

But it should be remembered that with our vast territory, and with the business of our country scattered over such a wide area, it becomes necessary to allow some time to pass for the collection of the accounts. Some weeks will still elapse before we shall be able to close the accounts of the year, so that the figures which I am able to give at the moment will differ materially from the figures which will ultimately be included in our blue-books; but we can form a fairly close estimate.

I have here a statement of the actual revenue for the year 1909-10 and a corresponding statement of the estimated revenue for the year 1910-11, just closed, which it will be understood is necessarily incomplete and is subject to later revision. This statement is as follows:

	1909-10 Actual Revenue	1910-11 Incomplete. Revenue
Customs .. ..	\$60,156,133 98	\$72,704,010 34
Excise .. ..	15,253,352 65	16,651,118 06
Post Office ..	7,958,547 72	8,642,090 19
Dominion		
Lands .. ..	2,885,999 67	3,023,872 83
Railways .. .	9,647,550 69	10,368,596 30
Miscellaneous.	5,602,126 22	3,276,538 08
Total .. ..	\$101,503,710 93	\$114,666,225 80

We estimate that when the accounts are closed the revenue for the year 1910-11 will reach \$117,500,000.

The expenditure chargeable to consolidated fund to the 31st of March is \$75,590,195.74; but of course many accounts have yet to come in, and that sum will be largely exceeded. We estimate that when the accounts are closed the expenditure of the year chargeable to consolidated fund will be \$87,000,000. This will be an increase over the previous year of \$7,500,000; but there are one or two facts which must be taken into account before we regard that as an actual increase. It may be remembered that in the last session of parliament I spoke of the intention of the government to make a change with regard to certain items which had been charged to capital account. It was, I informed the House, our intention that certain charges for the militia which had generally appeared chargeable to capital, should be charged to income account; also, that the item of Dominion lands, which from time immemorial had been charged to capital account, should be transferred to income. Then, the naval service might properly also be charged to income. On these accounts we have for the militia \$1,289,644, and for the Dominion lands \$936,171.75. These two items, formerly chargeable to capital, are included in the charges against income. There is also included the naval service on which we expended \$1,369,211.94. If then we take these things into account, the transfers from

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capital to income and the new item for the naval service, we will find that the actual expenditure of the year has not been increased by \$7,500,000, but may be roundly stated at \$4,000,000.

The estimated revenue for the year ending March 31, 1911, I place at \$117,500,000. The estimated expenditure chargeable to Consolidated Fund will be \$87,000,000, and this will give us a surplus of revenue over the ordinary expenditure of the government of \$30,500,000.

There might be circumstances under which a large surplus of that character would be open to criticism. If it were the result of increased rates of taxation, or of burdensome taxation, it would be. But when, as a matter of fact, our rates of taxation are lower than before, although, owing to the flourishing condition of the country the amount collected is much larger; when, as a matter of fact, the rates of customs taxation are lower, and substantially lower, than they were in former years; and when this surplus comes to us from a system of taxation which is not open to the charge of being generally burdensome, I think we do well to take the surplus obtained in this way and use it in paying some portion of our capital and special charges, which otherwise would have to be represented by additions to the public debt. By this liberal surplus we are able to provide, as I have already shown, for very large expenditures which, in the ordinary course of events might properly be charged to capital and added to the debt.

I have spoken of the revenue, the expenditure and the surplus of the year. This is a surplus on the expenditure that is chargeable to income. Let me say a word or two with regard to that form of expenditure which is known as capital and special expenditure. We voted for the year just closed, for the Transcontinental railway, \$27,000,000. Our estimate is that the actual amount of expenditure for that service for the year will be \$24,000,000. We shall expend, as closely as we can estimate it, on public works, railways and canals chargeable to capital, railway subsidies, bounties and other minor charges of capital and special character, \$11,500,000. Add that to the \$24,000,000 for the Transcontinental, and we have an expenditure on capital and special account of \$35,500,000. If we set that against the surplus of \$30,500,000 and the payments into the sinking fund of \$1,100,000, we find the amount which, as the result of the year's operations, has been added to the public debt. These figures show that we have provided for all the ordinary services of the government on a liberal scale, we have provided for public works and railways, railway subsidies, and bounties and various services chargeable to capital account, and have provided even