

CAPITAL EXPENDITURE, 1900-1901.

The capital expenditure of the current year, to March 10, was \$6,584,309.42. We have still to pay very considerable sums on account of railway subsidies, canals, and so forth, and I estimate that the total expenditure chargeable to capital for the current year will reach \$10,700,000. If we deduct from this our surplus and our sinking fund, I am of opinion that we shall have to make some addition to our public debt, but I think it will be a very moderate one, and will not exceed \$1,800,000. That is not a very large sum, especially if we take into consideration the additions to the public debt in days gone by.

DEBT STATEMENT, 1896-1900.

Our administration is four years old, and as one naturally wishes to prepare a statement concerning the period of his own government, I have prepared a statement of the state of the debt in these four years.

Debt statement for four years.

	Increase.	Decrease.
1896-7	\$3,041,163	
1897-8	2,417,802	
1898-9	2,317,047	
1899-1900		\$779,639
	\$7,776,012	\$779,639
	779,639	
Total increase in four years..	\$6,996,373	
Average increase for four years	1,749,093	
Average increase for 18 years, 1878-1896	6,563,075	

Therefore, deducting the decrease, we find that in the four years we have increased the public debt to the extent of \$6,996,373. The average increase for the four years is therefore \$1,749,093 per annum, against an average increase in the previous eighteen years of \$6,563,075 per annum.

FISCAL YEAR 1901-1902.

With regard to the next fiscal year, beginning on 1st July next, it is too soon for us to attempt to make anything like a close estimate. I have already submitted to parliament estimates on account of consolidated fund amounting to \$44,102,323.56, and on capital account amounting to \$6,296,500, making a total of \$50,398,823.56, including both capital and consolidated fund. We have supplementary estimates yet to come which must considerably add to these appropriations,

and there are special expenditures likely to come upon us in the next year of which we must take note. We shall have to provide, in addition to considerable expenditures in the usual way on railway subsidies and so forth, for a very considerable sum in the shape of bounties on iron and steel. Hitherto these bounties have not in any one year amounted to any very great sum, but hon. gentlemen are well aware from what we have seen in the public press as well as from the discussions in this House that the iron and steel industry is now being developed on a very large scale and as a consequence of that we shall be called upon to pay a very considerable sum as bounty. It is difficult to form any definite opinion as to what this will amount to. We know the amount of bounty that is to be paid per ton, but the quantity that will be produced is of course a matter concerning which we have no means of knowing definitely. I assume, however, that we shall have to pay next year at least \$1,000,000 in bounties on iron and steel, and I shall not be surprised if the sum has to be somewhat larger. Therefore, we shall be obliged to provide for a very considerable expenditure for the coming year. As to revenue, I do not expect that we can keep on at the rate of increase which has been so marked during the past three or four years. I think we have probably now reached about the crest of the wave of prosperity. I do not expect that we shall have any serious reverses. I think the business of Canada has been developed during the past four or five years upon very safe and sound lines. I think there has been to a very large extent an absence of that inflation which is so apt to mark a period of good times. I am of opinion that the business of the country as a whole has been so carefully conducted and is on such a sound basis that we are not likely to suffer any serious reverses, but I do not think it is reasonable to expect that we can go on increasing our business as rapidly as we have during the past few years. What may happen is that we might suffer a check. Perhaps it might be best described as a period of rest, not of going backward, when Canada like a young giant will gather new strength and advance again by leaps and bounds as she has during the past four years.