

Article.	Quantity.		Duty.		Increase.
	1895.	1896.	1895.	1896.	
Spirits, galls.	2,545,054	2,344,767	\$3,870,752	\$3,973,300	102,548
Malt, lbs.	50,659,627	51,690,278	759,929	775,354	15,425
Cigars, No.	106,131,294	108,290,260	635,028	648,462	13,434
Cigarettes, No.	66,628,440	80,461,900	99,943	120,692	20,749
Tobacco and snuff, lbs.	9,568,437	9,392,487	2,267,738	2,228,697

Showing a decrease in tobacco and snuff of \$39,041.

It is worth noting at this point that according to the report of the hon. Controller of Inland Revenue the per capita consumption of spirits and wines in 1896 reached the lowest point since confederation. The per capita consumption of spirits being .623 gallons; and of wines, .070 gallons against an average of 1.037 gallons of the former and .131 gallon of the latter. The following statement gives the average per capita consumption from 1867 to 1896, and the per capita consumption for the years 1895 and 1896 :—

	Spirits.	Beer.	Wine.	To-
	Galls.	Galls.	Galls.	bacco.
				Lbs.
Average from 1867...	1.037	2.900	.131	2.170
do 1894-95.	.666	3.471	.090	2.163
do 1895-96.	.623	3.528	.070	2.120

From the miscellaneous sources of revenue the most important increases occurred in Post office, \$171,225.39; interest on investments, \$33,953.62; and casual, \$121,412.32.

On the whole, therefore, the revenue in 1895-96 showed a buoyancy and expansion in marked contrast to the year 1894-95

Having so far given our attention to what was received into the treasury, let us now turn to the other side of the account, the expenditure. My predecessor estimated that the outlay for 1895-96 would amount in round numbers to \$37,000,000, and that the receipts and expenditure would about balance. The actual expenditure was within \$50,000 of the estimate and amounted to \$36,949,142.03, but as the revenue fell short of expectations, instead of both sides of the account balancing there has again occurred a deficit amounting this time to \$330,551.31. Compared with the expenditure of 1894-95, the year that elapsed on 30th June last, was remarkable for a distinct decrease in the public outlay, a decrease amounting to \$1,182,863.02. The decreases were pretty generally spread throughout the various services, but the following are the most important heads :—

Premium, Discount and Exchange.....	\$ 34,099
Civil Government.....	25,599
Legislation	36,882
Penitentiaries	64,372
Immigration	75,453
Militia	437,300
Mounted Police.....	113,111
Public Works, Consolidated Fund.....	442,548
Railways and Canals, Consolidated Fund	126,272

Ocean and River Service.....	\$ 23,640
Indians	74,995
Customs	21,299

As against these reductions the following increases must be noted :—

Interest on public debt.....	\$ 36,135
Sinking funds.....	52,976
Superannuation	45,846
Mail subsidies and steamship subventions	21,648
Government of North-west Territories...	27,076
Post Office	71,363
Railways and Canals, collection.....	122,099

Notwithstanding the contraction of the expenditure the net outcome of the year was a deficit in the ordinary running expenses of the country as above stated of \$330,551.31. The deficit for the year 1894-95, you will remember, was \$4,153,875.58.

Having reviewed the main features of the accounts of the Dominion for the year ended 30th June, 1896, I must now ask your attention to the condition of affairs of the present fiscal year of which nearly ten months have elapsed. First, let me give you as briefly as I can, my estimate of the result of the year's operations, taking the actual figures for the period elapsed, and adding thereto the figures appertaining to the period from 20th April to 30th June of the previous year, making such allowances as the altered circumstances prompt.

Taking up the revenue side first I find that up to the 20th April—that is up to last Tuesday night—we received as ordinary revenue \$30,254,403.74. Adding to this for the purposes of estimate, the actual receipts between 20th April and 30th June of last year \$7,892,251.81 would give us probable receipts to the amount of \$38,146,655.55. But this I consider beyond the mark for this reason. The income from excise has been unduly swollen by reason of duties paid in anticipation of tariff changes, that must necessarily affect the revenue for the balance of the year, and in our customs receipts there has been a development in the last couple of months that must likewise affect materially the year's results. I am convinced, therefore, that to arrive at a safe and reasonable estimate I must drop \$850,000 from the \$38,146,655, given above. In round numbers, therefore, our income to 30th June next will, I expect, reach \$37,300,000. Let us deal now with the expenditure in a similar manner. Up to the 20th April, instant, we have expended \$25,463,830.05. In the period from