chargeable for the first time to capital account, about $700,000. There are large sums chargeable to capital for the equipment of the Intercolonial Railway with rolling stock and with new rails. There are large sums for transportation in the Public Works Department. There is a very considerable sum amounting to $950,000, representing the awards to two provinces on certain questions which were dealt with last session. For these and other expenditures we shall have, as I have already stated, a total of about $14,000,000 on capital account; and the result will be that we shall be obliged to make this year a larger addition to our public debt than we have done in any previous year in the history of this government.

Mr. SPROULE. Notwithstanding the surpluses.

The MINISTER OF FINANCE. Notwithstanding the surpluses. On that point I am going to endeavour to satisfy my hon. friend that we have a most admirable record; and if, by and by, in the dim and distant future, he is to stand in my place, and shall be as lucky as I am, and I should be on the other side of the House, I will congratulate him from the bottom of my heart.

Hon. Mr. TISDALE. A gross expenditure of $65,250,000 ?

The MINISTER OF FINANCE. About that. The amount which I anticipate we shall have to add to the debt of the Dominion for the current year will be close upon $6,000,000. This will be, as I have stated, the largest addition to the public debt under the present administration, and will be almost in line with, though a shade above, the addition made to the public debt in the last year of the late government, when the addition was $5,422,000. You see it has taken us five years to catch up to them in that one matter. But even with this large increase to the public debt for the current year, we shall still be able to present a very gratifying statement, as to the average annual increase to the public debt—and hon. gentlemen opposite are much fonder of averages than we are.

Mr. WILSON. Will you average the income ?

The MINISTER OF FINANCE. Yes, we ought to be very glad to know that under a tariff which takes out of the pockets of the people $4,000,000 a year less than the old tariff would, if it had remained in operation—under a tariff which has been reduced so much that hon. gentlemen opposite complain that our taxation is too low—we are still in the happy position of having a largely increased income. Even with this considerable addition to the public debt of the current year, we shall have a very satisfactory statement of averages to present; for when we have added the $6,000,000, if it shall prove to be that, to the public debt this year, we shall have made an average yearly increase of $2,793,000, as against $6,563,000 for all the years of our predecessors.

Now, in a country like Canada, I think that about all we could be expected to do would be to provide out of taxation for our ordinary expenditure; and if perchance we needed important works of a permanent character, or if there were some exceptional charge, such as bounties, railway subsidies, or the South African war, it would not be entirely wrong if we were to charge every penny of the cost to the public debt. A young country like Canada might be placed in that position without being regarded as going behind. But if she is able to do something better than that, if she is able to provide not only for her ordinary expenditure but also for a considerable part of her capital expenditure out of the revenue, then she makes a very fair showing. I have prepared a statement for the purpose of showing what these capital and special charges have been. I am taking periods of six years, from 1879 to 1884, from 1885 to 1890, from 1891 to 1896, and from 1897 to 1902. My object is to ascertain what were these capital or special charges in each of these terms, and what proportion of them was borne out of revenue, and what proportion passed into the public debt. I find that in the first period, from 1879 to 1884, these capital and special expenditures amounted to $72,339,172, of which $41,799,780 was added to the public debt; so that the government of that day were able to provide for these capital and special charges out of revenue to the extent of 42 per cent. In the next period, from 1885 to 1890, these capital and special charges amounted to $63,520,739, and during that period there was added to the public debt $55,371,361, showing that in that period only 13 per cent of these capital charges was paid out of revenue, and all the rest was added to the public debt. In the period from 1891 to 1896, $31,306,340 was expended on these capital and special charges, of which $20,964,221 was added to the public debt; in other words 33 per cent of these charges was paid out of revenue and the balance was added to the public debt. In the last six years, from 1897 to 1902, assuming that we spend the amount on capital which I estimate, and add to the public debt $6,000,000, at the close of this year we shall have spent $55,872,572 on these capital and special charges above ordinary expenditure, and we shall have added to the public debt only $15,982,570; so that we shall have provided for these capital and special expenditures out of revenue to the extent of no less that 71 per cent.