

increase in values of goods which enhance the duties payable thereon.

The increase in the post office receipts, he regarded as very gratifying. Receipts from this source had fallen off for a time owing to the reduction in the rate of postage, but in January last the turning point in that respect had been reached and the postal revenues under the two-cent rate were now larger than under the three-cent rate. Last January the postal revenue was \$308,209, while in January of 1898, when the three-cent rate prevailed, it was only \$368,941, showing that now, under the two-cent rate a larger revenue was being received.

The railway revenues were \$828,344 larger than in 1899. The Intercolonial had earned \$4,552,071, which was \$1,594,431 more than in 1896. The total expenditure last year chargeable to "Consolidated Fund," under which inappropriate term are grouped all the current annual expenditures, was \$42,975,279. As the total revenue was \$51,029,994, there was a surplus of \$8,054,715 which, said Mr. Fielding, was "the largest in the history of Canada." It was once remarked by a distinguished Finance Minister, that a large surplus was no more a matter for boasting than a deficit, for, when either occurred, it was evidence of a lack of prescience on the part of the Finance Minister under whose management there was either too much or too little revenue for the year's needs. The best policy said he, is to secure an equilibrium, unless there is an intention to accumulate funds out of surplus revenues for some specific purpose, such as reducing the debt. Mr. Fielding gave the amount of capital and special expenditures in 1900 as \$9,742,187, after providing for which the public debt had been reduced by \$779,639. It is manifest, therefore, that the surplus from ordinary revenue has been applied to capital account, for otherwise there could not have been a capital expenditure of \$9,742,187 without a considerable increase in the public debt. In regard to next year the Finance Minister said, the expenditures were estimated to be considerably over fifty millions. At least, \$1,000,000 would be paid for bounties on iron and steel production. At this stage of his speech Mr. Fielding grew prophetic. He thought business would not go on increasing in the future as it did in the past. Mr. Fielding said: "The country has about reached the crest of the wave of prosperity," a judgment suggestive of a cautionary policy being the part of wisdom. He, however, looked rather to "a period of rest," than any serious decline.

As to our foreign trade we treated this so fully in our last issue, and have given so wide an exhibit of the official statistics for a number of years on a preceding page that we need not give the figures quoted by Mr. Fielding. He, however, regarded the increase in British imports from \$31,131,000 in 1895 to \$44,789,000 as proof of the preferential tariff having expanded the importation of British goods. In reply to assertions that non-British goods were grant-

ed the preferential debate, Mr. Fielding inviting information on the subject. The royalty on gold mined in the Yukon in last three and a half years was stated to be \$2,040,000, this, added to receipts from other sources, made the revenue from the Yukon in four years \$4,376,673, and total expenditures, \$4,248,164; so that the Yukon had paid for its outlays and left a surplus of \$128,519.

Mr. Fielding pointed out that Canadian 2 1/2 per cents., quoted at 92, had held a steady position in the money market. On the other hand, British consols, which rose as high as 113 7/8, had fallen, in consequence of a stringency in the money market, as low as 97 3/4. It was a matter of satisfaction that the securities of Canada had held their own and stood to-day a fraction better than in 1897, when the last loan was placed on the market. In regard to the iron and steel bounties it was stated that they will stand as a separate item in the public accounts. Subsidies in aid of an industry by which the natural resources of the country are developed partake sufficiently of a capital expenditure to justify the course of the Government in placing their amount in the same class as railway subsidies, and so not rendering them a charge in the ordinary annual revenue. In regard to the Tariff, the Finance Minister thought it wiser for it "to have some stability," so no changes would be made at present. As to encouraging the production of beet root sugar, the Government thought it would have a fair trial under the bounty offered by the Province of Ontario, but the machinery needed would, under certain regulations, be admitted free of duty. In regard to the preferential tariff, Mr. Fielding deprecated any "huckstering or bargaining with Great Britain," as he considered, that, if ever inter-Imperial preference came, it would not be by any such course, "but through the growth and development of Imperial sentiment, and in the development of that country an important feature had been the British preferential tariff of the Canadian Government."

The reply to the Budget Speech was made by Mr. E. B. Osler, M.P., in his maiden effort as the financial critic of the Opposition. He delivered a carefully prepared address, in which he sharply criticised the Government for what he styled, "squandering the public money in the bonusing of railway and public works." Mr. Osler thought it was the duty of the Government to cease giving these bonuses. His reply was summed up in the expression of a hope that more economy would be practiced, and any surplus revenue devoted to "lightening the burdens of the people."

At a later stage of the debate, the Leader of the Opposition sprang a surprise on the House by proposing the following resolution:

"That in the opinion of this House, the welfare of this country requires a pronounced policy of adequate protection and encouragement at all times to the labour, agricultural, manufacturing, mining and