

HON. MR. FIELDING'S BUDGET SPEECH.

No Change in the Tariff—Surplus of Over
\$16,000,000.

Navy to be Paid Out of Income—To Prevent
Trade Combinations—Mr. Foster's Criticism.

The Budget Boiled Down.

Ottawa, Dec. 14.—Hon. Mr. Fielding's budget speech has three divisions—past, present and future.

During the past year, 1908-9, the total revenue was \$85,500,000, a decline of nearly \$11,000,000; the surplus was \$1,029,171, and the addition to the public debt \$45,000,000.

For the eight months of the current year the revenue was \$64,656,509, an increase of \$9,541,282; and it is expected that the four months still to run will bring it up to at least \$87,500,000.

Last year the expenditures on the consolidated fund were \$84,000,000. For the current year the expenditures chargeable to income will not exceed \$81,000,000, a reduction of \$3,000,000.

There will thus be a surplus for the current year of \$16,500,000, capital expenditure will be reduced to the extent of \$16,486,393, and there will be added to the public debt \$17,750,000, or \$2,250,000 less than the appropriation for the Transcontinental Railway.

The outlook for the coming year is even brighter, the Finance Minister being confident that the receipts will pass the \$100,000,000 mark.

The bounties on iron and steel expire on Dec. 31, 1910, and those that remain will be charged against income, instead of as in the past to capital account. The expenditure on naval construction will also be met out of revenue.

The Liberal Government had spent \$212,500,000 during the past thirteen years on capital and special account, and had added and had provided \$147,000,000 out of revenue, or 69 per cent.

The Conservative Government during the last thirteen years they were in office spent \$167,166,252 on capital and special account, and provided only \$49,000,000 out of revenue, or 29 per cent.

The per capita debt on an estimated population of \$7,450,000 is \$45.85. In 1896 it was \$50.82.

For the current year the total trade of Canada is expected to exceed that of 1907, the record year, when it totalled \$650,000,000.

No tariff changes are announced, but a bill will be introduced making the combine clause in the tariff act more effective. Where there is a prima facie case made out that there is a combination unduly enhancing prices, the Government will pay the expenses of the inquiry.

A preference for Canada in the British West Indies is anticipated as the result of the present commission on trade relations with those islands.

President Taft's address is regarded as an assurance that the friendly trade relations between Canada and the United States will be maintained.

FIELDING'S SPEECH.

Ottawa, Dec. 14.—The wave of prosperity which has passed over Canada during the past year, coupled with a policy of wise administration, enabled Hon. Mr. Fielding to present to the House of Commons to-day one of the most gratifying budgets in the long and bright series which stand to his credit. To the line of successive balances piled up during the thirteen years the Liberal Government have held the reins of power the Minister of Finance has added a surplus of \$16,500,000 for the fiscal year which ends in March next, and that after meeting all ordinary expenditures and all charges, he has saved the appropriation for the Transcontinental Railway, out of revenue. As Mr. Fielding phrased it, "Canada has come back once more to the old familiar story of general employment and prosperous trade, of increasing revenues, of liberal surpluses, and of generous appropriations for the public service."

Hon. Mr. Fielding recalled that at the last session of Parliament circumstances compelled him to submit a budget which was not in all respects a very cheerful one. Perhaps it was because the Finance Minister every where about that time found themselves in strenuous circumstances. Perhaps it was because that was his thirteenth budget, and he had not the good luck that one hopes to have at such a time. It was agreeable, however, to be able to round out the year's dozen under happier conditions, and come back once more to the old familiar story of general employment and prosperous trade, increasing revenues, liberal surpluses, and generous appropriations for the public service. In the fiscal year 1908-9 there had been a financial depression which was almost world-wide, and which, in the case of the Republic to the south became a financial panic. Canada felt its effects to a much less extent than did the United States, but when the last fiscal year closed on the 31st of March, 1909, it was found that the revenues had been seriously affected. While the revenue for the previous year, 1907, which was a record year, represented the great sum of \$96,054,005, that for 1908-9 was only \$85,093,404. There was thus a decline in the year's revenue of \$10,961,101, or a falling off of 11 1/2 per cent. The expenditure chargeable to income for the same year was \$84,064,232, leaving a surplus of \$1,029,171.

THE CURRENT YEAR.—Coming to the current fiscal year 1909-10, Mr. Fielding said he was glad to have a more cheerful story to tell. There were still three and a half months of the year to run, and the books of account would not close until some considerable time after the end of the fiscal year, so that it was difficult to make more than an approximate statement at the present stage. It was gratifying, however, to know that the unfavorable conditions of the previous year had passed away. There had been a very gratifying recovery of activity. They had been blessed with abundant harvests, and in almost every department of labor in which the people were engaged there had been increased activity. They had recovered the lost ground in revenue, and were now moving forward to even higher records. The revenue for 1909-10, the current year, to December 1, was \$64,656,509, which represented an increase over the revenue for the corresponding period of the previous year of \$9,541,282. Thus in eight months there had been a gain of nine and a half million dollars of revenue, or an increase of about \$1,200,000 per month. The revenue for the last four months of the previous year amounted to \$29,978,177.

