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Financial Statement

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The HON. I. B. LUCAS

TREASURER OF THE PROVINCE OF ONTARIO

Delivered on the 3rd March, 1914

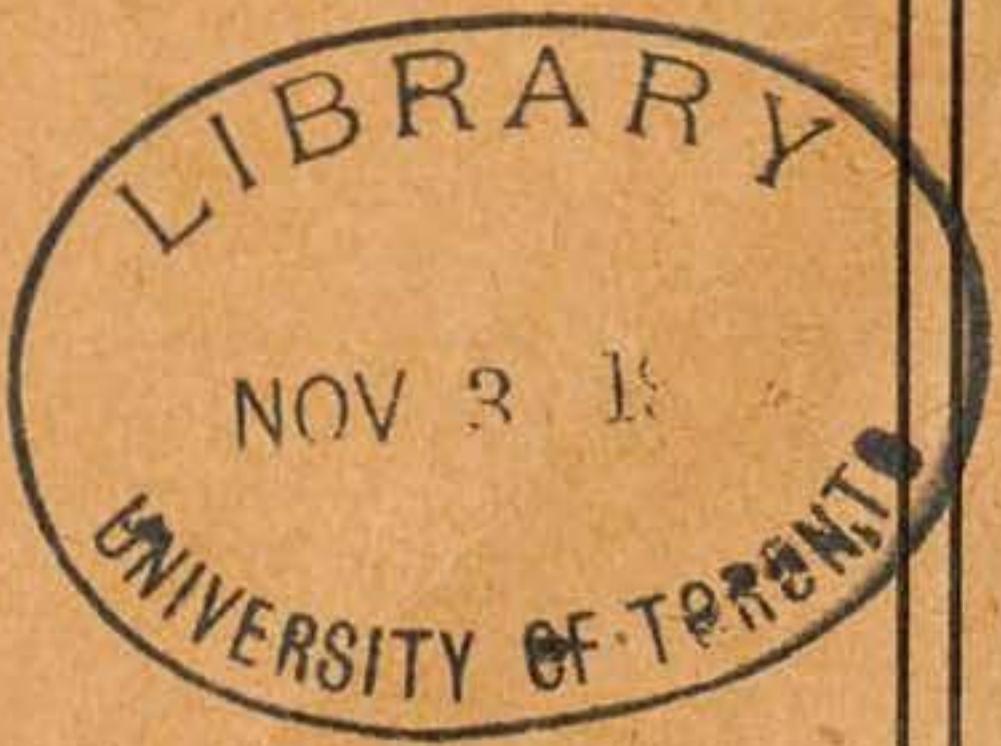
IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO

On moving the House into Committee of Supply

PRINTED BY ORDER OF

THE LEGISLATIVE ASSEMBLY OF ONTARIO



TORONTO:

Printed by L. K. CAMERON, Printer to the King's Most Excellent Majesty

1914



*Min. Exps. of Province and Economic
Federation and Fiscal Policy Branch
Budget*

Government

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WILLIAM BRIGGS
PRINTER AND PUBLISHER
TORONTO

BUDGET SPEECH

DELIVERED BY

HON. I. B. LUCAS

PROVINCIAL TREASURER

MARCH 3, 1914

Mr. Speaker, in making the motion that you do now leave the chair, in order that the House may resolve itself into Committee of the Whole for consideration of Supply, it is my duty to make the usual financial statement in reference to the affairs of the Province for the last fiscal year, that is the year ending October 31, 1913.

This statement during a long period of years has closely followed well settled and defined lines, so that practically there is nothing particularly new in any year, no new departure in any year as far as the statement of the finances of the Province is concerned. A schedule showing the cash receipts from all sources for the year is submitted, and will be found on the desks of the members, as usual. The ordinary course then is to submit this statement of receipts with such comments, explanations, comparisons and congratulations, as may seem appropriate or necessary. Then submit a similar statement or schedule of the expenditures with similar comments, explanations and comparisons—and sometimes apologies; although, Mr. Speaker, the House will observe that during recent years there has not been the same necessity for apologies as in former years. (Applause.) One may fairly say now that that one-time-honoured custom has been finally departed from. The Public Accounts before members of the House give all the details of expenditure, and practically make it

unnecessary to enlarge upon these details. As I have already said, a running comment on these expenditures is all one can hope to make in presenting the financial statement.

