

cash on hand, \$1,765,274.27 for trust funds and Railway Guarantee deposits, which he has used up, and his loan of \$3,500,000.00 is all gone.

The climax had to come.

In the meantime, in June, 1890, the local elections took place. Every where we heard of the good administration of Mr. Shehyn and the splendid financial position of the Province. The era of deficits had gone.

Mr. Robertson, Mr. L. G. Desjardins and myself during the various sessions tried to warn the people and expose the facts. Mr. Shehyn was still heralded as a "business man," and most people took his word. The majority of the members of the Legislature still believed him, and the public relied on him. What was the result?

The new Legislature met in November, 1890, and Mr. Shehyn made his confession in his speech in the House on the 5th December, 1890. He admits his deficit in ordinary working expenses of \$344,000.00 odd for that year, even according to his own classification. As to his special and ordinary expenditure, it was difficult for him to say where he was, every one was to blame but himself. He could not check, he said, the expenditure or control the service. It was the House was to blame for voting monies, subsidies, &c., yet he never once pointed out in any of his speeches where we were going, or that we were face to face with increased taxation and increased loans.

His speech is long in trying to extricate himself, but, to make a long story short, after hiding it from the people for years, he has to admit a floating debt of \$6,762,033.86 on 30th June, 1890, (page 25 of his speech) that he has no means of paying off.

Notwithstanding this, after this date in June, reckless expenditure goes on, and on the 30th December, 1890, when the Legislature met, a bill was introduced authorising a further loan to the extent of \$10,000,000.00 to provide for the floating debt on 30th June, 1890, consequent on Mr. Shehyn's administration, and to meet the obligations, the ordinary revenue was insufficient for, imposed under the Mercier administration.

The \$10,000,000.00 loan was based on the floating debt of the Province as on 26th December, 1890, and that floating debt was described in the act as follows:

(54 Vic., Cap. 2.)

Outstanding warrants.....	\$ 112,571 45
Temporary deposits	261,361 27
Railway guarantee deposits.....	1,916 685 98
Railway subsidies granted, but not yet earned.....	2,898,247 88
Debts Q. M. O. & O. Ry.....	122,364 00
Loss Exchange Bank deposit.....	27,000 00
Protestant settlement Jesuits' Estates.....	62,961 00
Estimated Special Expenditure 1890-91.....	912,183 00
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	\$ 6,313,374 58
Less cash on hand 1st July, 1890.....	525,344 43
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	\$ 5,788,030 15