

# The Insurance & Finance

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**The Public Revenue and Expenditure.** The revenue statement of receipts for the first half of the fiscal year, ending December 31st, 1897, shows as follows, compared with the same period in 1896:—

	1896.	1897.	Increase or Decrease.
	\$	\$	\$
Customs.....	9,389,185	10,071,231	+ 682,046
Excise.....	4,138,036	3,464,951	- 673,085
Post office.....	1,415,000	1,769,000	+ 345,000
Public works, including railway.....	1,973,203	2,008,364	+ 35,161
Miscellaneous.....	527,421	629,429	+ 102,008
<b>Total.....</b>	<b>\$17,452,847</b>	<b>\$17,933,974</b>	

It will be noted that the increase in Customs of \$682,046 was offset by a decrease in Excise of \$673,085, leaving in these two leading sources of the public revenue only a net increase of \$8,961. The continued decrease in Excise will be somewhat of a surprise to the Finance Department, and it will be interesting to analyse the respective details of Customs and Excise receipts to ascertain whether, and if so, to what extent the enlarged Customs receipts were caused by operations which caused a decrease in Excise. There is an opinion prevalent that the Canadian distilleries have reduced their make and output to a large extent, owing to the increased consumption of foreign spirits. Should this belief prove to be based on facts, the increased taxation imposed on the Canadian product coincident with the decrease in duties on British spirits will turn out to have been of no benefit to the public revenue. How far it is in the public interest to promote the consumption of foreign liquors to the detriment of the makers of Canadian products is a question we leave to others to discuss. The increase in Post-Office revenue was largely caused by the large profits made by the issue of Jubilee stamps, as an enormous number are being held as souvenirs of that event and for speculative purposes. Doubtless, however, the improvement in trade has had some effect in enlarging the Post-Office revenue. It can hardly be expected that the second half of the fiscal year will be as favourable to the revenue as the first half has been. The expenditures on Capital account were as follows:—

	1896.	1897.	Increase or Decrease.
Public Works, Railways and Canals.....	\$ 1,198,309	\$ 1,634,425	+ 536,119
Dominion Lands.....	32,067	37,557	+ 5,490
Railway subsidies.....	218,555	566,219	+ 347,664
Militia.....	526,508	124,604	- 401,904
N. W. T. rebellion.....	3,895	554	- 3,341
<b>Total.....</b>	<b>\$1,979,336</b>	<b>\$2,363,362</b>	

The net increase of expenditures on Capital account was \$384,026. The expenditures on Consolidated Fund account were \$13,488,170, which is \$573,236 below the amount in same period 1896. This, with an increase in income, gives a promise of the year closing with favourable results.

## Tit for Tat.

The children's game of "Tit for Tat," which is a playful form of retaliation, represents, minus the playfulness, the conduct of the United States and France towards each other. It is worth noticing as an illustration of what Tariff retaliations lead to. It is a contest between pot and kettle, but in this, as in a celebrated case, "The kettle began it." The Dingley Tariff placed increased duties upon French imports into the States. This was resented by the sister Republic, which "countered" by a blow at American imports into France, especially by duties on meat products from the United States. This seems a very natural and quite a fair policy. The meat products exporters of Chicago and those of other western places think quite otherwise. Their view is that the United States has a clear right to exclude foreign goods from American ports, but that, if any foreign nation retaliates by imposing heavier duties on American imports, it is committing an outrage. Hence, the American Government is proposing to retaliate on France for defending itself by imposing an increase of duties on French imports into the States, equal in amount to those recently imposed on American products by France. This step is likely to be resented, and the final outcome will practically be a declaration of commercial non-intercourse between France and the United States. We in Canada can sympathise with France, as every step taken by this country to merely