The members of the House will perhaps recall that when a year ago I submitted the Estimates I intimated that experience had shown that officials were always inclined to underestimate the revenue and over-estimate the expenditure. Departments are inclined to ask for more money than they actually spend, and usually estimate their receipts at less than they actually receive; and although the estimated revenue that I presented to the House last year was substantially less than the estimated expenditure, I made the prediction then that the actual results would prove better than the estimates I was submitting. I said then you would find the estimate of revenue increased and the estimate of expenditure decreased. The House now with the schedule of Receipts and Expenditures and the Public Accounts giving all details before them, will be glad to observe that in neither direction have we been disappointed. The ordinary revenues of the Province are greater, substantially greater than the estimate of revenue submitted last year, and the expenditure substantially less than the Estimate and less than the House voted, with the very satisfactory result that follows where you increase your revenue and reduce your expenditure. And so, Sir, as you will observe, I am able to congratulate the House and the Province that, notwithstanding some degree of trade and business depression during the year, some shrinkage of revenue from the timber resources of the Province—I say the members of the House and the people of the Province will be glad to know that this year the ordinary revenues exceed the ordinary expenditures by \$320,275.81. (Applause.) This result must indeed prove satisfactory to the House and the Province. (Hear, hear.)

The total ordinary receipts of the Province for the year closed, as per the schedule in your hands and in the Public Accounts, are \$11,188,302.09, and the total ordinary expenditure \$10,868,026.28, leaving a net surplus of ordinary revenue

over ordinary expenditure for the year of \$320,275.81, and a balance of \$2,406,006.20 in cash to our credit in the bank. (Applause.)

I assume that honourable gentlemen opposite who, a year ago, with perfectly serious faces told us that for the year now closed the ordinary expenditure would exceed the ordinary revenue by two to three millions of dollars will be delighted with the actual result. (Laughter.) My honourable friend from West Middlesex (Mr. Elliott) as well as the Leader of the Opposition (Mr. Rowell), as far as one could judge across the floor of the House by their words and actions, seemed quite serious when they made that estimate. During recent years there seems to have been necessity for frequent changes in the personnel of financial critics for honourable gentlemen opposite. (Laughter.) A new man is tried out each year. The honourable member for West Northumberland (Mr. S. Clarke) held the post one year, and for one year only, but he found it was no joke to be financial critic, and besides it soon developed that he had a past political history that was not calculated to qualify him for the position or make him feel comfortable in it, and so he was withdrawn. My honourable friend from Middlesex (Mr. Elliott) was then tried out. He got away to a good start by prophesying that there would be a deficit of \$3,000,000. The actual result showed a small surplus. So bad a guess as that put him out of the running, and he was duly withdrawn. So they go down the line, and my honourable friend from North Bruce (Mr. C. M. Bowman), being the next in the row, is apparently to be tried out this year. But he also has a political history.

MR. S. CLARKE: That word "history" is good—

HON. MR. LUCAS: The word is all right. It's the "history" that is bad. Time has shown that all the gloomy forebodings of these various critics were not warranted, and although my honourable friend, the Leader of the Opposition, had due notice that the financial statement would be made this afternoon, he is not in his place, either to criticise or hear

such explanations as may seem necessary or desirable in order to make clear the financial operations of the Province for the past year. I ask no better evidence that he knows the finances of this Province are all right. The Public Accounts show every detail of every transaction. But, Mr. Speaker, I would like to have had my honourable friend here this afternoon to read to him and to my honourable friend from Middlesex, the critic of last year, the gloomy prophecies then made, the criticism then offered and compare them with actual results as we now have them. I am sure they would both feel inclined to apologize to Ontario. The best excuse, I fancy the only excuse, my honourable friends opposite can give for these gloomy prophecies—it is the only one that could be offered—is that things are never nearly so bad as they seem—to an Opposition. (Laughter.)

Passing then from the field of prophecy as indulged in by honourable members opposite to that of actual results, while I desire not to weary the patience of the House, I ask the attention of the members while we consider the various sources of revenue. I submit then, statement showing the receipts in detail for the year closed.

