in wealth, growth in national unity, growth in national status, in the eyes of the world, growth in our sense of responsibility as citizens of a great Empire. In all this growth we have reason to rejoice. But what is better than all, we feel that this is but the beginning of better things to come. To us as trustees of the Canadian people has been given the duty of moulding the destinies of the Dominion at a time when it has a formative character."

Gold Coinage for Canada

Speaking of the branch of the Royal Mint at Ottawa, Mr. Fielding stated that the time was approaching when it would be desirable to issue a gold coinage in Canada. That would necessitate some change in the currency act, and a measure dealing with that subject would be brought forward at an early date. An arrangement had been made with the banks by which they were paid a small commission to aid in the exportation of American specie, and the profits of the Mint during the past eleven months amounted to \$405,565.

Dealing with loans maturing, he added that arrangements were being made to provide for them.

ALL THE CAPITAL CANADA

Can Profitably Employ, Great Britain is Willing to Find, Says a London Authority.

"The most disastrous thing that could come to Canada at this time would be an outbreak of war in Europe, which would check the inflow of British capital and of immigrants. With peace maintained, nothing will be lacking to assure to Canada a period of great progress, of active trade, of increasing wealth and a growth of population proportionately greater than that of any other country in the world."

Thus Mr. George Paish, editor of the London Statist, in an article appearing in that journal to-day. By his courtesy the Monetary Times is enabled to print simultaneously some extracts therefrom. The primary factor for progress, he says, is the possession by Canada of great undeveloped resources of natural wealth—agricultural, mineral, forestal and piscatorial. The greatest of these natural resources is the vast tracts of undeveloped and virgin lands that are merely waiting for farmers to produce a supply of foodstuffs sufficient to support a great population.

Unlimited Money at Low Rates.

"The second factor making for growth is the willingness of Great Britain to find all the capital that Canada can profitably employ, and to supply it at a low rate of interest in comparison with the rates of interest usually required from young countries. Every man of business is aware of the advantage to a country of a banker in a position to supply capital freely for development purposes, and the especial advantage of possessing a banker who will supply capital in practically unlimited quantities at a lower rate of interest than he charges to other countries. This is the situation to-day; British investors are supplying capital freely for permanent investment in Canada at preferential rates of interest. Hence, no difficulty is likely to arise in securing the capital required to develop and to market Canada's natural wealth.

Statesmanship and Food Sources.

"A third factor of great import is the ability and far-sightedness of Canada's statesmen. They recognize that the essential thing to be worked for is to open up the country and to admit population to the natural wealth. A fourth factor of great moment and weight is the world's special need of new sources of food supplies at the present time and the high prices that are now current for food of all descriptions. This condition of affairs is mainly the result of the great expenditures of capital upon the South African and the Russo-Japanese wars, an expenditure which prevented for about seven years the normal rate of capital outlay for the purpose of developing the food supplies of the new countries. Inasmuch as Canada is one of the most promising fields of food production, the shortage in the world's food supplies and the high prices of foodstuffs are having, and must continue to have, a great influence in stimulating the rapid settlement of the new agricultural districts.

"A fifth factor, exceptionally favorable to Canada, is the extent to which the resources of the United States are developed. Canada's slow progress in the past has principally resulted from the existence of the Great Lakes and a

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