

interest should be cut off, and things brought down to a business basis. (Cheers.) I see no good reason why our departments should not be conducted as a large commercial establishment would be, our expenses scrutinized, and our receipts as carefully looked after as a commercial firm would do.

This then is our position; all agree that our former large expenditure must cease, or increased taxation must be placed upon the people. I cannot for a moment conceive that any member of this House would advocate continuing our course as heretofore, which would entail annual deficits upon the province, and the question naturally comes as to what is the best course to pursue,—increased contribution from the people or a largely diminished expenditure.

Before considering this question, I will now proceed to give a short summary of the receipts and expenditure for the fiscal year ending the 30th June last. I need not go into details, as the public accounts now in the hands of honourable members will explain these, but a short *resumé* may help members in the examination of those accounts and be of some service to the general public. I have had prepared a summary of the receipts from all sources and of the expenditures for the last year, which will, I think, as nearly as possible discriminate between ordinary and extraordinary receipts and expenditures. Upon the former there is evidently a deficit of nearly \$300,000, taking the most favorable view of the position, and the only way to know how we are progressing from year to year, is not to include loans and other extraordinary receipts amongst ordinary revenue, or on the other hand extraordinary expenditure among ordinary payments, in judging whether we are paying our way or running behindhand in our business, that is, paying our expenditure for the ordinary services of the country out of our ordinary revenue.

There are certain items of expenditure beyond the control