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IN A PERIOD OF DEPRESSION CANADA DECLARES SURPLUS

Hon. W. S. Fielding, Minister of Finance, Delivers Budget in House of Commons—Surplus of $1,500,000.

TOTAL REVENUE ESTIMATED TO REACH SUM OF $84,500,000

Total Trade of Canada in 1908 One Hundred Million Greater Than in 1906, Despite World-Wide Depression.

Trade This Year Cannot be Ex- Trade This Yea rCannot be Expected to Reach Total of 1907. but Government Instead of Increasing Taxation to Meet Reduced Revenue Will Curtail Expenditures—In Twelve and a Half Years 69 Per Cent. of Capital Expenditure of Country Has Been Taken Care of Out of Ordinary Revenues.

Ottawa, April 20.—Hon. W. S. Fielding, minister of finance, delivered his annual budget in the House of Commons yesterday. His clear-cut statement of Canada's financial position was well received, and when he announced that, despite the world-wide depression, he was able to declare a surplus of current revenue over current expenditure for the last fiscal year of $1,500,000, the government supporters applauded voiciferously.

Mr. Fielding began by reviewing the two fiscal years just closed and the current year. In 1908 he had counted on an actual revenue of $96,500,000 and an expenditure of $77,500,000; the actual revenue was $445,000 less than the estimate, but the actual expenditure was $858,000 less than the estimate. The net result was that whereas the anticipated surplus was nineteen million, the actual surplus was $19,413,000. In addition, there was capital expenditure of $30,429,000 of which $18,910,000 was chargeable to N. T. R., and other special expenditure $5,300,000, making a total capital and special expenditure of $33,937,000. If the surplus and sinking fund and a small refund were deducted from this capital expenditure it would leave a total net increase in debt of $14,288,000, or if the N. T. R. had not been built, there would have been a decrease in the national debt of over four million dollars. In analysing the revenue for 1908 he said the customs contributed $57,500,000, which was the largest customs revenue in the history of the Dominion, while the rate of taxation was lower than existed in former times. Calculated on dutiable goods only, the average rate of duty charged in 1896 was 29.-974; 1908, 26.582. In eluding dutiable and free goods the average rate of duty in 1896 was 19.129; in 1908, 16.480.

Surplus Despite Depression.

"For the fiscal year 1908-9, which closed a few days ago," said the finance minister, "it has not been possible to close up the accounts. The revenue of the year was affected by a world wide stringency. As received up to April 10, it was $84,352,000. My estimate is that the complete revenue will be $84,500,000, eleven and a half millions less than the previous year, or a shinkage of twelve per cent. In face of such a falling of revenue, a considerable deficit would not have been surprising, but my fears are not to be realized and I estimate a surplus of $1,500,000 on consolidated revenue account. The expenditure up to April 10 has been $72,939,000 and I estimate the total expenditure will be $93,000,000, which will leave a surplus of $1,500,000. On capital and special expenditure we estimate it will take $25,500,000 for the N. T. R. during the past year. Taking over the Quebec bridge adds $6,424,000. Other special charges of $17,300,000 bring the aggregate to $49,224,000. Deducting from this the surplus and a sinking fund of $1,675,000, there would be a balance of $46,029,000 to be added to debt.

"This is a very large increase, but it is to be noted that $32,000,000 of that amount is accounted for by the N. T. R. and the Quebec bridge, which is to be deemed hereafter a part of the N. T. R. I freely say that we might have avoided this addition to the public debt by refraining from the construction of the eastern division of the N. T. R. Especially, it has been said that we might have refrained from building the Moncton section. Now, whatever may be said by people living in the more remote districts, who are not familiar with the needs of that line, there is no portion of the N. T. R. which was so unanimously demanded by the people particularly connected with it. People of the Maritime Province, without regard to party, were practically unanimous in demanding that if Canada was to engage in another transcontinental, they should have connection with it by some line better suited for a transcontinental service than the old I. C. R.

"We might have avoided this addition to the public debt by following the example of our predecessors in aiding the C. P. R. Leaving out of consideration the cash bonus and gifts of finished roads to the C. P. R. and considering only the land grant, I venture to say that if we had been willing to give the G. T. P. twenty-five million acres of land in the west we could have devised a scheme which would not have added a dollar to the public debt. I have no desire now to criticize the Conservative policy in connection with the C. P. R., but it is simple proof to say that that policy caused widespread dissatisfaction in the western country, and if it had been proposed to again adopt that policy, it would not have commended itself to the judgment of this House or to the country. But we were of opinion that our true course was to build the eastern division as a government work, and to face the responsibility it would bring on us for a short time. We had faith that it would become, as it will, at an early period in its history, an interest-bearing asset which will practically wipe out the debt which its cost represents. So we say that while a few short-sighted people, well intentioned no doubt, might say that we should not have incurred this debt, I am sure that the sounder judgment of the country will say that we did well to face the financial responsibility which is involved by these divisions of the public debt.

"Our trade statistics for the past year will necessarily be unfavorable but they will not be more unfavorable than the statistics of other countries. The year 1907 was only a partial year, a period of nine months, and, therefore, it is impossible for us to make comparison. The total trade for the fiscal year 1908 reached a very high figure, being one hundred million more than 1906. In 1906 our exports amounted to $256,586,630, and in 1908 they had increased to $280,006,600. The imports in 1906 amounted to $294.-286,015, and in 1908 amounted to $370.-786,625. Our total trade in 1906 was $550,872,000, and in 1908 was $650.-793,000. Now for the fiscal year of 1909, we have no final returns, but from the best information we can obtain, our exports amounted to $261.-379,304. Our imports amounted to $292,358,021. Our total trade amounted to $553,737,000. The exports have fallen slightly, but there is a considerable decline in imports.

"In this respect we are able to make very satisfactory comparison with the United States. The decline in imports for the year has been about the same in both countries, but taking the figures of the calendar year, the exports of Canada have decreased only to a small extent, whereas the exports of the United States decreased very largely.

Recovery Will be Complete.

"Coming now to the fiscal year which lies before us the year 1909-10 it is only fair to say that with the abundant resources and widely recognized energy of Canadian people we shall be speedily able to overtake the declines of the past year. It is only reasonable to suppose that the conditions of the past year were due to special circumstances and that these -imp ronoronorono