RECEIPTS.

Fiscal Year Ended October 31st, 1913.

Balances as per Public Accounts, 1912.

Amount at Special Deposit,	
October 31st, 1912	\$1,422,000 00
Amount at Current Account,	
October 31st, 1912	63,620 93
	1,485,620 93
Less balance of Federal Subsidy for Agriculture, deposited to Special Account ..	46,549 05
	1,439,071 88

From Dominion of Canada:

Subsidy on population,	
B.N.A. Act, 1907	2,013,964 40
Subsidy, 47 Vic., c. 4	142,414 48
Special Grant, B.N.A. Act,	
1907.....	240,000 00
	2,396,378 88

Interest paid by Dominion,	
see Statement No. 3	73,316 04
Interest on Investments ...	62,122 54
	<hr/>
	135,438 58

Lands, Forests and Mines:**Land Collections—****Crown Lands—**

Agricultural	111,731 24
Townsites	6,403 36
	<hr/>
Mining	118,134 60
Clergy Lands....	95,068 94
Common School	
Lands	1,284 38
Grammar School	
Lands	4,363 63
University Lands	729 90
	<hr/>
	3,356 72
	<hr/>
	9,734 63

Rent—

Mining Leases ..	20,878 43
Crown Leases ..	18,348 05
	<hr/>
Miners' Licenses	39,226 48
Permits	44,065 80
Recording Fees .	995 00
	<hr/>
Recording Fees .	48,195 30
	<hr/>
Royalties	93,256 10
	<hr/>
	200,333 01

Supplementary Revenue—

Acreage Tax	13,915 70
Profit Tax	173,532 65
Gas Tax	23,615 49
	<hr/>
	211,063 84

Woods and Forests—

Bonus	591,675 29
Timber Dues ..	1,277,490 08
Ground Rent	99,460 19
Transfer Fees ..	10,500 25
	<hr/>
	1,979,125 81

Provincial. . Assay

Fees	404 75
Casual Fees	754 88
Cullers' Fees	169 00
	<hr/>
Algonquin Park ...	1,328 63
Rondeau Park	8,270 45
Forest Reserves	1,196 83
	<hr/>
	1,070 70
	<hr/>
	10,537 98

Refunds—

Fire Ranging ...	26,501	35		
Wood Ranging ..	8,475	54		
Surveys	22	41		
Contingencies ..	26	05		
Agents' salaries ..	494	60		
Mining Recorders..	92	00		
Mines and Mining	387	90		
			35,999	85

Licenses		2,793,809	87
Law Stamps		901,486	03
Algoma Taxes		134,483	35
Education		230	64
Provincial Secretary		60,600	09
Game and Fisheries		376,366	82
Agriculture		138,364	31
Supplementary Revenue Act, 8 Edward VII., c. 14		177,131	50
Succession Duty		937,599	29
Succession Duty (Funds de- posited in lieu of Bond for payment of Succession Duty)		1,062,694	87
Casual Revenue		83,450	00
Insurance Department		220,248	65
		47,284	63

Public Institutions:

Toronto Hospital for Insane		52,798	39	
Brockville "	..	22,577	92	
Hamilton "	..	46,865	33	
Kingston "	..	17,383	09	
London "	..	40,175	66	
Mimico "	..	25,707	70	
Orillia "	..	13,585	60	
Penetanguishene "	..	3,542	24	
Cobourg "	..	1,156	86	
Reformatory for Females ..		2,283	43	
Central Prison		84	72	
Central Prison Industries..		60,225	67	
Provincial Prison, Guelph..		7,325	83	
Woodstock Hospital for Epi- leptics		16,587	56	
			310,300	00

Hydro-Electric Power Commission:

Interest at 4 per cent. on expenditure under 6 Edw. VII, chap. 15, sec. 18 (a), Oct. 31, 1912, to Oct. 31, 1913		207,805	53
Temiskaming and Northern Ontario Rail- way from earnings on account of in- terest		250,000	00

