I may mention, Mr. Speaker, that the sum of $925,625.40 that appears in the statement of liabilities, in connection with the Common School Fund, will not appear again in the statement of assets and liabilities of the Province, because, in accordance with the arrangement made verbally when at Ottawa, instructions have been sent to the Dominion Government to transfer from the general amount at the credit of the Province this sum of $925,625.40 to the Common School Fund. This will not affect our assets or liabilities in any way, because it is merely a transfer from the credit that we have in regard to Trust Funds generally to the Common School Fund specially, so that the amount of Trust Funds in the hands of the Dominion will remain as it was, only that a larger portion of it will be credited to the Common School Fund than before.

In reference to these drainage debenture loans, Hon. gentlemen will see in statement No. 3, certain adjusting and correcting entries in Consolidated Fund. These entries do not in any way affect the cash balances, but are merely book-keeping entries to correct book-keeping errors of the late Assistant Treasurer. When the Act reducing the interest on Drainage loans was before the House in 1887, I explained that owing to a want of knowledge of proper book-keeping, the then Assistant Treasurer had not kept these drainage accounts in proper form, and the result was that the ledger balances purporting to represent Drainage Assessment, Drainage Debentures and Tile Dramage, did not accurately represent the present value or balance of capital expenditure in regard to these loans. Let me illustrate how Mr. Harris dealt with them. Take Tile Drainage loans as the simplest illustration, The provisions of our Tile Drainage Act were that for every hundred dollars loaned, the borrower was to pay $8 a year, represented by coupons for twenty years, $5 of which was for interest and $3 on account of principal. Now, when these $8 coupons were paid Mr. Harris credited the whole to Tile Drainage accounts, instead of crediting $5 to interest and $3 to to Tile Drainage. He made the same error in regard to Drainage Assessments, which are all on the instalment plan, the annual instalments including both interest and principal. Some of the Municipal Drainage debentures are on this same plan, and Mr. Harris treated them in the same way. Then, in some cases where reductions were made in Drainage Assessment loans by Order in Council,