

add to the expenditure for those eight months past, a similar amount to that expended on the four last months of the past year, which I think will be sufficient, there is to be added to that, \$14,397,565, making a total upon that basis of expenditure of \$36,371,391. There will be some further Supplementary Estimates to make up for Governor General's warrants and for some other expenses of that year, and I think it is safe to say that it will be within the mark that the expenditure for the present year will amount to \$36,600,000 as against estimated revenue of \$33,500,000, leaving for the current year, I think, without any probability of doubt, a surplus of \$1,900,000. That, Mr. Speaker, I think is a very satisfactory statement to be made to the House and the country. It is a condition of things which has not arisen from any increased rate of taxation, but under the very same tariff as the preceding year's receipts were based upon. Consequently, it shows an increased ability to consume, and therefore an increase in the prosperity of the country. The capital expenditure for 1888-89 is estimated as follows:—

CAPITAL EXPENDITURE, 1888-1889.

	Paid to 31st January, 1889.	Estimated from Feb. 1st to 30th June.	Total.
Railways and Canals.....	\$ 2,414 557 00	\$ 358,310 00	\$ 2,772,867 00
Public Works.....	219,283 77	166,416 23	385,700 00
Dominion Lands.....	61,342 41	38,657 59	100,000 00
North-West Rebellion.....	1,205 11	1,205 11
Railway Subsidies.....	614,443 09	538,985 00	1,183,428 00
Redemption of Debt.....	2,122,023 21	972,362 9.	3,094,386 12
Total Capital Expenditure, 1888-89.....			\$7,537,586 23

The estimate for the succeeding four months in this year was according to the best information that I could get from the different departments. The total capital expenditure, as I have pointed out, will be \$7,537,586.23, of which, of course, \$3,094,386 being for redemption of debt will not affect the net debt estimate. The net debt on

30th June, 1888, was	\$234,531,358 00
28th February, 1889.....	\$236,095,114 34
1st July, 1889 (estimated)	\$336,650,000 00

We now come to the year 1889-90, about which there is, of course, less certainty. Having regard to the state of things in the present year, and to the very general favorable outlook for commerce and trade, not only in our own country but in the great commercial countries of the world, I have made an estimate for 1889-90, which is based upon the continuance of the prosperity and the continuance of those results of trade which have obtained for the present current year, and I have simply calculated for increased revenue on the increase of population, which you may expect in the year, of 1½ per cent. My estimate for 1889-90, is as follows:

Income—Customs	\$23,900,000
Excise	7,125,000
Miscellaneous	8,150,000
Total.....	\$39,175,000

This is based on the present rates of tariff and a continuance of the present condition of the country, as I have said before. The estimates that have been laid before the House amount to \$35,400,000. I cannot say with certainty what will be the total amount of the supplementary estimates yet to be brought down. If we can succeed in curbing the naturally kind and generous heart of my colleague the hon. Minister of Public Works, and if we may rely on the general sense of Mr. FOSTER,

economy and desire to do with as reasonable an amount as possible which has been so eminently manifested by members on both sides of the House, I think I may fairly expect that the supplementary estimates will not reach an exceedingly high figure. However, to make an estimate which will be inside the mark, suppose we say that the estimates now brought down shall be increased to \$36,500,000, we shall then have a surplus for the year 1889-90 of \$2,675,000. That, I think, will also be satisfactory to the House, inasmuch as this estimate is not based upon any increase in the rates of tariff, but simply upon the present rates of tariff, and the general condition of the business of the country. It might not be unprofitable to call the attention of the House to the items of the estimates brought down, as compared with the estimates of the preceding year, because I think they show a fairly satisfactory list of decreases. The items in which there are increases are not very many, and can be easily explained. For the public debt, including sinking fund, there is an increase of \$18,061, because, of course, the debt being larger on account of the loan, and the sinking fund investments increasing year by year, there must necessarily be an addition. In Civil Government there is an increase of \$5,107; but the House must bear in mind that we have transferred this year an item of \$13,053 from the immigration vote, where it formerly was, to Civil Government; so that, taking into account that transfer as well as the statutory increases which have been provided for, an absolute saving of some \$3,000 has been made. The total amount of the statutory increases for 1888-89 are \$20,702, which, added to the amount of the transfer from the immigration vote, makes \$33,785; from this amount take the net increase of \$5,107, and the result shows that we have saved, outside of the statutory increases, \$28,678 in other items of Civil Government, which, although not a large sum, indicates economy, and, I hope, is but a step in the right direction. The next increase is in the administration of justice, \$12,060. As this is vouched for by my hon. friend and colleague the Minister of Justice, I have no doubt it is a perfectly satisfactory increase, and one which will be quite palatable to the gentlemen of the legal persuasion on both sides of the House, who, I observe, never object to an increase in the salaries of the judges. This, however, is not caused by an increase in the salaries of the judges, but is owing to appointments of new judges, and also to the expense incurred in the establishment of the new Exchequer Court. There is a slight increase in Dominion Police, of \$1,400, rendered necessary by the employment of extra men about the new building, which will soon be occupied. The other increases are not large, until you come to the Department of Indian Affairs, in which there is an increase of \$32,138, made necessary by the establishment of industrial schools, a policy which has been tried with most excellent results in the country to the south of us, and which is based upon a sentiment which I am sure will commend itself to both sides of this House. The other large increase is in Railways and Canals, \$293,625, which is largely on the Intercolonial Railway, rendered necessary by the purchase of new rolling stock for the accommodation of an increased traffic, and which will be offset in part, if not altogether, by increased earnings. When you come to the list of decreases, it is fairly long and fairly satisfactory. There is a decrease in the management of penitentiaries of \$4,322, in legislation of \$9,335, in arts, agriculture and statistics, of \$14,000, and in immigration of \$21,254. Assisted passages have been entirely done away with, and all arrearages with reference to them have been paid up. There is a reduction in quarantine of \$24,200, in pensions and superannuations of \$15,965, in militia of \$29,700, in railways and canals (income) of \$72,643, and in public works of \$1,007,894, though I suppose, when the supplementary estimates are brought down, the last figure will be