

and to make up the payments for us I have mentioned, it is apparent they further paid us the difference between this amount of expenditure and the amount of their receipts for us, being \$320,552.45. We also received at Quebec, besides this, through the Crown Lands Department, \$133,473.25, making a total of receipts from Ottawa and at Quebec, for the six months ending 31st December last, of \$616,869.35; total disbursements, \$485,130.02, leaving a balance of \$131,739.33. This balance is independent of a claim, the merits of which I cannot undertake to say that I know certainly, and on which I state no opinion. I suppose the claim is not altogether incorrect. An item of disbursements to the amount of \$21,202.06 is carried to an Ontario and Quebec suspense account. These payments were made at Ottawa for certain expenses, I think, in great part connected with removal of officers from Ottawa. They were outlays, as to which the Ottawa officials were uncertain how much to charge against us and how much against Ontario. A portion may go to our debit. Now, this statement purports to be no more than a statement of cash receipts and expenditure. It has no merit nor character beyond that; and there are in it some items, as to which I have very little doubt that corrections will require to be made; some charges against us which, I fancy, when they come to be looked into, will be cancelled.

Now, turning from this statement of the transactions of the last six months, to the estimates; of course it will be apparent that I cannot pretend to give anything like what is usually given; a balance-sheet showing the financial position of the Province. That would be impossible. All that can be submitted is the statement of receipts and expenditure partly at Ottawa and partly here. I may say, by the way, before I pass to the estimates, that this account which I have given may sufficiently answer a question which, early in the session, was put to me by my honorable friend, the member for St. Hyacinthe, as to whether the Province of Quebec had demanded of the Dominion, or the latter had assented or refused its assent to the proposition, that the whole of the subsidy be paid in advance for each six months, irrespectively of all question as to the amount of our debt, and of the interest upon it, which forms, according to law, a good and sufficient off-set against the subsidy *pro tanto*. It must be quite obvious, from the facts I have laid before the House, that no such question as that ever did come up. More than that, throughout the whole of the six months it could not have come up. The departments at Ottawa were paying all claims against us; and neither they nor we could enter into this question. We had not time to enter into any discussion of the matter. It was only very late in December I obtained the statement I have laid before the House. Indeed I can hardly say this much; for many figures were not really settled till half January had expired. I had to wait till the very last to receive information as to some figures; and even at this moment I scarcely know the nature and amount of some transactions—what has been paid at Ottawa, and what has not. I know the Ottawa departments have discharged the duty as well, faithfully and good naturedly, as they could; but I know also it is quite impossible now to enter into anything like a treaty or official correspondence with the Dominion Government in regard to our financial settlement. Hereafter, this correspondence will have to be entered upon; and by the time the Arbitrators shall have reported, there will remain no difficulty. But till the arbitration is settled—