Dominion Temiskaming and Northern Ontario Railway Subsidy , balance of interest as adjusted. (See Statement No. 21)	954,629 05
Total Receipts	11,188,302 09
Drainage Debentures, Municipal	28,029 50
Drainage Debentures, Tile	7,575 00
Ontario Government Inscribed Stock (London, England Loan) , 2 George V, cap. 2. Amount credited to Ontario Treasury Dept. See Statement No. 17	100,000 00
Province of Ontario Loan , 8 Edw. VII., cap. 12, and 1 Geo. V., cap. 4. Amount issued in 1913. See Statement No. 18	1,637,173 75
Municipal Debentures	2,508 11
Municipal Securities , Municipal Sinking Funds received for the fiscal year ended Oct. 31st, 1913	40,685 76
Central Prison and Toronto Asylum Properties , Sale of Treasury Bills, sale of. See Statement No. 19.	18,000 00
Balance, Dominion Temiskaming and Northern Ontario Railway Subsidy . See statement No. 21	2,831,841 17
	1,179,450 95
	\$18,472,638 21

The first item you will notice is that of the Dominion subsidy, \$2,396,378.88. That, of course, is not changed; it is fixed. A year ago I made some reference in this House to the question of an increased subsidy and stated that in my opinion the different Provinces were entitled to ask for an increase in the subsidy from the Dominion, a larger subsidy than that which they were and are still receiving. Amongst other things I then stated "that the whole question of subsidy was most interesting and important. When the Provinces entered Confederation they surrendered their right to Customs and Excise Revenue. These two were the main sources of revenue for the Provinces. They gave both up to the Dominion, and, in return, the Dominion agreed to make certain grants, undertook to pay certain subsidies to the Provinces in order to enable the Provinces to carry on and maintain the public services. . . . In 1867 the total Customs and Excise revenue was \$11,815,995—under \$12,000,000. The same Dominion revenues of last year are over \$104,000,000." They are now considerably higher. And I said, "In other words,

the sources of revenue that we gave up in 1867 to the Dominion and out of which they pay the Provincial subsidies have increased ten times, while the increase in subsidies to the Provinces during the same time has been comparatively small."

These facts were considered by the Premiers and the representatives of the different Provinces gathered in Ottawa last fall at the Interprovincial Conference. Honourable members of the House will observe from the report of the Provincial Conference that it was unanimously agreed to ask for further contributions based upon the Customs and Excise revenues. While the exact form of that request, the form of language, even the basis is not that which perhaps, if I alone had been making the request would have adopted, it practically is based on the same line of argument for increased subsidies that we adopted in the budget last year. The Resolution reads as follows:

"Resolved, That in the opinion of this Conference an additional subsidy equal to ten per cent. of the Customs and Excise duties collected by Canada from year to year should be granted to the Provinces, payable semi-annually in advance, in addition to all other subsidies to which they are now or may hereafter be entitled, under the reserve of the right of any Province to submit to the Dominion Government a memorandum in writing concerning any claim it may have to larger sums than those mentioned in this resolution, and without prejudice to any existing claims or demands of any Province.

"That this additional subsidy be paid to each Province, as follows:

"(a) There shall be set aside out of such additional subsidy an amount sufficient to pay to each Province a sum equal to fifty per cent. of the amount now payable to each Province for Government and Legislature.

"(b) The balance of such additional subsidy shall be payable to each Province according to its population as ascertained from time to time by the then last Census.

"That in the case of the Government of Canada concurring in the views of the Conference as expressed in the above resolutions, a measure should be submitted to the Parliament of Canada at the next session providing for payment of such increased subsidies and allowances as may be determined upon, pending an amendment to the British North America Act, if such amendment should be deemed necessary."

That was and is the unanimous request of all the Provinces, and there is every reason to believe that, in time, if not now, that request will, if not granted in full, at any rate be dealt with in a fair and generous way by the Dominion Government. The question is outside the realm of party politics; it is a question upon which all the Provinces are united. All made that request to the Dominion. Nothing more definite can be said or done for the present. The request has been made, it is before the Dominion Government for consideration. We believe it is a just request. We believe this money can be well expended by this Province, and that in time increased subsidies will be paid by the Dominion to the different Provinces. (Applause.)

A year ago we estimated that we would receive \$135,000 for interest on bank balances and from other sources. We actually received \$135,438.58. No comment is required upon that.

