

placed at \$25,007,203. The estimate is as follows:—Customs, \$15,300,000. On looking into this matter very carefully, it is considered by the Government that, in view of the increased prosperity in the country, in view of the increased prices of articles to be imported, the amended Tariff, the changes in which are not made for revenue purposes, will produce an increased revenue of \$600,000. We expect to receive from Excise, \$5,213,000. In referring to the resolutions I am about to submit to the House with reference to Customs, it will be found that upon careful consideration we cannot count on any increased revenue from the proposals to be submitted. I will leave that question until I read them in detail, when hon. members will be able to judge for themselves. In reference to Excise, a proposition will be made to the House that will probably add \$200,000 to the income from that source. It is proposed to grant licenses to manufacture Canadian leaf tobacco, and that an Excise duty of 14c. instead of 20c. per pound will be imposed. With reference to Public Works, including railways and canals, it is estimated that we will receive \$2,286,000 during next year. The Estimates contain an additional appropriation for railways not beyond what was asked for during the present year, it is \$160,000 less; but there is \$200,000 required for working the Pacific Railway, and the Minister of Railways assures us, and the evidence to which I have referred warrants him in making that statement, that during the next year the income from these public works will be equal to the expenditure, and it will be found that in the estimated income we placed a sum equal to the estimated expenditure. Bill stamps will bring \$208,000; interest on investments \$600,000; and Post Office \$1,210,000. I will observe here that the interest on investments—\$600,000—is \$250,000 less than estimated for the present year, for the reason stated, that the sums of money that have been loaned and are now at interest, will be used in paying off certain liabilities, and the result will be that our income from investments will be \$250,000 less next year than during the present year. From other revenues we expect \$700,000, making an estimated revenue or income for next

year of \$25,517,000. If our expectations are realised in this matter, it will appear, Sir, that our pledges will have been redeemed, and the equilibrium between revenue and expenditure will have been restored, and there is a very good margin, indeed, which justifies us in arriving at the conclusion that such will be the case. I take this opportunity of making the statement that we expect to provide for the expenditure on Capital during the next year partly by the balances we now have on hand. As shown by the return made to the House, out of the thirteen millions four millions have to be paid for the redemption of debentures on the 1st July next. Five or six millions will therefore be available for expenditure under the heading of Capital Account during the next year, leaving over three millions as a reserve; and the Government propose to submit for the consideration of the House a proposition to extend the authority already given with reference to the issue of Dominion notes. The Government propose to ask that the amount now fixed, beyond which a note cannot be issued, unless we hold dollar for dollar in gold, shall be extended from twelve millions to twenty millions of dollars, and the Government will place whatever proportion of that twenty millions they may find it in the interest of the country, in circulation. Twenty-five per cent. of the circulation will be held in gold and guaranteed Dominion securities, not less than 15 per cent. to be in gold. That will be the proposition that the Government will ask the House to support. That will enable us, with the amount of gold that will be released and three or four millions additional circulation added to the five or six millions we have now on hand, to dispense with any necessity to go into the English market to provide money for next year's expenditure. We will be able to secure whatever the deficiency may be from the capitalists of the Dominion, at such a rate as will be satisfactory to the country. These are briefly the proposition that we submit with reference to income and expenditure during the periods to which I have referred. If there are any further details I will not detain the House now to go into them, but will take an opportunity to do so later on. I desire to trespass on the attention of the House