

a little in excess of the estimate of the present year, because there has this year been a loss for the reasons to which I have already referred. From stamps I expect \$195,000; from Post Office \$720,000 up to \$970,000; arising in the manner I have described; from Railroads, Canals, Dawson Route, and all the other Public Works, \$2,250,000, which is only \$150,000 or \$160,000 more than the estimated expenditure for those works. Thus while we have added to the proposed expenditure \$583,000; there is also a considerable increase in the estimated income, and it may be that the whole of estimated expenditure may not be necessary. \$250,000 is for the purpose of working and running a railway from Riviere du Loup down the St. Lawrence, and it may be that some arrangements may be made with the Grand Trunk, if considered desirable, by which the expenditure may not be necessary. Supposing the Government work it, we expect to get an equal revenue from the expenditure asked. As to miscellaneous we place it this year at \$1,100,000. During the year the whole of the Intercolonial loan cannot be used, and we ought to get \$100,000 interest on the balance not expended during the year.

On the whole if our estimates be based on correct principles, we will have a revenue of \$21,740,000, against an estimated expenditure of \$20,826,849, or a surplus of \$913,151. Of course there will be supplementary estimates, and other propositions which may cover a large portion of this estimated surplus, but the Government feel that they are not in a position requiring them to ask additional taxation.

Now, having dealt with this point, I trust the House will pardon me for a few moments if I refer to the future with reference to our liabilities and engagements, and our prospects of meeting those liabilities. In doing so I must again refer to the past, and I will do it in a very few words. We have an annual surplus, after meeting all engagements and providing the necessary sinking fund, sufficient to pay the interest on a debt of \$30,000,000 more than the debt now is. We have in the present year a surplus, without taking into account the sinking fund, amounting to something like three quarters of a million. We are, however, entering upon new and increased engagements, involving a very large sum of money. We are entering upon works—we have already done so—which will require a large increase of our debt. We have \$10,000,000 to expend on the Intercolonial Railway. We have \$30,000,000 for the Canadian Pacific, and the canal system that has been accepted by the Government will involve an expenditure of at least \$20,000,000. These are serious matters, inasmuch as they add \$60,000,000 to our existing debt. Let us now see what is the annual charge involved in this matter. In the first place we have available the Imperial guarantee for