

defray the amount properly chargeable to this Province, but in doing so, would prefer not at all to couple it with the statement of account laid before them. He would prefer not to recognise that account at all as part of the transaction, for he conceived there were in that statement very many charges which could not by any possibility be maintained. He thought it reasonable, however, that the Government should ask the House to give a vote for the full amount claimed by the Dominion Government, and he thought they ought to get that amount, and afterwards account for it to the house. (Hear.) He desired to make two observations on the estimates now before the house. One of these had reference to the sum charged as payment for education. That amount was no less a sum than nearly \$260,000. Now the whole estimate of that House for the same class of education for the year in which they were entered, amounted to 301,000. So that for a half year the Dominion Government charged almost as much as it appeared that service would now cost during the whole year. On a comparison of figures, he was inclined to think the Dominion Government must have charged the Province with sums as paid after the 1st July, which were really applicable to a portion of the service preceding that date. The second point to which he wished to refer was the undrawn balances in the hands of the Dominion Government. At an early period of the session the Treasurer had made a statement that the Dominion Government would pay interest at the rate of 6 per cent. per annum on these undrawn balances. Subsequently this intimation had been endorsed by the Government, but suddenly the other day the Attorney-General admitted there had been no correspondence at all with the Dominion Government on this subject, and that he was of opinion the Dominion Government would not allow the Province interest at all. So that it appeared the Provincial Government had at first trusted to the generosity of the Dominion Government with regard to this interest. No negotiations had been entered into regarding it, and now it would probably be lost. From January, he found, these balances amounted to about \$760,000, and for the two months which would in a few days expire, the interest on this sum would have been about \$7,600. Looking at the last half year's subsidy of \$760,000, and assuming it to have been lying in their hands three months, the interest from both these sources would have amounted at present to \$19,000. That was not, in his eyes, an unimportant sum, and it was to be regretted this Province had not had the benefit of it. By proper arrangement before with the Dominion Government the Government of Ontario might have secured this sum and had so much towards the reduction of the item before the house.

Hon. J. S. McDONALD maintained that from the relation in which they stood to the Dominion Government—the suddenness with which they had been thrown into a state of independence—it was impossible for the Government to have paid greater attention to this matter. But the interests of the country were as dear to the Government as to any member of the House, and would not be neglected. Negotiations would soon be carried on in reference to the amounts spoken of, and those remaining in the hands of the Dominion Government. The Provincial Government would insist—and he hoped not vainly—in getting fair remuneration for the balances which have been, and may be held by the Dominion. There were other items, besides those alluded to by the hon. member for South Bruce, which it was of equal importance the Provincial Government should look to; but as they were not going to negotiate about these matters piecemeal, but *en bloc*, the matter in question had not yet been taken up. The Dominion Government must unquestionably yield the just rights of the Province; and, among other things which would undoubtedly be insisted on, would be that the Government of Ontario should receive interest on these undrawn balances. (Hear.) The question, as brought up by the hon. member for Bruce, was a small one indeed.

Hon. Mr. WOOD said that the same idea struck him, in relation to the amount for agriculture, as had been mentioned by the hon. member for South Bruce, that on the 1st July large sums would fall due; but he found that the sums mentioned were for the current year and not for the previous year. As to the payment on account of education, the House would understand that they ought to pay out before July 1st next, more than \$301,000. From last July till the next, we ought not to pay out more than the amount of the estimate before taken.

Mr. BLAKE—That is to say, the balance paid by the Dominion Government places the sum of \$50,000 to answer all the demands up to July, and the vote to be given by this Legislature will be up to the 1st July after next?