

Mr. MEREDITH.—When was the officer discharged?

Hon Mr. Ross.—About three years ago. He is now in the service of the Dominion Government.

We have, therefore, according to the statement, and placing the bank balance correctly, assets to the value of \$7,049,611.98, and then we have liabilities of the Province presently payable (as per statement), \$384,259.29, deducting which from our assets shews a surplus of assets over liabilities of \$6,665,352.69. (Applause).

Before leaving this branch of the statement, it may be well in connection with Drainage loans, to which I have already referred, to mention that under the Act reducing the rate of interest from five per cent. to four per cent., I have caused calculations to be made in regard to every municipality, and every loan to a municipality, to see when the payments provided for by the by-laws in accordance with the Act will liquidate the loans respectively. It will be recollected that I explained this at the time. However, further explanation may now be desirable. I say I explained at the time, that as these by-laws provided that there was to be an equal annual payment made by the party who received the benefit of the loan, spread over a number of years, it would be almost impossible for the municipalities to give the individuals credit for the reduction of interest by reduction of the yearly payments still to be made. Any one familiar with accounts will see that it would involve actuarial calculations of the finest character, which the majority of municipal clerks would hardly be competent to undertake, and would lead to a great deal of irregularity. For instance, the municipal clerk would not know the amount at the credit of Sinking Fund on account of the payments already made, and so on, and the only way to do, therefore, was to allow the payments at the amount fixed by the by-law to continue, making re-calculations, taking interest and Sinking Fund into account, to see at what time these payments under the by-law, at the reduced rate of interest fixed, would liquidate the debt. Calculations are being made on that basis, and every municipality will receive notice of what further payments will be necessary to discharge their indebtedness.

Mr. GIBSON (Huron).—That would not apply in all cases.

Hon. Mr. Ross.—It will apply to all payments that have been made under these by-laws, because you will find that although, for instance, a municipality gives debentures with coupons attached, payable at a fixed