We estimated that we would receive \$510,000 from the net earnings of the T. & N. O. Railway. We only received \$250,000, a somewhat serious decline, and the only Department in which our estimate of receipts was substantially wrong. We frankly acknowledge these receipts are disappointing. However, further on this afternoon I hope to deal with T. & N. O. receipts in detail.

The Crown Lands Department was within a few thousand dollars of the amount estimated, but some \$106,000 less than the receipts of the year before. In practically every other

Department there were increases in actual receipts over estimated receipts.

The total revenue from the Department of Lands, Forests and Mines was \$2,793,809.87, as I have said a decrease of \$106,000 from that of the previous year, but within \$6,000 of the estimated revenue of the year. This decrease is made up of several items, which there is no necessity for me taking up the time of the House giving in detail. They appear fully in the statement of the Crown Lands revenue in the Public Accounts. I desire to pass over these items as rapidly as possible.

It is worthy of notice that the estimated receipts from mining sources did not show any falling off. From this source I estimated we would receive \$600,000. There were actual receipts of \$639,353.12, which is from sales of mining lands, forest reserve permits, miners' licenses, recorders' fees, supplementary revenue under the Mining Act, ore royalties, etc., making the total I have given. The profit tax is worth noting. Under its provisions the Mining Assessor visits the mines and inspects their books and operations with the view of arriving at the results and the profits. He is in a position to form a fairly good idea of what the receipts for the year are likely to be. While there has been some slight decrease in the output of silver, this has been more than made up by the increased gold output. The tax on mining profits this year amounts to \$173,532.65, which shows that the mining industry of the North Country is still prospering, although we do not hear so much about it in the stock market.

We now pass on to license revenue. The estimate of last year showed that from tavern and brewers' licenses and general liquor revenue we would receive \$750,000. We actually received \$901,486.03, an increase over the estimate of \$151,486.03, and an increase over last year of \$96,334.55. From the 5 per cent. tax of last year the sum of \$286,730.87 was received. This year \$366,737.29, an increase of \$80,000.

It is worth while noticing that in 1904 the total revenue

collected from the liquor trade of the Province, both for the municipalities and the Provinces, amounted to \$610,749.21. In 1913 the Province alone received \$901,486.03, and the municipalities \$339,459.18, or a total of \$1,240,945.21. I want the House to appreciate that. That is the liquor trade in 1904 contributed \$248,492.60 to the municipalities and \$362,256.61 annually to the Province. The total is now \$1,240,945.21. In other words there is an increase of \$630,196.00 per annum in the revenues of the Province and the municipalities by reason of the increased taxation placed upon the liquor trade since 1905.

Whatever our opinions are as to the particular way in which the liquor trade should be dealt with, I think the House and the country will agree that at any rate while the trade is here it should contribute to the revenues of the Province. We have heard a great deal about an alliance between the liquor trade and this Government. It is not very good evidence of an alliance between the liquor trade and the Government to be able to say that we have made our allies contribute more than \$630,000 annually to the revenues of the Province than they contributed before. (Applause.) That is not the way you treat allies or your friends. It is not the way they were treated in the "good old days" of honourable gentlemen opposite. (Applause.) To have increased Provincial taxation on liquor trade from \$362,256.61 to \$901,486.03 since 1905 and at the same time to have substantially increased the amounts payable by the trade to the municipalities is an answer to the charge that there is an alliance between the trade and the Government.

From the sale of law stamps there is a small increase—a gradual increase there each year. I notice my honourable friend from Bruce (Mr. Anderson) objects to that increase. It is wonderful to me how unanimous honourable gentlemen opposite are in their objections to any increase in taxation. You can always depend upon the Opposition to object to taxation placed anywhere. They object to the tax on bar receipts,

some for one and some for another reason. (Laughter.) They can make the reason suit the locality. To the fellow who pays the tax, however, it doesn't matter much what the reason is, so long as they are against it.

The revenue from the Education Department was a small increase over the estimate. I do not need to deal with that.

From the Provincial Secretary's Department we estimated the revenue to be \$285,000. The actual receipts were \$376,000, an increase of \$91,000 over the estimate. This is an increase of \$33,000 over the revenue of the previous year.

