

THE BUDGET SPEECH.

The Honourable Mr. Fielding, Minister of Finance, delivered his Budget speech on the 7th inst.

The general tone of the speech was sanguine and buoyant. The Minister said:

"Although there was much in the outlook calling for serious thought and caution, still the business conditions of Canada were believed to be sound, the outlook for the crops was everything to be desired, and they might look forward with hope and confidence to a continuance of the progress and prosperity which Canada had been enjoying for the past few years."

The surplus revenue for this year would amount to \$16,500,000, the largest in the history of Canada. The Post Office service now yielded a surplus under the reduced rate, whereas under the higher rate there was an annual deficit. The gross expenditure was \$61,746,571 in 1903, against \$63,970,799 in 1902, a decrease of \$2,224,228. The revenue for current year to end of May, was \$62,718,000 against \$57,725,000 in 1892, an increase of \$4,993,000 for the 11 months of this fiscal year. The interest charges on the debt last year were \$9,047,000 against \$9,132,000 in 1896, and the net debt per head was \$46.69 against \$49.08 in 1891 and \$50.61 in 1896.

From directly financial questions the Minister of Finance branched off to enter into a lengthy but very interesting and lucidly stated exposition of the fiscal proposals of the Government. He showed how the surtax on German imports had reduced them to the great benefit of the British West Indies, the importations of sugar to the extent of 174 million pounds yearly from Germany having ceased, and the trade wholly diverted to a British colony.

The revenue tariff introduced into Canada seven years ago was declared to have proved as such "a most satisfactory one, and at the same time it included a considerable measure of incidental protection." The significant comment followed:

"As to whether or not the tariff afforded adequate protection, they had evidence of a gratifying character. It had been high enough to bring great American industries to establish themselves in Canada. If they wished to see some of the good results they should go to Hamilton or Toronto, and look at the vast industries which had come across the line."

Mr. Fielding referred to the Chamberlain movement, but as the question had become one of party controversy in England the Government thought it would be unseemly to take part in it. The changes proposed in the tariff were then detailed. Mr. Fielding threw out a suggestion that, in revising the tariff after an inquiry had been made by a special Committee, "it would be well to have a maximum tariff of a general character and a minimum general tariff and the British Preference below that. The max-

imum tariff to be applied only to those countries who adopt a trade policy, which discourages, trade with this country." In general terms the Finance Minister's proposal is to meet high tariffs against Canada, and tariffs of a more moderate character, with reciprocity, treating countries fiscally as they treat Canada. The adoption of such a policy would, in Mr. Fielding's judgment enable a tariff to be devised, which will be, in all its details, fairly satisfactory to the country.

The changes proposed may be briefly summarized as follows:

A higher duty on such cheap woollens as are made in Canada; a reduced duty on table ware, window glass, silk fabrics for neckwear; paraffin, illuminating and lubricating oils, vaseline and similar articles. Molasses, not for distillation to be free of duty. Printing presses, machinery for the linen and brass trades, for drilling, etc., if not made in Canada, to be free of duty.

A new policy is to be adopted to check "dumping" or throwing "slaughtered" goods on this market, which will be done by a special duty placed on imports of this class.

The Budget Speech and its proposals will, of course, have to pass through the fire of party criticism, but there seems a great likelihood of the positions and policy of the Finance Minister meeting with approval, to a considerable extent, outside the bounds of his ordinary supporters.

LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY:

The 68th annual meeting of the Liverpool & London & Globe Insurance Company was held at Liverpool, on the 10th May last. The year 1903 was an especially prosperous one for this great and wealthy company, as it was to some others, who found their experience of last year most grievously reversed by this year's conflagrations.

The company's fire premium income in 1903, after deducting the sums paid for reinsuring surplus risks, amounted to \$10,033,597. The losses, inclusive of all claims to close of the year were \$5,217,560, the ratio to premiums being the exceptionally low figure of 52 per cent. After providing for expenses there was a surplus sufficient to increase the reserves and provide for the serious conflagrations of 1904. \$500,000 was added to the fire reinsurance fund, the balance being carried to profit and loss account, from which \$500,000 was transferred to the General Reserve Fund. The fire reinsurance fund stands at \$4,500,000 and the General Reserve Fund \$7,000,000.

The Chairman did not regard this year's conflagrations as unmitigated evils for two reasons, one being that they stopped hostile legislation on the part of foreign countries against fire companies, and another that in the long run the strong, sound in-