COUNTING IN NEXT FOUR MONTHS.—If it was assumed that for the remainder of this year the same amount would be received as was received during the corresponding period of last year, the revenue for the entire current year would be \$87,500,000.

Transcontinental, they would add only seventeen and three-quarter millions to the net debt of the country. In other words, if they had not that large and exceptional work the Government would have been able this year to reduce the public debt by two and a quarter millions.

THE COMING YEAR.

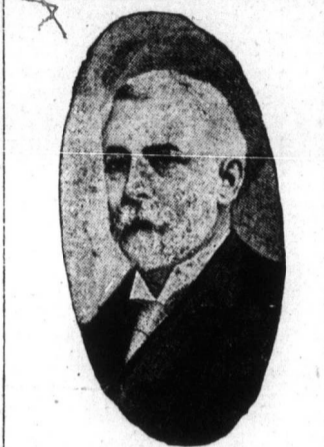
Turning to the coming year—1910-1911—Mr. Fielding said he was very hopeful that the Government would be able to repeat the policy of keeping down the increase of debt, and he looked forward to being able to provide out of revenue for ordinary expenditure and for that portion of the capital and special expenditure outside the Transcontinental.

Mr. Borden asked, What will have been spent on the Transcontinental by the end of the present fiscal year, March 31st, 1910? and Mr. Fielding replied that it would be roughly \$78,000,000.

HUDSON BAY RAILWAY.

Mr. Foster asked if it was intended to complete the Transcontinental by the end of 1911 or go slower, and also whether provision was to be made for the construction of the Hudson Bay Railway.

Mr. Fielding said the estimates included a sum for the further survey of



FINANCE MINISTER FIELDING.

the Hudson Bay road. If it was determined that the project was advanced to a sufficient point to call for a vote for construction, that vote would have to come in the supplementary estimates. As to the completion of the Transcontinental Railway, he thought there was everything to gain by pushing it to completion, and for that reason a very liberal vote of twenty-seven million dollars was being taken for the coming fiscal year. With regard to revenue for the coming fiscal year, he had no hesitation in saying that if the hundred million mark was not reached during the current year it would certainly be reached during the coming year.

In the estimates for the coming year there had been transferred from capital account to income account several items which for a number of years had been charged to capital. One was for arms and ammunition, and another for Dominion lands. The appropriation for naval expenditure was also to be charged against income. As this expenditure would be distributed over several years, he thought it might properly be charged to income. The expenditure of the year would be charged to the revenue of the year, and it would not therefore be necessary to add anything to the public debt on this account.

THE BOUNTIES.

Mr. Foster asked if the Minister had come to any conclusion to adjust the bounties in a similar manner.

Mr. Fielding said that the bounties were on all four with the payment of railway subsidies, which in the time of the Conservative Government, as well as during the present regime, had always been charged to capital. The chief bounties, said Mr. Fielding, were on iron and steel, namely pig iron, iron puddled, bars, and iron and steel ingots, and these would expire on December 31st, 1910. There was a bounty on lead, which was limited to a term of years, and on coal, which was not so limited, and there was a provision in the act that the bounties for electric smelting might be extended for two years longer. As no action had been taken under that provision he took it that the bounties on iron and steel would all expire next year, and that after that the bounties would not be very large. Whether they should charge them to income or to capital would be a matter for consideration at that time.

BOUNTIES HELPED TRADE.

Dealing with the results which had followed the granting of bounties, Mr. Fielding claimed that it could be clearly shown that the Treasury of Canada had not lost a dollar by the payment of bounties. The iron and steel industries which had been established had undoubtedly a great effect in the development of the trade of Canada. The cities of Toronto, Montreal, Halifax and St. John would all testify that the merchants had sold great quantities of goods to the great steel-making ports, and he did not think it was too much to say that millions of dollars had been paid into the Dominion Treasury in duties on such goods as ports, removed from the steel centres themselves. The steel ports were Sault Ste. Marie, Sydney, North Sydney and Sydney Mines; Glace Bay, which supplied the coal to the Sydney works; New Glasgow and Hamilton. While the statement might be qualified as to Hamilton, he thought that in every one of these communities the increase in business was due directly to the increase in the iron and steel industry. The customs revenue at these six ports in ten years showed an increase of \$9,011,645 compared with the previous ten years, when the iron

and steel industry was in its infancy. So that every dollar paid out by way of bounty to the iron and steel business had been brought back directly to the public Treasury in increased custom duties, to the stimulation of business.

