

BUDGET DEBATE.

Mr. Fielding's Address Answers and Contradicts His Own of Former Years.

Mr. Foster's Brilliant Criticism and Statesmanlike Attitude Concerning National Affairs.

The Government's Broken Pledges, Blundering and Extravagance Mercilessly Laid Bare By the Finance Minister.

OTTAWA, May 3.—Whatever interest attached in anticipation to the budget speech, gradually diminished during the progress of its delivery, and disappeared altogether with the announcement that no changes in the tariff were contemplated. When that announcement came the western members, who were led a week ago to withdraw their motion for the abolition of the duty on coal oil after Mr. Fielding had brought down the budget looking rather black. It did not fully appear what purpose was served by the delay, as Mr. Fielding had nothing to say in their interests, nor did the finance minister make any reference to export duties or to any other question of immediate public interest, except the announcement that the restrictions on the importation of oil in bulk would be abolished.

The greater part of the budget speech, which has been quite fully reported by telegraph, might have been delivered by Mr. George Johnson, the dominion statistician, by whom it was evidently prepared. Mr. Fielding gave the house more of the Statistical Year Book than was ever heard before, and in addition filed a vast quantity of schedules with the Hansard staff which were taken as read. Mr. Johnson also furnished a book of diagrams illustrating, in that happy way he has, the growth and progress of trade and industry, revenue, mineral production, insurance and all sorts of things, except possibly the increase in expenditure. Two-thirds of Mr. Fielding's speech was taken up with this sort of statistics, which are exceedingly useful for reference purposes, but not of over-powering immediate interest. Moreover, all the returns read same down to the end of the last fiscal year, and may be found set forth in several thousand pages of statistics in the various publications issued some months ago by Senator Scott's printing office on Nepean street.

There is no doubt Mr. Fielding was in a position to give a magnificent exhibit of the increase of trade in Canada. At the end of his speech he admitted that this condition of things might be transitory, and that it could not be accepted as a permanent situation. He gave some wise words of warning to the people to prepare for the swing of the pendulum in the other direction, and not to clap on too much sail in the meantime. As this government seems to expect to go on in office it may be expected to give Mr. Fielding the national prosperity of which he speaks. Nor will he accept the responsibility of the contrary swing of the pendulum, when it comes.

Unfortunately the government is not taking heed to the warning that Mr. Fielding gives to other people. He and his colleagues appear to be clapping on all sail, and Mr. Tarte is rousing up jury masts and all sorts of apparatus to accommodate more cargo. There is a sharp contrast between Mr. Tarte's triumphant statements that the government is spending more money because it is making it, and Mr. Fielding's warning that the people in the day of prosperity should prepare for rainy weather. "Wait till you see next year," said Mr. Tarte in a very different sense from that in which Mr. Fielding warns the people to prepare for worse times next year. The sort of preparation that this government is making may be seen from the following brief summary which is not found in the diagram presented yesterday in the house.

Expenditure on Current Account. 1896—By Mr. Foster \$38,940,000 1897—By Mr. Fielding 38,822,000 1898—By Mr. Fielding 38,822,000 1899—By Mr. Fielding 38,928,000 (The figures for 1899 are Mr. Fielding's estimate, as two months are yet to be heard from.) Capital Expenditure. 1896—By Mr. Foster \$2,781,000 1897—By Mr. Fielding 2,829,000 1898—By Mr. Fielding 4,156,000 1899—By Mr. Fielding's estimate 8,623,000 During the three years which this government has been in power, although as Mr. Fielding says the revenues have been the greatest in our history and although he himself fears that the present condition may not continue, the increase of debt has been, according to Mr. Fielding's own showing, over \$7,000,000.

The finance minister entered into an elaborate calculation, which was not new, because Mr. Patterson had already made it in the debate on the address, to show that the average rate of duty during the last nine months was 17.21 per cent, which he compared with an average rate of 15.35 per cent, showing a reduction of 2.14 per cent. This he says is a decrease of 1-3-4. It is really not quite so much—in the rate of customs taxation. When we remember the emphatic whole-souled declaration against the National Policy under the old tariff, in which Mr. Field-

ing took a leading part, it is rather remarkable that this is all the change which he has to boast for these three years of tariff reform. It is hardly likely that the admiring audience addressed by Mr. Fielding four years ago would have taken the trouble to applaud him if he had thought that the vicious National Policy which he denounced would be only changed by so small a fraction as one-ninth. If a tariff of 15 per cent was a shocking outrage on the people, the tariff of 17 per cent can hardly be the beneficent measure which this government applauds.

