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fund, they admit they hold it at the joint credit of Ontario and Quebec, and we only take credit for our share of it, upon which share the Dominion pay us interest half-yearly. In the re-cast of the accounts sent by the Dominion in 1886, they admit a balance to the credit of Ontario of \$4,175, 276, adding to which our share of the Common School Fund \$891,202 makes a total credit according to these accounts of \$5,066,477, while in our statement we place the amount held by them at \$5,754,877.

The difference is caused by the Dominion charging various payments made on account of Ontario since Confederation, the most of them in the earlier years of 1867-8-9. These we do not take into account in our statement as they have not been yet allowed or settled, and also because we have certain charges to offset against them; but it is likely that some reduction on the balance as claimed by us may have to be allowed on account of these payments when settlement is made.

Within the last few weeks, however, another re-cast of the accounts has been received from the Finance Minister, which shews a largely reduced balance to the credit of the Province as compared with the statement of 1886, as to which I think it necessary particularly to refer.

In regard to the adjustment of these unsettled accounts with the Dominion, I was in hopes that I would have been enabled to announce to the House at this Session that a final settlement had been effected of all outstanding accounts, except, perhaps, those preposterous Indian claims, which I on a former occasion referred to, and which by consent have been pigeon-holed, and from which I trust they will never be resurrected.

I think this settlement would by this date have been accomplished had progress not been blocked by the extraordinary attitude assumed by the Finance Minister of the Dominion, as to the interest to be allowed and charged upon the current balances of these accounts.

The position taken by the Dominion is of such serious import to the Province, that I think it proper to put the House and the people of the Province in possession of the facts.

The British North America Act, under which the old Provinces of Canada, comprising Ontario and Quebec, was merged in the Dominion, contained provisions for the settlement of the debts and liabilities of the