

Postmaster General, who is now absent, wherein he established a two-cent rate instead of a three-cent rate, one of the most important reforms in the Post Office Department, and one which I am sure the country has fully appreciated.

If, for a time, therefore, our revenue from that source fell off it would not be altogether a cause for regret. I am glad to be able to say that we have now reached the point where we shall be able to make comparisons with previous years under the three-cent rate. In January last past we had turned the corner in that respect. Up to that date, our revenue was, under the two-cent rate not quite so large as it was under the three-cent rate; but, in January, 1901, under the two-cent rate, the revenue of the Post Office Department was \$398,289, while the corresponding month of January, 1898, under the three-cent rate the revenue was \$368,941, showing that now, under the two-cent rate we are receiving more money in the way of revenue in the Post Office Department than we formerly received when the three-cent rate prevailed. Under the head of miscellaneous revenues there is a considerable increase, the largest item being in respect to railways. There is an increase of \$828,344 under that head. It is well to remember that, while we are spending largely increased sums upon the Intercolonial Railway in particular, we are also having largely increased receipts, and it may be well in this case to make a comparison between 1896 and 1900. The revenue of the Intercolonial Railway in 1896, being the year ending the 30th June, was \$2,957,640. The revenue for last year was \$4,552,071, showing an increase in the receipts of the Intercolonial Railway between 1896 and 1900 of \$1,594,431. My hon. friend the Minister of Railways and Canals (Mr. Blair) has to come to the House frequently for increased appropriations for this road, and it is well that when he shall do so we shall keep these facts in mind, and realize that owing to the greater development of the Intercolonial Railway, and of the trade of the country generally, the receipts of that important public work are now much larger than they were before. Our total revenue for the year which has passed was \$51,029,994.02.

EXPENDITURE AND SURPLUS, 1899-1900.

Our total expenditure, chargeable to consolidated fund account, that is our total expenditure for what may be described as the ordinary purposes of government, was \$42,975,279.51, showing a surplus on the year's operations of no less a sum than \$8,054,714.51. This surplus, Mr. Speaker, was the largest that has ever been known in the history of the Dominion of Canada. I have prepared a statement showing the surpluses and deficits for the last four years, and the following are the figures:

In 1897 there was a deficit of \$519,981.44, in 1898 there was a surplus of \$1,722,712.33, in 1899 there was a surplus of \$4,837,749, and in 1900 there was the surplus that I have just mentioned of \$8,054,714.51. Our surpluses thus have aggregated \$14,015,175.84. Deduct \$519,981.44, the deficit for the first year, which was, however, hardly under our control, but we will pass that point now,—deduct the deficit of that year from the surpluses of succeeding years, and we find that there has been a net surplus for the four years as between the revenue and the ordinary expenses of government of \$14,095,194.40.

CAPITAL EXPENDITURE, &c., 1899-1900.

So far I have dealt with what we call the expenditure on consolidated fund account, which represents the ordinary expenses of government. There is, of course, another class of expenditure which figures in our account, which is commonly called capital expenditure, including public works, railways, railway subsidies and various special items of an unusual character. These expenditures for the year ended June 30, 1900, were as follows:—

Intercolonial and Prince Edward	
Island Railways	\$3,308,891 31
Canals	2,639,564 93
Public works	1,089,827 29
Dominion lands	192,470 09
Militia	230,850 51
Canadian Pacific Railway	236 11
Total	\$7,468,843 24

To this must be added for railway subsidies, including \$340,000 paid during that year to the Crow's Nest Pass Railway, \$725,720.35, and there is a further item to be added, being the expenses of the South African contingent and the Halifax garri-