When Mr. Fielding denounced the oil duties because they made the people pay 6 cents a gallon on oil, he hardly expected to retain the tariff of five cents and to place the oil industry and trade under a monopoly which made the price higher than ever it was before. When he denounced the cotton duties of 20 per cent, it may be presumed that he did not expect to stand in the house defending a 20 per cent cotton duty. When he indicated a 25 per cent rate for iron machinery it is not likely that he expected to retain the same rate while giving the manufacturers the advantage of cheaper raw material, paid for by additional bounties. Much less did he expect to stand up in the house and claim that the tariff as now constituted, retaining eight-ninths of the National Policy, has been "a contributory cause" to the prosperity of the country.

The change in Mr. Fielding has not been so abrupt as it has in some other ministers, though it is complete. Two years ago, when Mr. Fielding brought down his tariff, he told the people that this was the first step in the direction of free trade. Sir Wilfrid Laurier made the same statement in England, and brought back a Cobden Club medal on the strength of it. Last year Mr. Fielding was not ready for the second step, but gave the protected interests warning that they must put their house in order. On both occasions he resorted to threatening language, or at least with an admonitory attitude, to the colonies. Yesterday he had no remarks to make on the subject of combination, notwithstanding the fact that since the last budget speech the whole oil interest, both protective and commercial, has passed into the hands of a combination; notwithstanding the fact that the binder twine business has become consolidated; notwithstanding the circumstance that combines are contemplated in the bicycle industry, the paper industry, the tanning business, the furniture business, and that the cotton mills and sugar refineries have already passed into consolidated companies. Never was the air so full of protests against combinations in restraint of trade, production, and transportation as they are today, and never did a finance minister of Canada so completely ignore the whole subject as Mr. Fielding did in his four hour reading yesterday.

As was said, Mr. Fielding in his first and second budget speeches spoke of the protective tariff as a sort of temporary or half way measure looking toward the fulfilment of the party pledge to destroy protection root and branch. Yesterday his vote was for tariff stability and permanence. The national policy has captured him at last. His principles and not the protective tariff have gone as a sheep to the slaughter. This is really the most significant and yet the most encouraging element in the budget speech. It shows that whatever ministers may say or have said, they have abandoned their attacks on protection and are now trying to make a treaty of alliance and friendship with Cartwright's "scoundrel great and scoundrel small."

One other feature of interest in the speech is the practical abandonment of reciprocity. Mr. Fielding told us yesterday that the people were not as anxious about reciprocity as they were two years ago. He says they do not need it as much as formerly, and that they are prepared to go their own way in case it is refused. Incidentally and mildly he suggested that it would be a good thing for the maritime provinces to have freer trade relations with the United States. But even the maritime provinces could get along very well without it, and this government was not going to make sacrifices in order to obtain reciprocity.

This is a long climb down from the day of the Ottawa convention of 1892. It is a still greater descent from the unrestricted reciprocity of 1891, and a still greater plunge from the commercial union craze of a few years preceding. Mr. Fielding was a member of the Quebec conference which passed resolutions in favor of commercial union whereby everything of value to the nation would be sacrificed in order to obtain concessions, which Mr. Fielding now says are of no great value to us. The finance minister therefore stands as a forcible reminder to the country of the enormous benefit Canada received from the defeat of his party in 1887, and in 1891. We know now from what great dangers the electorate preserved the people, dangers into which Sir Wilfrid Laurier and Sir Richard Cartwright and Mr. Fielding himself did all they could to thrust this country.

But there is a strong impression that Mr. Fielding's philosophical disregard for reciprocity is due in part to the certainty that the negotiations have utterly failed. Everybody here knows that there is not the slightest chance of an agreement at Quebec in August. Everybody in Washington knows that the negotiations have failed utterly. Reports from the United States capitalists are unanimously to the purpose that the Canadian representatives on the commission

have been played with. They went to Quebec and to Washington not knowing what they wanted, and as a Washington editor remarks, not knowing what they didn't want. It is possible that some arrangement may be made about the boundary of Alaska and other purely scientific questions, but there is no possibility even remote of a trade bargain. For this deliverance we may offer fervent thanks, for if the Canadian commissioners should make a bargain it would undoubtedly be a bad one.

