

the 20th April to the 30th June, 1896, we expended \$12,393,949.37. Summing these two up, we have the estimated expenditure to the 30th June next as \$37,857,779.40; or say in round numbers, \$37,850,000. I have just estimated the revenue to be \$37,300,000; so that you will see, Mr. Speaker, that if I were to take these figures as being exact, we might expect to close the present year with a deficit of not a very large sum.

As I have already stated, the actual expenditure for the year 1895-96 was \$36,949,142, or in round numbers \$37,000,000; so that the anticipated result of this year's expenditure will be greater than that of last year by \$850,000. Now, I think it will not be out of place at this point to state the reason for this increase. Taking the detailed services, I find the responsible increases to have taken place on: Interest on Public Debt, Legislation, Militia, Public Works and Post Office. What are the reasons for the increase in each of these services?

Mr. FOSTER. Will my hon. friend permit me. Do I understand him to say that he estimates the deficit to be \$850,000?

The MINISTER OF FINANCE. No. If I were to accept the figures that I have given as exact, they would lead me to expect that we might reach the end of the year with a deficit of perhaps \$500,000 or \$600,000. I wish to say further, that that might be too sanguine a view, and I would not wish to be bound closely by it. I think we will have to make further allowance for the uncertainties of our trade during the two remaining months. I shall not be far astray if I say we will come out of the year with a deficit well within a million dollars, and I shall not be surprised if it does not exceed \$600,000.

In the case of the Interest on Public Debt we had to discount additional treasury bills to the extent of \$600,000, necessary to meet liabilities incurred previous to the present Ministry coming into power.

In Legislation, you will remember, we had an extra session of Parliament last August.

In Militia, owing to the undoubted desire on the part of the late Government to make a show of retrenchment, the usual militia camps for 1895-96 were omitted, making it all the more necessary in the following year that this important service should receive the more attention.

In Public Works, the appropriations were cut down below what was needed for works actually in progress, with the result that we have had to pay during the current year for work done in 1895-96.

In the case of the Post Office, a similar cause produces a similar effect. Accounts for 1895-96, for work done chargeable to that year, were held over and not paid until the present year.

This current fiscal year, Mr. Speaker, is the one in which we enter fully into possession of the legacies left us by our predeces-

Mr. FIELDING.

sors in office, and may I repeat what I have already stated on the floor of this House, in some observations which I had the privilege of addressing during the summer session. I then said:

It will not be until this fiscal year is completed, until we have paid the debts of the hon. gentlemen opposite, and entered upon a new year for which we shall prepare the Estimates ourselves and have full and complete control of them, that we shall be in a position to make comparisons.

My hon. friend who leads the Opposition declared in some remarks on the closing day of our summer session, that this country was face to face with a deficit in the first year of the present Ministry of not less than something like \$3,000,000. I ventured to say to my hon. friend then, that I thought he was playing the part of an alarmist. Notwithstanding the legacies that have been left us by hon. gentlemen opposite we have been able to keep within their leader's estimate, and to go below it, to the extent of \$2,500,000.

While on the subject of the current year's affairs, I may refer to the extent of our temporary indebtedness. On the first of July last treasury bills to the extent of £400,000 sterling were negotiated by our predecessors in office. These were renewed on the 1st of January last, and to meet the requirements of the country a further sum of £600,000 in treasury bills was issued; so that to-day our temporary loans amount to £1,000,000 sterling, maturing on the 1st of July. In the course of some remarks at the close of last session, my hon. friend (Mr. Foster) who preceded me as Finance Minister, stated his belief that before this year was out I would have to borrow on the market at least \$10,000,000 to make things square, and that the money so borrowed, would in the main, go, not for capital expenditure, but actually to meet our daily needs. The position of my hon. friend (Mr. Foster) as an ex-Finance Minister entitled that prophecy to consideration, but I hope he will be pleased to know that he was very far astray. Instead of having to borrow as he anticipated \$10,000,000 to meet current expenditure, he may be pleased to be assured, that all we have had to borrow is £600,000 sterling, and that that sum was necessary, not for one service only, but to put us in funds for all the charges against both capital and ordinary expenditure.

So far, Sir, I have dealt with the expenditure chargeable to consolidated fund. I now turn to the debt and capital expenditure of 1895-96 and 1896-97. The capital expenditure for 1895-96 was incurred under the following heads:—

Railways and Canals.....	\$2,519,174 51
Public Works.....	114,825 58
Dominion Lands.....	82,184 15
Militia	1,000,000 00
Total.....	\$3,716,184 24