

than were anticipated. In public works the increase was caused by an expenditure of \$243,334 in improvement of the St. Lawrence. In the redemption of debt the increase in the expenditure over the estimate is owing to the fact that we have redeemed \$300,000 of 6 per cent. currency of Canada, British Columbia Bonds, \$33,000, and some A and B stock, making a larger expenditure for redemption of debt than was anticipated, but which is, of course, so much of our debt moved out of the way. In regard to railway subsidies, it is a difficult matter to estimate with any degree of certainty what will be the expenditure, as it is not known with what vigor the work will be pushed, or how many of these companies may make contracts and go on with their work. Deducting redemption of debt, there was a capital expenditure last year of \$5,267,035, against a capital expenditure, exclusive of redemption of debt, of the preceding year, of \$5,464,521. The net debt on the 1st July, 1888, was \$234,531,358, showing an addition in that year of \$7,216,583. The net debt on the 1st July, 1889, was \$237,530,041, showing a net addition of \$2,998,683. Taking the operations of 1888-89 over 1887-88, and comparing them with the operations of 1887-88 over 1886-87, I find that there was a gain in revenue of \$2,874,408, or 8 per cent. in 1888-89, as compared with a gain of \$153,970, or less than one-half per cent. in 1887-88. There was an increased expenditure of \$199,339 on consolidated revenue, or one-half per cent. in the former, as compared with an increase of \$1,060,815, or 3 per cent. in the latter year. The surplus of 1888-89 shows an amount of \$1,865,035 as compared with a deficit of \$810,031 in 1887-88. The capital expenditure is a little less, while the debt increase was less than \$3,000,000 as against the previous year's increase of \$7,217,000. The following statement will show this:—

1888-89 over 1887-88.	1887-88 over 1886-87.
Gain in Revenue, \$2,874,408, or 8 p.c.	
as compared with \$153,970, or nearly $\frac{1}{2}$ p.c.	
Increased Expenditure, \$199,339.	
or $\frac{1}{2}$ p. c. as compared with \$1,060,815, or 3 p.c.	
Surplus of \$1,865,035 as compared with (deficit) \$810,031.	
Surplus and Sinking Fund, \$3,601,679	
as compared with \$1,129,046	
Capital Expenditure \$5,267,035 as compared with \$5,464,521	
Debt Increase, \$2,998,683 as compared with \$7,216,583	

Passing to the year 1889-90, it will be found that about a year ago I estimated that the Customs would yield \$23,900,000, the Excise \$7,125,000, and the Miscellaneous \$8,150,000, or a total of \$39,175,000. The receipts up to the 20th March of this year have been: from Customs, \$17,-

259,352; from Excise, \$5,179,220, and from miscellaneous, \$5,440,932, or a total of \$27,879,504. If we were to proceed upon the supposition that we would get from the 20th March to the 30th June of this year the same revenue in proportion that we received during the same period last year, it would add to these amounts: from Customs, \$6,913,819; from Excise, \$1,914,737, and from miscellaneous, \$3,080,238, or a total of \$11,908,794, which would give a total revenue of \$39,788,298. But I cannot proceed altogether upon that assumption. I find that the revenue has somewhat diminished since the 1st January, in comparison with the same months of the preceding year, and a proportionate allowance for the continuance of this diminution during the remainder of the year will amount to \$113,000. In the latter part of 1888-89 there was credited to the Consolidated Revenue Fund an amount of accrued interest of about \$100,000, as was also an amount of \$375,000 from Open Railway Accounts. These sums will not to that extent come into the revenue for the latter part of the current year, and making these deductions, I estimate for the current year: from Customs, \$24,000,000; from Excise, \$7,000,000, and from Miscellaneous, \$8,200,000, making the total revenue which I think we will get \$39,200,000, against my estimate about a year ago of \$39,175,000. The expenditure to 20th March of this year has been \$22,353,399. The expenditure last year from the 20th March to the 30th June, if applied to the remainder of the current year, would lead us to expect added expenditure of \$13,771,778, if we proceed upon the same scale of expenditure for the remainder of the current year, showing, on that basis, a total expenditure of \$36,125,177. I have, however, just placed on the table the Supplementary Estimates for the year 1889-90. They are a little larger than I had expected, and, therefore, in order to be on the safe side, I think the expenditure for the present year should not be estimated at less than \$36,500,000, which was the sum at which I estimated it a year ago. Suppose this holds good, the expenditure will be \$36,500,000, and the revenue on Consolidated Fund Account \$39,200,000, giving us a surplus for the current year of \$2,700,000 as against the surplus actually received last year of \$1,865,035. I am sure this statement is one which will be particularly pleasing to the House and the country, as showing the buoyancy of our resources, and the fact that we have a surplus of this magnitude without imposing any increased rate of duty, and in fulfilment of my forecast of about a year ago. In regard to the capital expenditure, including subsidies to railways, the position is as follows:—