

Railways and Canals, Consolidated Fund	126,272
Ocean and River Service.....	\$ 23,640
Indians	74,995
Customs	21,299

As against these reductions the following increases must be noted:—

Interest on public debt.....	\$ 36,135
Sinking funds.....	52,976
Superannuation	45,846
Mail subsidies and steamship subventions	21,648
Government of North-west Territories...	27,076
Post Office	71,363
Railways and Canals, collection.....	122,099

Notwithstanding the contraction of the expenditure the net outcome of the year was a deficit in the ordinary running expenses of the country as above stated of \$330,551.31. The deficit for the year 1894-95, you will remember, was \$4,153,875.58.

THE CURRENT YEAR, 1896-97.

Having reviewed the main features of the accounts of the Dominion for the year ended 30th June, 1896, I must now ask your attention to the condition of affairs of the present fiscal year of which nearly ten months have elapsed. First, let me give you as briefly as I can, my estimate of the result of the year's operations, taking the actual figures for the period elapsed, and adding thereto the figures appertaining to the period from 20th April to 30th June of the previous year, making such allowances as the altered circumstances prompt.

Taking up the revenue side first I find that up to the 20th April—that is up to last Tuesday night—we received as ordinary revenue \$30,254,403.74. Adding to this for the purposes of estimate, the actual receipts between 20th April and 30th June of last year \$7,892,251.81 would give us probable receipts to the amount of \$38,146,655.55. But this I consider beyond the mark for this reason. The income from excise has been unduly swollen by reason of duties paid in anticipation of tariff changes, that must necessarily affect the revenue for the balance of the year, and in our customs receipts there has been a development in the last couple of months that must likewise affect materially the year's results. I am convinced, therefore, that to arrive at a safe and reasonable estimate I must drop \$850,000 from the \$38,146,655, given above. In round numbers, therefore, our income to 30th June next will, I expect, reach \$37,-

300,000. Let us deal now with the expenditure in a similar manner. Up to the 20th April, instant, we have expended \$25,463,830.05. In the period from the 20th April to the 30th June, 1896, we expended \$12,393,949.37. Summing these two up, we have the estimated expenditure to the 30th June next as \$37,857,779.40; or say in round numbers, \$37,850,000. I have just estimated the revenue to be \$37,300,000; so that you will see, Mr. Speaker, that if I were to take these figures as being exact, we might expect to close the present year with a deficit of not a very large sum.

CAUSE OF INCREASED EXPENDITURE.

As I have already stated, the actual expenditure for the year 1895-96 was \$36,949,142, or in round numbers \$37,000,000; so that the anticipated result of this year's expenditure will be greater than that of last year by \$850,000. Now, I think it will not be out of place at this point to state the reason for this increase. Taking the detailed services, I find the responsible increases to have taken place on: Interest on Public Debt, Legislation, Militia, Public Works and Post Office. What are the reasons for the increase in each of these services?

Mr. FOSTER. Will my hon. friend permit me. Do I understand him to say that he estimates the deficit to be \$850,000?

The MINISTER OF FINANCE. No. If I were to accept the figures that I have given as exact, they would lead me to expect that we might reach the end of the year with a deficit of perhaps \$500,000 or \$600,000. I wish to say further that that might be too sanguine a view, and I would not wish to be bound closely by it. I think we will have to make further allowance for the uncertainties of our trade during the two remaining months. I shall not be far astray if I say we will come out of the year with a deficit well within a million dollars, and I shall not be surprised if it does not exceed \$600,000.

In the case of the Interest on Public Debt we had to discount additional treasury bills to the extent of £600,000, necessary to meet liabilities incurred previous to the present Ministry coming into power.

In Legislation, you will remember, we had an extra session of Parliament last August.