The Game and Fisheries Branch under the direction of the Honourable the Minister of Public Works was estimated to produce \$125,000. The actual revenue was \$138,364.31.

The Department of Agriculture—not a revenue producing department—still produces \$177,000 of a revenue for the Province.

The Supplementary Revenue tax, being a tax on banks, railway and other corporations, was estimated to bring in \$890,000. The amount received in 1913 was \$937,000, or an increase of \$47,000 over the estimate.

During the present session, as intimated a year ago, when submitting the financial statement, I said that the Supplementary Revenue Tax would be revised. The Government propose to bring down legislation this session whereby there will be some increase at any rate under this Act.

The Succession Duty for the year was, with one exception, the largest since the Act came into force in 1892. The amount, as you will see from the statement before you, was \$1,146,-144.87. This is a tax which is, so far at any rate as cost of collection is concerned, a desirable tax. The total cost of administering that branch and collecting this sum is only 1.813 per cent. of the amount received, which includes the cost of valuations, clerical services and the whole cost of administration. The Succession Duty Act is now contributing the second largest amount of money—only taking second place to the Crown Lands—to the revenues of the Province.

A comparison of the existing succession duty rates here with many of the States of the Union and with the other Provinces of the Dominion will show that the rates in Ontario are still low, and the exemptions are high. If the comparison is made with Great Britain and the duties that have to be paid there, the difference is still very much more marked. There the larger estates with low exemptions pay three death duties: a succession duty, an estate duty and a legacy duty, making a very substantial tax upon large estates.

The Government hope to bring down this Session an Act that will readjust the succession duties, an Act that will, we hope, result in still further increasing the revenue of the Province from succession duties. We believe that is a legitimate source of revenue for the Province. We hope, at the same time, to make it more difficult—not putting it stronger than that—to evade the Succession Duty Act.

These succession duties, to a very large extent, represent the special contribution of wealth to the taxation of the Province. As I have said, they are lower here on the average than in most other places and lower than in the other Provinces; and the best informed economic thought upon questions of taxation to-day points to succession duties as one of the proper sources of revenue for the up-keep of the public services of any country. We have many taxation theories in the air now; some say tax all property; some say tax the land only; but there is one fact that I believe members of this House will agree upon, and that is that to-day the ordinary small-salaried man or the man of modest means pays a greater proportion of the national, and perhaps, of the municipal, taxes in proportion to his ability to pay than the man of greater wealth. I believe that it is a sound economic principle that ability to pay is a matter to be taken into consideration in the placing of taxation; that is the whole trend of modern thought upon taxation, that wealth in some form or other shall contribute something more to the national exchequer and the burden of the public services than it has in the past. We hope to

bring down legislation this year that will reach any wholesale distribution of property that may be made for the purpose of evading the payment of succession duty. I believe the House will endorse such legislation, and the public sentiment of the country will support it.

There is just one other reference I desire to make in connection with succession duties, and only for a moment. I think it is desirable that there should be an official statement as to the position of the Government so far as the litigation concerning succession duties recently before the Privy Council affects the Province, and the view of the Government in regard to it. Late last year, the Privy Council gave judgment against the Province of Quebec in an appeal by the executors of the estate of Dr. Cotton, a resident of Quebec, against payment of succession duty on assets which for certain purposes may be considered to be locally situated out of the Province. Dr. Cotton lived in the Province of Quebec and a large part of his estate consisted of stock in the State of New York, that is assets outside the Province. These assets under the Quebec Act as well as under our Act are liable for Succession Duty if the testator was domiciled in the Province. The Supreme Court decided in favor of the Province of Quebec on both branches of the case, viz., that the Province had the right to collect the tax on the property outside; and also upon the other question raised, namely, whether or not the succession duty tax under the particular provisions of the Quebec law was a direct or an indirect tax under the British North America Act. If an indirect tax, it was of course beyond the jurisdiction of a Provincial legislature. These two issues went to the Privy Council, and on both of these the decision was against the Province.

