Mr. Harris while taking account of these reductions in the Drainage books, did not carry them into the general ledger accounts. These adjusting entries in Statement No. 3, are to correct these errors, and to bring the balances of these drainage accounts in the ledger into correspondence with the actual amount of these debentures held, or the amount of capital unpaid. I informed the House last year, that I had calculations made as to how each loan would be dealt with in regard to the reduction of interest from 5 to 4 per cent. I have this last year, had all these calculations revised and re-examined, and have sent statements to all the municipalities shewing the reductions to which they are entitled. Mr. Speaker, neither the Government nor the Treasurer can be held responsible for errors of this kind, unless for the responsibility of keeping an official who is found to be inefficient. It is utterly impossible that the Treasurer can personally examine every entry in the cash book or journal. He must trust to the Accountant for the actual work. I can only say, that as soon as I was aware of how Mr. Harris was keeping the accounts, I took steps at once to put these accounts on a proper footing, and the Government came to the conclusion that, however reluctant they were to remove officers who have been in the service for many years, a change must be made in the office of Assistant Treasurer and Accountant, and Mr. Harris was asked to resign. A new Assistant Treasurer has been appointed of large experience in banking and financial matters, and I have had a new set of books on a different system adopted, which will simplify and bring under more thorough check the transactions of the Treasury Department. Before Mr. Harris's retirement, I pressed upon him the adoption of this new plan. but it is difficult to get those long accustomed to one method to accommadate themselves to changes.

In former years, Mr. Speaker, the contention has been frequently made that the Trust Funds in the hands of the Dominion ought not to be taken as assets. That contention, in view of the admissions in the Dominion Accounts, can no longer be made with any show of reason. The Dominion, in the accounts furnished to the Province, admit them all as credits at exactly the amounts given in this statement, with the exception of the Common School Fund; but while they do not credit us directly with this