

but in his speech he attributed this expenditure, which was for the Parliament Buildings and Quebec Court House, to "Capital." All other expenses, excepting Railways, Repayment of Loans and Trust Funds, were charged to ordinary expenditure.

Mr. Shehyn in his speech declined to take any responsibility respecting the financial operations of 1886-87. He wanted to start with a clean slate, and in doing so he charged every expense and liability, possible and conceivable against his predecessors.

Owing to the extravagance, as he said, of his predecessors, the Ross-Taillon administration, the floating debt was large and he could not assume it, and he asked the House for a loan of \$3,500,000.

If he got this he undertook anyway to satisfy all the obligations and deficits of the past, weather us through the perilous and orphan year of 1887 to which Mr. Shehyn would only be a step-mother, and for the financial year 1887-1888, for which he would be responsible, he would have a surplus of \$19,693.20 (page 64 of his speech). He added, however, as the increase of from \$2 to \$5 had been made on the ground rents for timber limits on 7th April (five days before his speech), he should get a further revenue of \$138,234.00 which would raise his surplus that year of 1888 to \$157,927.00.

The House relied on his statements and figures and gave him what he wanted.

Let us now examine each year, what cash he received, and how he spent it.

It will be quite noticeable that Mr. Shehyn was taking the cash received from trust funds, from temporary loans, and from guarantee deposits from railways, and employing these in the general cash. This had, as will be seen, but one result, that in a short time he had to have recourse to a loan to pay these back.

He was often attacked in the House for doing this, but his replies were so skilfully evasive as to delude most of the members of the Legislature, and his reputation as a business man led the people to have a false assurance in his statements.

1886-1887.

STATEMENT OF EXPENDITURES AND RECEIPTS, 1886-87.

| | |
|--|----------------|
| Ordinary expenditure | \$3,289,697 78 |
| do revenue | 2,965,446 62 |
| Deficit of ordinary revenue to meet ordinary expenses.....\$ | 324,251 16 |