

The expenditures on capital account for railways, canals, public works, Dominion lands, militia and Canadian Pacific Railway amounted in 1901 to \$7,695,488.34, and in 1902 to \$10,078,638.06. Special expenditures, such as railway subsidies, South African contingents and Halifax garrison, and bounties on iron and steel, show a total in 1901 of \$3,421,010.28, and in 1902 of \$3,132,769.83. Our total expenditure of all kinds in 1901 was \$57,982,866.46, and in 1902, \$63,970,799.86.

Coming now to the affairs of the fiscal year 1902-3, we find an even more satisfactory state of our finances. The revenue from the 1st of July to the 10th of April was \$48,348,125.67, against for the corresponding period last year \$43,169,658.04, showing an increase in the nine months of \$5,178,467.63. I feel confident that the remainder of the year will show a further increase, and I anticipate that the revenue of the year will come very close to, if it does not reach \$65,000,000. Our revenue last year was a little over \$58,000,000, so that the House will see I am counting on an increase of revenue this year amounting in round numbers to seven million dollars. Our expenditure for the current year up to the 10th of April was \$32,870,204.95, and for the corresponding period last year \$31,946,181.16, showing an increase this year of \$924,023.79. It will be observed that while during these nine months our revenue has increased over \$5,000,000, our expenditure, chargeable to income, for the corresponding period has increased less than \$1,000,000. I anticipate that this favourable condition will continue to the end of the year and that our expenditure chargeable to income for this year will be about \$51,650,000, against a similar expenditure last year of \$50,759,391.97, showing a probable increase of expenditure for the year chargeable to income of only \$890,608.03, while at the same time I am counting on an increase of revenue of \$7,000,000. Since I am estimating the revenue at \$65,000,000 and our probable expenditure chargeable to income at \$51,650,000, it follows that at the close of the year, as between our ordinary expenditure chargeable to income and our revenue, we shall have a magnificent surplus of \$13,350,000—a surplus far and away above any previous surplus in the financial history of our Dominion.

Associated with a question of this character there is always of course the question of our public debt.

An hon. MEMBER. Hear, hear.

The MINISTER OF FINANCE. 'Hear, hear' says my hon. friend opposite, and I am delighted to be able to assure him that upon that point also I have a statement to make as to which we need not fear any comparison. I have here a statement of the increases and decreases of the public debt, as they have occurred from time to time. Those increases and decreases in our net public debt are as follows:

NET DEBT—STATEMENT FOR SEVEN YEARS

	Increase.	Decrease.
1897.....	\$ 3,041,163	
1898.....	2,417,802	
1899.....	2,317,047	
1900.....		
1901.....	2,956,196	\$ 779,639
1902.....	3,349,085	
1903.....		5,650,000
	<u>\$14,111,296</u>	<u>\$6,429,639</u>
	6,429,639	

Net increase, 7 years..\$ 7,681,657
Average per year 1,097,379
Average of 18 years, 1878-1896 6,563,075

For the current year we do not anticipate any increase of the public debt. Last year we added \$3,349,085 to our debt, which was considerably less than I expected. In the statement I presented a year ago, I anticipated a considerable increase of our public debt as we had large capital expenditures going on then, the outcome of which it was difficult to closely estimate. But happily the outlay on capital account proved less than my estimate and the revenue very much greater. The result was that we added to our public debt at the close of the year only the moderate sum of \$3,349,085.93, which was considerably less than I expected. At the close of the present year, after providing for all our charges against income and our expenditures on capital account, which will be \$10,000,000 or a little more, I anticipate that we shall not only add nothing to the public debt, but make a reduction of that debt to the amount of \$5,650,000. If my expectation as to the favourable outcome of the present year be realized—and I think we may count with considerable safety on its being realized in