It was rather difficult for Mr. Fielding in the face of a decline in our imports from Great Britain and the enormous increase in imports from the United States, to show that the alleged preferential tariff had got in its work to any great extent. The best he could do was to say concessions had been made to Great Britain and to say as little as possible about the greater concessions that had been made to the United States, and to argue that as had as the return was of our imports from Great Britain, it would have been still worse if the preferential tariff had not been given. He sees signs of something that is going to happen in the way of the revival of British trade in the future, and offers among other things the remarkable excuse that Great Britain has not losting it to the United States because the British industries are so prosperous that they do not need to look for the Canadian market. This is a new view of the case, and reflects great credit upon Mr. Fielding's industry. It has not reached the stage of trade or economic journals, all of which are deprecating the loss of British colonial trade to United States competitors.

In connection with his argument for the stability of the tariff Mr. Fielding observed that it was not advisable to make any reductions pending the completion of reciprocity negotiations. This position is sound so far as it relates to the tariff on articles imported from the United States. But when he makes this contention Mr. Fielding rebukes himself for important tariff changes made previous to these negotiations. Just before going to the United States to bargain in trade concessions Mr. Fielding generously abolished the duty on corn, which is one of our largest imports from the United States.

This enormous concession was of great value to the United States. Yet the government saves on the eve of negotiations, and the abandoned free of recompense one element for which undoubtedly very considerable concessions might have been obtained. For instance, it would have been of great advantage to the United States to abolish the duty on potatoes and eggs in exchange for the abolition of the duty on wheat. The balance sheet would even have been in favor of the United States. When this extraordinary preliminary concession is considered, we find something almost pathetic in Mr. Fielding's declaration that it is unwise to change the tariff during negotiations. Just before going to the United States with which Mr. Fielding shuts the door after the horse is stolen is not more remarkable than the hospitality with which he flung it open and invited the thief to come and take the horse.

OTTAWA, May 5.—Mr. Foster's reply was not less instructive than Mr. Fielding's budget speech, and was much more interesting and lively. Mr. Foster spoke without notes and read no extracts more than one sentence long. His criticisms, though occasionally somewhat harsh, were in excellent temper and in a spirit of pleasant banter which may have been annoying but could not provoke signs of ill feeling. Seldom has a speaker in the house received a more enthusiastic tribute of applause from his own side than that which made the chamber resound after Mr. Foster took his seat.

To begin with, the ex-finance minister made all the necessary concessions. He admitted with pleasure the prosperity of the country. The figures which showed the commercial and industrial progress of Canada from confederation until now, he said, as gratifying to this side of the house as to the other. And it would be a matter of pride to every Canadian if there should every year after this year be spent in the first year and five millions more than the late government spent in its last year, or the average expenditure in the eleven years after the completion of the Canadian Pacific railway. Then, the capital expenditure, which was \$4,700,000 when the late government went out, was \$8,600,000 this year. The whole expenditure exceeded by \$3,900,000 under the fostering care of this ministry.

Mr. Fielding had made a calculation of the expenditure per head, contending that there was no increase. This is his table: 1895.....\$7.53 per head. 1896....." 7.53 " 1897....." 7.53 " 1898....." 7.41 " According to this Mr. Fielding spent no more in 1898 than the late government spent in 1895, though a little more than the late government spent in 1896. But Mr. Foster called attention to the fact that while Mr. Fielding had made all his calculations for the year which ends with next month, he did not bring this year into his per capita calculation. If he had done so he would have had to admit that the expenditure was \$8 a head, which is 79 cents more than in 1898, and 47 cents more than in 1895.