The decision on the first branch of the case has occasioned considerable confusion throughout this Province. It was a decision distinctly and clearly on the wording of the Quebec Act. *The* Privy Council did not decide that the Province could not tax stocks outside the Province owned by a man

domiciled within the Province. The Privy Council simply decided that the Quebec Act did not assume to tax those stocks, and so that branch of the case has no application whatever to the Province of Ontario. Many comments in the newspapers and inquiries from interested parties indicate that there has been a somewhat general wrong interpretation of the effect of the decision in the Quebec case. It has no application in Ontario.

The finding that it is an indirect tax is of more interest to Ontario. But it is also a finding or decision based upon the special wording of the Quebec Act. The Quebec Legislature has just revised their Act, still placing the same succession duties but changing the Act, accomplishing the same purpose by different methods believing, as they are advised by counsel, that the Privy Council decision does not prevent the collection of succession duties as provided in their Act, but only holds that under the special provisions of the Quebec Act charging the Executor or Administrator it is an indirect tax and so beyond Provincial jurisdiction. We are advised that the Privy Council decision in the Cotton case is not applicable to our Succession Duty Act. This is not the time to enter into anything approaching a review of the nice legal questions involved, and I have simply indicated in a general way the nature of the questions raised by the Quebec litigation. We propose to revise our own Act, and in doing so will keep in view the line of reasoning adopted in the Cotton case, so that we may keep as far as possible away from the dangers there pointed out.

In Casual Revenue there is a substantial increase. We estimated receipts at \$160,000. We received \$220,248.65; an increase over last year from the same source, of \$53,909.08. It indicates a general increase of revenue carefully collected from all the Departments.

We now reach in the Schedule Hydro-Electric Commission receipts. Our total investment in the Hydro to the 31st of October, 1913, was \$6,022,646.22. The Province has made

that advance to the end of the last fiscal year, and upon that amount interest at 4 per cent. has been paid in full, so that the Hydro-Electric Power Commission has paid in full its obligations to that date. The investment is an interest-bearing one, and the interest has been paid in full, as it has in each year.

The Commission has expended on capital account as per statement in the Public Accounts now before you, \$5,913,-238.11. That is charged to the various municipalities as will appear in the Hydro-Electric report in detail, and in the general Hydro statement in the Public Accounts. Of this amount something over \$5,000,000 is invested in the Niagara Transmission System. The revenue from the operation of the Niagara system for the year was \$751,191.66, and the total operating expenses, including the power which they purchased, administration, general expenses, everything, maintenance and interest, \$617,703.45—after everything is charged—leaving a net surplus of \$133,488.21 on the Niagara System for the past year. (Applause.) That amount is available for depreciation or for the sinking fund which is to be established. However, the annual report will be distributed shortly. That report will give a full statement of expenditures made by the Commission on the various systems, and if necessary, my honourable friend from London later in the session can deal specially with Hydro finance.

The Further Supplementary Estimates will give estimates of the further capital expenditure for the current year in connection with the Hydro. These estimates will be presented to the House, and the House will be asked, in order that this great work of the Commission may be extended and developed, to authorize these further capital expenditures. That will be a more opportune time than the present to discuss in a general way the work of this gigantic and successful experiment in public ownership, the benefit of which everyone realizes and appreciates; not only those who are served by Hydro, but as well those who are served by private companies are enjoy-

ing the advantages of the Hydro development in this Province in the form of greatly reduced rates. I have in my hands the Electric Service Magazine of March, 1914, issued by one of the electric light companies operating in this Province, The Toronto Electric Light Company. It is a very nice little book, and it illustrates and puts in cartoon form some of the advantages that the Hydro has brought about other than the cheap rates it gives itself, although that, of course, was not its purpose. This magazine states, accompanied by the cartoon illustration, "You get nine times as much electric light to-day for \$1.00 as you did eight years ago." (Applause.) Nothing more need be said. That is more effective than any remarks I could make as to the general advantage by reason of Hydro development in this Province. The Hydro Commission spent and charged to the Province \$138,592.11, the details of which are in the Public Accounts. This expenditure is, amongst other things, for engineering assistance to the municipalities, advising municipalities as to construction and distribution systems, estimates, rates and accounting, hydrographic surveys, rules and regulations for the installation of systems for the utilization of electrical energy, practical demonstrations of the use of electricity on the farms, also in connection with rural and urban exhibitions, shop and development work, experiments and the gathering of data and statistics and for necessary equipment. The total advance during the year by the Government to the Commission was \$1,361,407.89. That amount was advanced for capital expenditure, added to the capital investment charged to the various municipalities and interest has been paid to the Province on the same from the day of the advance to the close of the fiscal year.

