

four and a half years to meet an increase of \$718,672.80 in our fixed charges. Taking, however, this fixed sum and deducting it from our revenue, the result is as follows:

Ordinary Revenue, say.....	\$ 3,400,000 00
Charges for interest and on Public Debt, &c., 1892-93.....	1,696,433 12
Leaving a balance of.....	\$ 1,703,566 88

which is a very small amount left for the ordinary services of the administration, apart from our obligations for Railway Subsidies.

There is but one course open, and that is to bring about equilibrium between our receipts and expenditure and avoid new obligations. To arrive at this we must for some years to come increase our revenue, and this means increased taxation. It is useless and idle for us to think the Province can go along any further without taking means to pay our obligations. My predecessor got over all his difficulties by making loans and using Trust Funds, but this we have now to stop, if for no other reason than that the Province should not resort to further borrowing.

There can be no question that, since the elections, our credit has been very much restored, and our bonds on the English market have increased in value. We must maintain this position and make it still better, but we can only do this by showing that we have resources and means of revenue to meet our obligations. There was a time when the public were aware that the Dominion subsidy did not exceed our interest charges. There was probably a feeling that no matter what our ultimate sources of revenue might be, as long as the Dominion was paying us a subsidy, they would not see our bonds or our credit fail, because the Dominion had enough in its hands to pay our interest charges and save our credit. Under these circumstances borrowing was easy.

Now that time has gone, and we find that our interest charges more than exceed the amount of the subsidy payable by the Dominion.

Let us now rely on our resources and meet the difficulties by our own means and energies.

No doubt we can still make and will make further reductions in our expenses, and with our Public Debt. The items on Legislation, Civil Government and others will decrease.

We are now giving \$55,725.00 in charities. Many people will be disappointed this year in not having their applications granted, but the