Mr. Foster turned his attention to the ministerial claim that "an era of

prosperity" had been discovered. He pointed out that a surplus on current account was after all not a new thing. From 1889 to 1897 there were many surpluses, amounting altogether to \$12,000,000. From 1881 to 1884 (inclusive) there were surpluses amounting to \$18,000,000. From 1883 to 1888 there were surpluses of over \$40,000,000. Altogether there had been since confederation surpluses to the amount of \$115,000,000, of which \$39,000,000 were declared by conservative governments and \$2,500,000 by liberal administrations. In five years the liberals had five deficits, and altogether the party which had the smallest record in surplus more than made up for it in the "vastness" of its deficiencies. Since confederation the liberal conservatives had \$2,000,000 excess of surpluses over deficits, while the liberals had an excess of \$4,000,000 of deficits over surpluses. It would be necessary for Mr. Fielding to continue for some years to declare surpluses before he would bring his party up to the standard. Mr. Foster pointed out that under his own management, from 1891 to 1895, the increase of debt had been in four years \$15,000,000. In that period he had remitted in sugar taxes alone over \$19,000,000, which would have been enough to cover all the increase of debt and reduce the net indebtedness by four millions. Mr. Fielding had charged the programme. He remitted but little taxation and added much more to the debt. From 1890 to 1896 inclusive the increase of debt was on an average about \$3,000,000 a year. Mr. Fielding had represented the increase under the conservative government at \$9,000,000, and had taken in the whole period from 1873, including the outlay for building the C. P. R., the allowance of some ten million dollars to the provinces by a readjustment of debt and the establishment of the canal system. During the period from 1890 to 1896 the late government had spent as much on canals and other public improvements as this ministry. Yet the increase of debt was very much less than Mr. Fielding showed.

The finance minister had made a boast of increased revenues and all his followers cheered him vigorously. They cheered as loudly four years ago when their leader declared that the revenue was already too high. Mr. Tarte had discovered that a government which drew large revenues out of the people had "made money," but Mr. Foster adhered to the old-fashioned view that whatever amount was collected was paid by the people and left them that much less for their own purposes. This government had pushed up the customs taxation in this fashion: 1896.....\$18,800,000 1897.....19,498,000 1898.....21,700,000 1899.....26,158,000 At the same time they had increased the inland revenue as follows: 1896.....\$7,900,000 1897.....8,800,000 Total for customs and excises: 1896.....\$27,700,000 1899.....34,900,000

Mr. Charlton looked up with a judicial expression, which Mr. Foster noticed, and proceeded on the spot to quote a statement of Mr. Charlton's, who declared in 1886 that the government ought to get along with \$5,000,000 less taxes. He now seemed to be quite happy over the taxation of \$5,000,000 more. Taking all the sources of revenue, Mr. Foster finds that the government is obtaining ten million dollars more than they took in 1896, being an increase per head from \$7.13 to \$8.38. This is the way in which the rulers of the country were tearing up their promissory notes.

Mr. Foster went on to give his explanation of the buoyancy of revenue and of trade. He summed it up in three items: Good crops. Good prices. Increased mining output. These made a call for manufactured goods produced by our own factories and a still greater call for the products of other countries. The increased imports gave increased customs duties. The increased home demand gave increased activity to the factories.

But all this, said Mr. Foster would have been of very little service and much of the increased trade would have been impossible without the transportation facilities which now exist. The intersection of the mining country by railways was necessary to its development, and the railway facilities afforded to the Northwest were indispensable to the marketing of the fish crops produced there. All this assistance was furnished by the late government in the face of the bitter hostility and obstruction of their opponents, who were now in power, and the premier and his supporters had prevailed we would have none of this development, which was now the pride and boast of both parties. This government, for example, claimed credit for opening up the Kootenay by the construction of the Crow's Nest branch. But what would have been the good of the Crow's Nest branch if

We Take Wool

In exchange for Clothing. Write us if you want any.

FRASER, FRASER & CO., CHEAPSIDE,

Foster's Corner, 40 and 42 King Street, St. John, N. B.

there had been no main line to connect with it. The Crow's Nest road "would have been like that celebrated abortion, the Yukon railway, beginning nowhere and ending nowhere." Again, if the liberal party had been successful in destroying the National Policy or preventing its adoption, we would now have none of that industrial equipment which makes it possible to take advantage of the enlarged demand for goods. But for the policy of the late government, the acreage but so valuably exposed by our present rulers, we should have had "No Northwest."

No C. P. R.; no great industrial equipment. No development at all along the line, such as that which we are called upon to acknowledge on this occasion. These facts no plea of a finance minister who, professing to expose a budget, but who really talks as the champion of the party, could hide from an intelligent public.

