

with the Town of Cobourg as to the unsettled balance due from that municipality, which had been in the accounts of the Province for the past thirteen years. I stated at that time that a proposition had been made and partially accepted to issue new debentures to the amount of \$42,768 running for twenty years. That proposition was not consummated owing to the refusal of the Town Council to pass the necessary By-law. They contended, looking at the financial condition of the town, that the settlement was more onerous than they were able to meet, and the matter was left in abeyance until the close of last year, when they made an offer to the Government of \$25,000 cash, in full settlement of their liability. The Government agreed to accept that \$25,000 subject to the approval of the Legislature, and it is now in the estimates of receipts for the current year.

Mr. MEREDITH.—Was it paid?

Hon. Mr. Ross.—The money was paid and is now at the credit of the Province in the Bank. I may say that we have also agreed to a settlement with the City of St. Catharines for an unsettled balance due from that municipality. We have agreed to accept new debentures for \$4,850 to run five years, payable in yearly instalments bearing five per cent. interest. I had hoped that I should have had these debentures in hand before I made my financial statement, but I have reason to believe that they will be here in a few days.

Mr. MEREDITH.—What was the amount of the debt?

Hon. Mr. Ross.—The amount of the debt was some \$6,000 or \$7,000, but the Council objected to interest being charged upon coupons, or interest on interest. The Attorney-General thought the point was well taken, that interest upon interest could not be collected; therefore, their objection was allowed, they agreeing to give \$4,850 in full settlement, which we have agreed to accept, subject to the approval of the Legislature. When that amount is received, we will then forever have closed, I hope, all matters in connection with the Municipal Loan Fund indebtedness. (Hear, hear).

We have, therefore, as the total of our actual ordinary receipts during last year, the sum of \$3,123,211.68 against an estimate of \$2,788,125, or we have received \$355,086 more than we estimated. This, of course, as I mentioned before, is accounted for by the receipts from the land sale, amounting to \$399,958. Deducting these receipts, however, it shews that, taking the estimate of receipts in my last statement and the amount we