

the house. What is fair with the individual is fair with regard to the affairs of the nation. There is a proper distinction between the ordinary expenses of the government and special expenses for public works, or some special or exceptional charge which should be set apart and treated in a different way. I am therefore defending not only my own method, but I am defending the method of all the illustrious men who have preceded me in the Department of Finance when I claim that this is a proper distinction to make and a proper way to treat the accounts.

Having thus shown, as I hope I have, that that method is correct, and that we have had surpluses just precisely as our opponents in some cases had them, I now invite your attention to this record of surpluses.

For the first year of this government, we had a deficit of \$519,981.44; but the next year we entered upon the era of surpluses which is not yet ended. The following table will show the surpluses for each year from 1897 down to the present:

	Surplus.	Deficit
	\$	\$
	cts.	cts.
1896-7		519,981.44
1897-8	1,722,712.33	
1898-9	1,837,749.00	
1899-1900	8,051,714.51	
1900-1901	5,618,333.29	
Total for 5 years	20,263,509.13	519,981.44
Net surplus	19,743,527.69	
Average	3,948,705.53	

For the 18 years 1st July, 1878, to 30th

June, 1896, the total surpluses were \$27,862,361.68

And total deficits 18,060,648.57

Leaving net surplus \$9,801,713.13

Or an average of \$545,339.61

For the eighteen years from the 1st of July, 1878, to the 30th of June, 1896, the total surpluses were \$27,862,361.68, and the total deficits for these eighteen years amounted to \$18,060,648.55. Deducting the deficits from the surpluses we find that during these eighteen years the gentlemen then managing the public affairs had a net surplus of \$9,801,713.13, or an average surplus per year of \$555,339.61; while we have had an average yearly surplus during our term of office, amounting to \$3,948,705.53.

Hitherto I have spoken of the financial affairs of the past year. Coming now to the affairs of the current year; there is a considerable increase in the revenue and a corresponding increase in the expenditure.

Some hon. MEMBERS. Hear, hear.

The MINISTER OF FINANCE. My hon. friends say 'Hear, hear.' Well, we are lucky people when we can make the two go hand in hand. We have received for the current year to the 10th of March, this present month as revenue \$38,047,685.82. Having regard to the receipts of the corresponding period a year ago: to the amount which was received from this date to the end of that fiscal year, and to the anticipation in which I indulge that there will be some increase; I am of opinion that we shall have at the close of this current year a revenue of \$56,800,000 (in round numbers) as against an actual revenue last year of \$52,514,701. There will thus be a probable increase in our revenue this year to the amount of \$4,285,298.

Now with regard to the expenditure. We have expended this year up to the 10th of March, \$30,133,502.76; and taking into account the amount which we expended last year from this date to the 30th of June, and making allowances for a probable increase during the present year—because there will be some increase—I am of opinion that at the close of the year we shall have an expenditure in all, probably of nearly \$51,000,000 in round numbers. I make it a shade below that, but for convenience we may call it \$51,000,000. That will be an increase in the expenditure, over the expenditure on consolidated account for the past year, of \$4,133,632. It will be observed that I estimate an increase of revenue of \$4,285,298, and an increase of expenditure of \$4,133,632. The two sums would nearly balance one another. If they exactly balanced one another they would leave us with the same surplus as last year, namely, \$5,648,333; but as the increase of revenue is a little more than the increase of expenditure, I think I am warranted in saying that the surplus for the current year will be a little larger than that of last year and will amount to \$5,800,000.

As to the capital expenditure of the present year, it is exceptionally large; the largest we have had for some years. I anticipate that at the close of the year, we shall have a charge for capital and special expenditure of \$14,250,000, as against \$11,116,000 last year.

Mr. BORDEN (Halifax). I got the estimated expenditure as \$51,000,000 in round numbers; is that right?

The MINISTER OF FINANCE. That is correct. We have this year very special charges to swell the capital account. Our railway subsidies will be considerable, as they were last year. The House is aware that railway operations have been going on throughout the Dominion pretty largely. We shall have to pay for bounties this year,