Mr. Foster's next criticism was applied to the alleged reduction of duties. Mr. Fielding had dyed upon that extensively and claimed that the average rate had been reduced two per cent, which he said was proof positive that the National Policy had disappeared. Mr. Foster showed that the average rate of duty on dutiable goods alone from 1889 to 1897 was 23 per cent. From 1887 to 1888, after the iron duties were increased, it was 21 per cent. During both periods the National Policy was in force, and both parties admitted it. The average rate in 1896 was 30 per cent, and in 1897 about the same. In 1898 it was 29 per cent, and during the eight months of this year the rate is 23.32 per cent. For the month of February, the last one reported, the average rate on dutiable goods was 23.63 per cent. Mr. Foster does not see in these changes any great reason for thinking that the National Policy has disappeared. The charges made during the past two years in the average rate are not greater than the changes made on several previous occasions before the National Policy was in force. But if the dutiable and free goods are taken together, as Mr. Fielding claimed they ought to be, there was still only a reduction of 1.74 per cent, or \$1,000,000, which was enough less than one eighth off. Mr. Fielding in order to "touch the great heart of John Bull" gave the duties a boost upward before he made the reduction. He showed no such consideration for the United States. Off went the duties on American corn, binder twine and iron goods without hesitation or compromise. The United States want to sell us corn. Fielding took the duty off corn. They want to sell us binder twine and barbed wire. He took away the duties. They had the advantage over England in the iron trade, and to assist them in the Canadian market Mr. Fielding reduced their duties by a great deal more than the amount of British preference. Then to protect the home industry he taxed the people of Canada to increase the bounty to the Canadian smelter.

Another grave deception practised by the finance minister and his colleagues was found in the claim that they had remitted taxation by \$8,000,000. This was the reduction in customs taxes alone, and while making it they had added as much or more to the excise taxes. In the one item of tobacco Mr. Fielding had endeavored to collect \$1,000,000 more than before. His increased duties led to additional smuggling, and his calculations fell short by \$400,000. But the people who did not smuggle had to pay the same as if the whole \$1,000,000 had been taken.

Another deception was charged in the matter of the West Indies preference. Last year Mr. Fielding gave utterance to tender sentiments towards our fellow subjects in the south and told us that he was allowing them the 25 per cent preference on their sugar. He did not tell us then as he tells us now that the United States were giving them a still larger preference, which would make ours of no great service. Mr. Fielding knew then as well as he did now that this was the situation, and he was now obliged to state that our imports from the British West Indies are less than they were a year ago. But still the finance minister makes no changes in his tariff. The change he made last year did not affect West Indies trade, but it taxed the people of Canada an additional half million dollars on sugar purchased from other countries. This it now appeared was

Continued on Fourth Page.

are free you for the walls for hard you the th's Ala can't rub sides the tine. it Ont.

Allen A. Mc... G Hardy, M... Lena Pickup, Maurice, Cor... Angrove, Hamance, R... learned for s... thlete, Know... Ballachuland, John H. Rand, Ed... rks Mathilda, Alberta, Dill, ... Brinkman, ... Potter, from... Africa, ... March 36, son... Barko, ... Hong Kong, G B Lockhart, ... 18th... Paine, from... Ring, Innes, ... Laurore, ... sark D Stur... An... for... Ings, for... Eskason, ... Charles E... M Pollock, ... M... ... Earl of... N. S.

il 30, ship An... bark... April 30, ... 20, scha... 7, for Halifax... John, Roger... str. J Hill, ... acks Bella... Brunswick... Avola, ... ar... John J Hill, ...

26, scha... York, do... Cir... k's Island for... ... May 1, ship... reawaker, ... Philadelphia... ...

NOTICES. Notice is given at or about the time of the (trumpet) at the northeast... to Port... to sound... separated by... or about May... to be replaced... by W... Nantucket... 50, lens... made in light... of lights... or about May... at each end... and painted... height... Fishers... and Execution... May 5, having... on, N. H... (trumpet),... at the address... of St. Andrews... May 2, ... of Hugh... county, N... beloved wife... N. B., aged 69... May 3rd, after... Wallace, fifth... and Kille A... 10 months.