

which Canada has been so noted during the past few years.

Our last session of parliament was so protracted that before the close we were able to have presented to the House the outlines of the condition of the finances of the Dominion for the year which had then recently closed, and since then the public accounts have been laid on the table, so that only a passing allusion is needed to the finances of the year which ended on the 30th June, 1903. My estimate for the revenue of that year was \$65,000,000. The actual revenue was \$66,037,068.93, an increase of revenue beyond my estimate of \$1,037,068.93. The estimate of the expenditure proved to be a very close one. The estimate was \$51,650,000. The actual expenditure of the year was \$51,691,902.76, being an increase of expenditure over the amount which I ventured to speak of in my anticipations in the last budget to the extent of \$41,902.76. I estimated that we would probably have on the operations of the year a surplus of \$13,350,000. The out-turn of the year gave us a surplus of \$14,345,166.17. The surplus thus was nearly \$1,000,000 more than the sum at which I placed it in the last budget speech. That surplus was the largest in the history of Canada. The revenue increased over 1902 by \$7,986,287.90, while the expenditure increased by \$932,510.79. Too often it happens in relation to the affairs of government and of public bodies charged with the administration of affairs that where you are blessed with an increase of revenue you also have a corresponding increase of expenditure, but we are happily able to point out that this is not the experience of this government in recent years, for in the figures which I have presented to you I have shown you that while in the year 1903 we increased our revenue by nearly \$8,000,000, we only increased our expenditure on consolidated fund account by \$932,510.79 :

FISCAL YEAR ENDED 30TH JUNE, 1903.

—	Actual.		Estimate.		Increase.	
	\$	cts.	\$	cts.	\$	cts.
Revenue ...	66,037,668	93	65,000,000	00	1,037,068	93
Expenditure.	51,692,902	76	51,650,000	00	41,902	76
Surplus.....	14,345,166	17	13,350,000	00	995,166	17
Revenue underestimated by.	\$ 1,037,068		93			
Expenditure underestimated by.	\$ 41,902		76			
Surplus.....	\$14,345,166		17			
Surplus estimated in Budget Speech, 1903.....	\$13,350,000		00			
Results better than estimate by	\$ 995,166		17			

I have a statement of the principal sources of revenue during the year from which it will be seen that there was a comfortable increase all along the line. It reads as follows :—

DETAILS OF REVENUE.

Details of Revenue as compared with 1902.

Service.	1901-2.		1902-3.		Increase.	
	\$	cts.	\$	cts.	\$	cts.
Customs.....	32,191,978	47	37,001,726	90	4,809,748	43
Excise	11,157,133	40	12,013,779	00	816,645	60
Post Office....	3,918,415	55	4,397,832	51	479,416	56
Railways.....	5,918,997	60	6,584,797	93	665,800	33
Dominion						
Lands.	1,227,976	75	1,695,591	63	467,614	88
Miscellaneous	3,596,288	26	4,343,340	96	747,052	70
Total.....	58,050,790	03	66,037,068	93	7,986,278	90

The increase in the revenue of 1903 over 1902 is at the rate of 13½ per cent. I have called attention to the different branches of the service in which the revenue has increased, and while it is gratifying to have such returns from all the departments, I should refer to one particularly, because, I think it is one in which the minister at the head of that department is deserving of the highest praise. I refer to my hon friend the Postmaster General (Sir Wm. Mulock). For many years the affairs of the Post Office Department were carried on with a large deficit. It seemed to be taken for granted that we could not conduct the affairs of that department without such a deficit. It will be well remembered that the late Minister of Finance and other members of the late government also took the view that it was impossible to grant any reduction in postal rates in Canada, because of the very large drain that there would be on the treasury in connection with that branch of the public service. When my hon. friend the Postmaster General came into power, he seemed to take a different view. He seemed to have faith in the idea that it was possible to have increased revenues and at the same to afford increased accommodation to the public. We know of the very important step which he took when he adopted a measure which gave us the blessing—the word is not too strong—of penny postage throughout Canada. I think it was Sir Charles Tupper who estimated that in adopting that system the Postmaster General was flinging away revenue to the amount of a million dollars. That is only another form of saying that you reduce the taxes on the people to the extent of a million dollars. We know, Sir, that the reduction was brought about, that there was a reduction of one-third in the rate of our common postage, that there was a reduction of a material