DEBT, TRADE AND POPULATION.

Dealing with the increase of debt, the present Government, Mr. Fielding said, during the past twelve and three-quarter years had spent on capital and special expenditure \$212,002,815, and had added to the debt of the country \$65,432,846. The Conservative Government, from 1878 to 1896 spent on capital account \$167,000,000, and added to the debt \$180,000,000. In pointing out that the net debt per capita at present was only \$45.85, compared with \$50.82 when the Conservative Government went out of office, Mr. Fielding stated, on the authority of the census officers, that the population of Canada would be 7,450,000 at the end of the fiscal year.

Referring to the growth of trade, the Minister of Finance said that if the same rate of progress shown during the past seven months was continued the total trade of the current year would probably exceed that of the record year of 1907-8, when the figures were \$650,000,000.

He also alluded to the deposits in the chartered banks as showing the restoration of Canada's financial equilibrium.

In regard to Canada's trade relations with other countries he made reference to the commission appointed to look into the trade between Canada and the West Indies, and intimated that there was hope for a preference being granted to Canada by the British West Indies. Germany, he said, was now disposed to enter into negotiations with Canada, as were also Italy and Belgium, and in due course negotiations would have to be entered upon with those countries with a view of arriving at some friendly understanding with them.

THE UNITED STATES TARIFF.

"There has been some anxiety," said Mr. Fielding, "perhaps some unnecessary alarm, in the minds of some of our Canadian people as to possible friction arising in consequence of the recent tariff legislation in the United States. But after reading the most admirable message of President Taft to Congress a few days ago, I think we can all feel that the United States Government have a very correct appreciation of what is 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 assume that there is any cause for anxiety as to any friction arising between the two countries."

Spinning the Minister, 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 importation of American specie, and the profits of the Mint during the past eleven months amounted to \$405,565.

NO TARIFF CHANGES.

Mr. Fielding said that he had no tariff changes to announce, as the Government were of the opinion that it was not in the best interests of the business of the country that there should be frequent changes. The Government, however, would endeavor to meet the criticism that had been made upon the combine clause in the tariff act. It was said that the Government had not provided sufficiently for the payment of the expenses to encourage people to take advantage of the clause, that too much was left to the individual, and too little financial responsibility upon the public Treasury. "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."

Dealing with loans maturing, Mr. Fielding intimated that arrangements were being made to provide for them.

CANADA'S GROWING TIME.

Concluding, he said: "It must be a matter of gratification to every good citizen to see so many favorable signs in the outlook of our country. We have known all along that we needed but 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 the 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 the best 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. Let us see to it in the midst of our party strife that at all times there rises above us the dominant note of a firm desire to do whatever is possible to promote the progress, prosperity and happiness of the Canadian people."

HON. GEO. E. FOSTER.

Mr. Foster began with his congenial task of demolishing surpluses and magnifying expenditures. The surplus of last year, he argued, was properly speaking, a deficit, for the expenditure of two and a half millions of subsidies should be charged to income rather than to capital. The expenditure for the year was the highest on record, despite the fact that prudence should have called for the cutting down of expenditures, when all signs pointed to a period of falling revenues and general financial depression. The salvation of the situation during the current year had been not the policy of the Finance Minister, but the good crops and the work of the farmers of Canada. The prosperity of western Canada this year was what enabled the Finance Minister to make a more presentable statement than had been the case last March, and the Conservative party could take the credit for the first opening up of the west. Mr. Foster pointed a few of his arrows

at the silence of the Finance Minister on the old subject of free trade and the opening of new markets for Canadian products. The adverse balance of trade with the United States, which the Liberal leaders had promised to rectify, was still unchanged. Last year it had amounted to \$85,000,000. And with other countries, too, the adverse balance of trade was steadily going up, instead of diminishing, as should be the case under a wise fiscal policy.

In respect to the tariff situation in the United States, Mr. Foster agreed with Mr. Fielding that the message of President Taft to Congress had been conciliatory and reassuring in tone. But, though Canada could hope that the maximum schedules of the Payne tariff would not be invoked or even held up against this country as a menace, still the fact remained that the situation was a delicate one, and the United States was already penalizing Canada in respect to the tariff on pulpwood and paper. The American tariff, he added, did nothing to encourage Canadian trade or to extend a fair reciprocity.

