

receipts for 1872-3 were \$20,813,469, the expenditure for the same year was \$19,174,647, leaving a net surplus of something over \$1,600,000—a very satisfactory result it must be admitted on that year's proceedings. Moreover, although the apparent increase in the receipts of 1872-3 was not much in excess of 1871-2, it is fair to state that owing to the reduction on the tea duties the real increase was more than the apparent increase, and the progress of the country was still substantially increasing during that period. There were, indeed, one or two facts which might reasonably have attracted more attention than they did. If hon. gentlemen will cast their eyes down the column of expenditure they will see there has been an enormous increase in the charges for collection of revenue on public works, while the receipts, as they will find by the other side of the statement, have not been nearly relatively so great. They will see, also, that public works chargeable to income have almost exactly doubled, as compared with 1871-2, and further, that the proportionate increase in our expenditure was greater than the increase in the revenue, even taking into account the loss on the tea duties, to which I have alluded. Nevertheless, up to the 30th June, 1873, we still continued, as I have said, in the possession of a considerable surplus; but after that date the policy of the late Government began to come into play. If the Committee will glance at the estimates for 1873-4, which, be it remembered, were made without reference to the Island of Prince Edward, they will see that the excess of the previous year was turned into a deficit of over \$846,000; and if the Committee will go back a little further, to the year 1869-70, they will see that during these four years, while an enormous increase had taken place in the revenue—an increase really much larger than it appears to be in the statement, as I shall presently show—not only had the expenditure gone on increasing in like proportion, but according to the estimates to which I have alluded, provision had to be made for a large deficit. In other words, the actual results of the policy of the Government, begun in the year 1869-70, and carried on, according to their own showing—because the figures are not mine; they were brought down by my predecessor—in four years converted a surplus of