

financial years ending respectively the 31st March, 1911, and the 31st March, 1912.

SUPPLY—THE BUDGET.

Hon. W. S. FIELDING (Minister of Finance) moved that the House go into Committee of Supply. He said: I am sure, Mr. Speaker, that we shall all rejoice that the facts and figures which it may be my duty to submit to the House to-day will help to tell the continued story of that progress and prosperity which Canada has now happily enjoyed for a long period. Possibly at some previous times there have been some doubts on occasion as to whether or not there was that progress and prosperity which has been claimed, but if there ever was any difference of that kind it certainly does not exist now, for on all hands we have the testimony that the condition of Canada is a very prosperous and satisfactory one.

The Public Accounts submitted to parliament at the present session were for the fiscal year ending March 31, 1910, a period which expired a little more than a year ago. I shall not at this day occupy much time in commenting upon the operations of that year, but there are a few striking points in connection with them of which we may well take note in passing. The estimated revenue for that year, 1909-10 was \$97,500,000, accompanied, however, by a hope that under favourable conditions the revenue might reach the round mark of \$100,000,000. These favourable conditions did occur, and the revenue reached the hundred million dollar mark and passed it. The actual revenue for that year was \$101,503,710.93, being a little more than \$4,000,000 in excess of the estimate, \$16,000,000 and more in excess of the previous year and nearly \$5,500,000 in excess of the revenue of the record year of 1907-8. Thus, so far as the revenue was concerned, the operations of the year were eminently satisfactory.

If we turn to the expenditure side, we shall find an equally satisfactory state of affairs. When our revenues have been buoyant we have felt justified in making liberal provisions for the public service, but when a check comes upon the revenue, then, although it may be only for a time, it is well that we should apply the brakes to expenditure. In the year 1908-9 such a check did come upon our revenue and there was a substantial reduction; our revenue fell off about \$11,000,000. In consequence of that, it was thought well to apply the brake somewhat severely to the expenditure of the following year. Happily the check on our revenue proved only temporary. After a short time the revenue continued to grow again, but in the meantime we had endeavoured to check the expenditure with, I think, satisfactory results. The estimat-

ed expenditure chargeable to income for 1909-10 was \$81,000,000. The actual expenditure of the year was \$79,411,747, or \$1,588,252 less than the estimates, and \$4,652,485 less than the expenditure chargeable to income during the preceding year. In these figures we have the evidence that when the check came upon the revenue, we were able to put the check upon the expenditure too, and there was a very substantial reduction of expenditure in that year.

The surplus estimated for the year was a generous one, \$16,500,000; but with a large increase of revenue and a substantial diminution of expenditure, the surplus naturally grew to a larger figure, and instead of it being the sum counted on, the actual surplus of the year was \$22,091,963, which was a record surplus for this Dominion.

Mr. FOSTER. Was that after the payment of the sinking fund?

Mr. FIELDING. Yes, sinking fund is always chargeable to income.

Mr. FOSTER. That was over and above that?

Mr. FIELDING. Yes, that is my understanding.

We have to consider now the capital and special charges for the year 1909-10. In that year we expended \$35,971,911.94, a pretty large sum, on what is called capital and special account. Nearly two-thirds of that we provided out of the revenue for the year. The balance added to the debt was \$12,338,267.16. Note that in that year we paid out of our revenue all the ordinary expenses of what we call consolidated fund, all the charges for railways and canals on capital account, all the charges for public works on capital account, all the charges for railway subsidies, all the charges for Dominion lands, all the charges for militia on capital account, all the charges for bounties, and also \$7,600,000 towards the cost of the Transcontinental railway. In that year we spent on the Transcontinental railway \$19,968,000; but we added to the public debt only \$12,338,267. In this hurried glance at the accounts of the year 1909-10 we shall see that the year was a very prosperous one: first, in the matter of liberal revenue; second, in the fact that the expenditure chargeable to consolidated fund showed a substantial reduction; and, third, in the fact that although we spent a very large sum on capital account, we were able to provide for nearly the whole of it out of our revenue, making an addition to the public debt which, having regard to the large outlay of the year, was a very moderate one.

Turning now to the year 1910-11, which has just closed, we ought to be able to estimate a little more closely than usual.