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### CONTENTS.

The New Budget.....	1643
Remarkable Extension of Branch Banks in Canada....	1644
May Fire Waste.....	1645
Who is to Blame for Conflagration Losses?.....	1645
Liability of Company Directors.....	1646
Boot and Shoe Trade.....	1647
Some Items of Export.....	1647
The Metric System Again.....	1648
The Western Crops.....	1648
Manchester Letter .....	1648
The German Chemical Industry.....	1649
The Ontario Tobacco Crop.....	1649
Improper Insurance Agents .....	1650
Banking and Financial Items.....	1650
Life and Accident Insurance.....	1650
Fire and Marine Insurance.....	1651

### THE NEW BUDGET.

Mr. Fielding's eighth budget speech was delivered amid rosy surroundings. That is to say, Canada is still at the height, or at any rate only just the other side of the crest of a period of prosperity unparalleled in its annals. That he should be able to announce a surplus for 1903 of \$14,355,000 and an estimated surplus for the current year of \$16,500,000, and that the national debt would be diminished this year by seven and a half millions of dollars were facts upon which, leaving for a moment out of consideration the purely natural causes for such buoyancy, any Finance Minister might well take credit. That Mr. Fielding did so, though in no obtrusively patent fashion, does not necessarily mean that that gentleman is not something more than a politician. It is true a Government does not generally make the prosperity which comes to a country; but it is also true that a Government, by its action or inaction, can be the means of preventing those natural forces which make for the common weal from having their due influence.

Of course, that portion of the speech which met with the most rapt attention was that relating to the tariff, and here, in certain directions, he went a good deal further probably than many people anticipated. One thing which will please the manufacturers is the

hint that before long a commission will be appointed to enquire into the whole subject of duties, and to revise them where required. Mr. Fielding is still anxious to keep out of the camp of the high protectionists (vide his remarks upon the synchronous existence of a restrictive tariff and severe depression in the United States), but evidently the point the latter persist in making with regard to the probable effects of such depression there upon Canadian industries has gone home. The anti-dumping clauses in his budget show this. While theoretically it may be a very good thing, as the Absolute Free Traders say, for a country to have a neighbor's goods thrown into her below their just value, it is acknowledged that another set of conditions altogether comes into play when it is seen that the dumping country's object is not benevolence, but the ruin of a competing industry later on, and dearness to the Canadian consumer when the time shall be ripe.

The Canadian Finance Minister aims a daring blow at the solar plexus of this American system through the means of a special customs duty, chargeable in all cases where undervaluation is proven. This special charge is, with certain exceptions affecting the iron and steel trade, to be equal to the difference between the fair market value of the goods in the country of origin and the price at which they are sacrificed, so long, however, as this difference does not exceed half the amount of the ordinary duty. With this clause, attempting as it does to quash a form of competition which is manifestly unfair, general sympathy will be felt, though many think that a better weapon than this temporary expedient would be a Canadian tariff raised to a general level with that of the offending country. Doubt is expressed, too, as to how the new law can be worked out; attempts to regulate trade have from time immemorial possessed a tendency to go awry in strange and unforeseen ways, even when the tariff is of a simpler character than the one proposed.

But Mr. Fielding, in his tariff proposals, did not confine himself to future possibilities, though included in these may be mentioned his suggestion to make the customs duties of a triplicate character, one class affecting goods coming from countries themselves levying a restrictive tariff against Canada, another affecting countries of a comparatively low protective character, and a minimum or preferential tariff to be applied to Great Britain and the Empire. The agitation which has been kept up for some time past by the woolen manufacturers has resulted in an increase of minimum duties on several lines to 30 per cent. under the preference, the present rate being 23½ per cent. We have more than once in this journal asserted the necessity for some such change in order to relieve an important Canadian industry, and we believe it will meet with the approval of the majority, though as an illustration of how impossible it is to please everybody it may be mentioned that some of the dealers and importers believe it a mistaken policy. The woolen manufacturers, however, are well pleased, the only faults they find being that it is only barely sufficient, and that it did not come earlier. It will be a matter for regret to many also that relief to a Canadian industry should take the form of a blow to the principle of British preference.

There are a few other changes. The minimum duty on cordage and twine under the preference is raised from 16-2-3 per cent. to 20 per cent., while the maximum duty under the preference on china and porcelain ware is reduced from 20 to 15 per cent. ad