In British politics he noted a significant and vitally important movement, which must be borne in mind in shaping Canada's fiscal policy. It was but six months ago that the Joseph Chamberlain had begun the propaganda for imperial preferential trade. So rapid had been the progress of that movement that now the South Africa colonies, New Zealand, Australia and Canada were all giving preferential treatment to the mother country, and the election in Britain was now being fought out with one of the great parties advancing as the first plank of its platform the policy of giving a return preference to the overseas dominions. "Whichever side wins in the present contest," said Mr. Foster, "the time is measurably near when Britain will decide to give us a measure of preferential tariff treatment in return for our preference. Therefore it is wise for us not to unnecessarily tie our hands by entangling fiscal alliances with other countries."

Coming to a more detailed discussion of the financial aspect of the budget, Mr. Foster criticised the Minister of Finance for not taking warning before last year from the signs of approaching financial depression and accordingly decreasing the expenditure for the last fiscal year. As a result of the enormous borrowing that has been necessary, the credit of the country has been endangered, and now the highest interest rates of many years were being paid on loans negotiated during the past year.

Resuming after recess, Mr. Foster reverted to the familiar arguments of his previous speech on the budget debate, claiming that the increase in revenue was practically the same as an increase in taxation. For the millions of increase in the debt he saw no correspondingly large increase in live assets. The increase in expenditures, more than threefold since 1896, was altogether inordinate with the increase in population and the needs of the administration. In the past thirteen years the present Government have spent a total of \$922,000,000, or within eight millions of as much as was taken out of the pockets of the people during the whole of the 29 previous years of Confederation. Extravagance, mismanagement and graft were reasons advanced by the ex-Finance Minister for this expenditure. He went in detail into the departmental expenditures, making comparisons with corresponding expenditures of leaner years before 1896.

MR. H. H. MILLER.

Mr. H. H. Miller, who followed the ex-Finance Minister, in reply to the latter's charge that the country was paying record rates of interest on loans, noted that the test of credit was not a comparison of the rate of interest paid now with that paid ten years ago, but rather a comparison of the rate of interest paid now by other countries, and on this basis of comparison it was shown that Canada's credit was as high now as it ever was. As to charges of graft and wasteful expenditures upon the public Treasury, he recalled the fact that every one of these charges had been thoroughly ventilated in the Public Accounts Committee, and had been unsubstantiated in fact. In respect to the iron and steel bounties, Mr. Miller said that when they expired at the end of next year he, for one, would strongly oppose their renewal.

REVISION OF RULES.

There was a brief discussion upon the motion of Sir Wilfrid Laurier to appoint a committee of nine members to examine the rules of the House with a view of simplifying and accelerating business.

Mr. Borden suggested that the time occupied in answering question might be saved.

Mr. W. F. Maclean hoped nothing would be done to curtail the liberties of Parliament or restrict freedom of speech.

Sir Wilfrid Laurier assured the House that there was no intention to curtail the privileges of the members. The committee appointed is composed of Sir Wilfrid Laurier and Messrs. Brodeur, Giesey, Mackenzie, Borden, Haggart, Carvell, Barker and Doherty. Mr. Burrell called attention to the expulsion of a Canadian student from Saxony, and suggested that the Government give the matter consideration.

KILLED IN CHICAGO.

Hugh Parker, Toronto, Dies as Result of Accident.

Toronto, Dec. 15.—Word reached the city yesterday of the death in Chicago of Mr. Hugh Parker, a former resident of Toronto, from injuries received in a train wreck. The body will be brought here, and interment will take place in Gravenhurst.

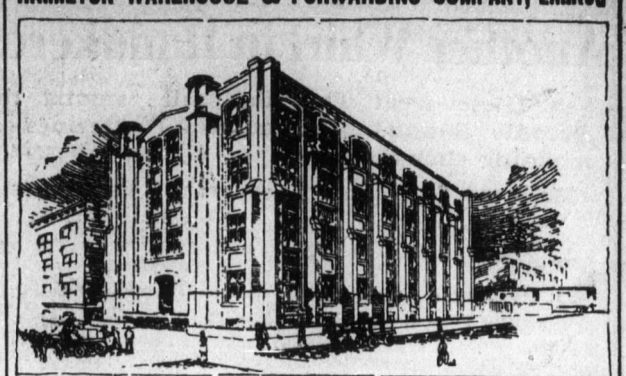
The late Mr. Parker, who was about thirty-five years of age, was formerly in the employ of the Grand Trunk Railway, being a conductor for many years. He went to Chicago three years ago, and engaged with a road operating out of the Windy City as brakeman.

For Dad and the Boys.

See Christmas presents in razors at Gerrie's drug store, 32 James street north. Largest and most complete stock in city. In safety razors, the Gillette, Auto-Strop, Witek, Boker's, Gem Junior, Enders, Ever Ready, Shawwell and others. In regular razors, the Carbo-Magnetic, Barbers' King, King Shaver, Champion King Cutter, Diamond Edge, Johnson, Griffin and many others.

A carload of strike-breakers have been landed at Springhill, N. S., to work in the mines.

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