

that in the first year of Liberal administration we would have an expenditure of at least forty million dollars. He will be glad to learn, I hope, that the expenditure of that year amounted to only \$38,349,759.

My hon. friend said that he could appeal with confidence to the great arbiter, time, to decide these things. Well, the great arbiter has given judgment, and has given judgment against my hon. friend and in favour of the Administration. I suppose it would be too much to expect of my hon. friends opposite that they will take the cheerful view which we, on this side, are disposed to take of the prospects of the country under a Liberal Administration. I suppose it is even possible that their sense of duty may oblige them to continue to draw the same alarming picture of the future under Liberal rule. We, on this side, will have to comfort ourselves with the thought, when we have these alarming predictions, that time, the great arbiter, will continue to decide against my hon. friends and in favour of the present Administration.

I have given some figures respecting the consumption on spirits and intoxicating liquors, but it has occurred to me that, in view of the agitation on the subject of prohibition, which is likely to be continued and to take a more emphatic shape at an early day, there will be frequent references, no doubt, to the amount of duty and the revenues of the various departments of the Government arising from the liquor traffic. I think that, therefore, it might be convenient to include in the Budget a statement showing exactly what are the revenues derived from that source. The statement is for the year 1896-97.

	Quantity.	Duty.
Customs—		
Alc. beer, &c...Galls.	327,216	\$ 65,245 30
Excise—		
Malt .....	Lbs. 68,443,353	1,026,652 13
Customs—		
Spirits and wines.G'ls.	1,396,136	2,406,529 81
Excise—		
Spirits .....	Galls. 2,782,514	4,732,506 19
Or,		
Customs .....		\$2,471,775 11
Excise .....		5,759,158 32

Summing it up, we find that the revenues received from these sources are: Customs, \$2,471,775.11; excise, \$5,759,158.32, making a total revenue from that source of \$8,230,933.43.

So far, Sir, I have dealt with the financial year ending June last. Now, let us turn our attention to the current year, of which nine months have elapsed. With this elapsed period as a basis of calculation, I shall endeavour to estimate what our position will probably be on the 30th June next. Up to 31st March last, according to the latest statements we have obtained, our customs revenue amounts to \$16,111,029.82.

Making due allowance for the increase we have lately been experiencing in the receipts

from this source, and keeping in mind that after 1st July the preferential feature of our tariff obtains its full development and consequently there will be a slight check in the imports in May and June, I think I am within the mark when I estimate the customs revenue at \$21,000,000, as against last year's yield of \$19,478,247. From excise, I do not expect to receive more than \$8,000,000, as compared with \$9,170,378 received last year, on account of various disturbing causes. As between the two years, there is no doubt our revenue this year from that source will be less. From miscellaneous sources I anticipate our revenue will be \$10,300,000; or \$39,300,000 in all.

So much for the revenue. On the other hand, the actual expenditure up to the 31st March on account of consolidated fund amounted to \$22,987,258, which is just on about a level with last year, if we take into account the fact that there is a quarter's post office expenditure of last year which does not appear this year but will come in at a later stage of the accounts. We must add to the outlay against us the expenditures which will be imposed upon us in connection with the opening of the Yukon district and the maintenance of law and order in that territory. So, to be on the safe side, I put the total consolidated fund expenditure for the current fiscal year at \$38,750,000. If this estimate proves correct, and if we receive the estimated revenue of \$39,300,000, the business of this year, closing the 30th June next, will end with a surplus of \$550,000.

My aim and expectation in that respect are that we shall have in this current year a surplus which will wipe out the deficit of last year, and leave a balance, possibly even a larger balance than I would now care to state, on the right side. I feel confident that this is a safe and conservative estimate of the result of the year's operations. Some features of the year's business have been so abnormal, there has developed such buoyancy in trade, that I should not be surprised if the outcome of the year should be more favourable than I have indicated. The total consolidated fund expenditure for the current year I have just estimated at \$38,750,000, or some \$400,000 over last year's actual expenditure. The reasons for this are to be found in the additional interest on the public debt that has to be paid on account of the loan of last autumn, the necessary outlay in connection with the opening up of the Yukon district, an increased outlay resulting from a vigorous policy to be pursued in the Department of Agriculture, and also in the branch of the Department of the Interior which has special reference to immigration. The extension of the Intercolonial Railway to Montreal will also go to swell our gross expenditure, although I am assured by my hon. friend the Minister of Railways that the increased outlay will be offset by increased receipts that will accrue from the working of