The other great public service Commission under this Government is, of course, the Temiskaming & Northern Ontario Railway. Both the Hydro and the T. & N. O. have come into existence as operating public services under the present Government, and by reason of increased volume of business have added considerably to the cost of administration

and the general overhead expenditures of the Province. In the Audit Department, the work has been practically doubled by reason of these two Commissions coming into operation in recent years.

The Province has a large sum of money invested in the Temiskaming & Northern Ontario Railway, and by reason not only of our large capital expenditure, but as well by reason of the fact that the road is so closely allied with the development of a large section of New Ontario, no apology is necessary to ask the House to listen to me for a time upon questions connected with that Railway.

During last year we advanced \$950,000 to the Temiskaming & Northern Ontario Railway Commission. They expended on capital account \$849,000. A considerable portion of that was expended on branch lines. This is of importance because under agreement with the Grand Trunk Pacific that Company agrees to pay half interest only on capital expenditures on the main line. \$197,000 of the capital expenditure on the Temiskaming & Northern Ontario Railway last year was on the main line, and therefore, according to the agreement, one-half of that is assumed by the Grand Trunk Pacific. As the House knows, one-half of all the capital expenditure on the main line from the date of that agreement is assumed by the Grand Trunk, and the interest thereon is to be paid by that Company at the rate of $4\frac{1}{2}$ per cent. to the Province. I have noticed some criticism of the T. & N. O. management to the effect that items were being charged to capital that were legitimately and properly chargeable to maintenance. That is not a fair criticism: it is not a justifiable criticism. The question as to what is properly chargeable to capital and what to maintenance is clearly defined. The classification is governed by the rulings of the Interstate Commerce Commission adopted by the Dominion Government, which clearly distinguish between capital and maintenance charges and are duly observed and followed by the T. & N. O. Commission. Of course, the Grand Trunk Pacific, who must assume their share of main line

capital expenditures, are interested in keeping down the capital charges. The maintenance and the general up-keep is payable out of current revenue, and only that which is properly capital can be charged as capital, and half of that so far as the joint section agreement of the main line with the Grand Trunk Pacific is concerned will be paid by the Grand Trunk when they take possession and operate it, or rather the interest thereon will be paid. The Grand Trunk Pacific have already taken possession of part and are paying interest on about \$1,000,000 of the capital expenditure. They are using the Nipissing Junction spur and the North Bay terminals. On these they have paid interest at $4\frac{1}{2}$ per cent. We hope and believe that the Grand Trunk will be operating over the T. & N. O. before the expiration of the current fiscal year. When that time comes then the Grand Trunk will pay at the rate of \$300,000 per annum, which is intended as a commutation of interest charges on capital expenditure to the date of the agreement and in addition will pay $4\frac{1}{2}$ per cent. interest on all additional approved expenditure. So that the management are looking forward to better net revenue returns when the Grand Trunk Pacific agreement is in full operation. In the meantime there has been very serious falling off in the net earnings of the T. & N. O., and I assume for the present we cannot hope for much better returns.

This year the total earnings on the T. & N. O. from transportation and all sources was \$1,656,154.85; last year, \$1,707,450.07. The shortage is not great. The difference is in the expenditure, the cost of up-keep, salaries, wage list, etc. The expenditure last year amounted to \$1,477,550.01. A year ago it was \$1,384,697.69. So that if the road were depending entirely upon its revenue from operation there would only be a net return this year of \$178,604.84. But there are the ore royalties and some minor sources of revenue, all of which I might observe were secured to that railway by this Government—not a dollar of which would have been secured under the policy followed by the old Government.

This adds some thousands to the revenue of \$255,000 from the T. & N. O. as against a total net revenue last year of five hundred and ten thousand.

There are many other interesting details in connection with the railway I might refer to, but I do not want to take the time this afternoon. There will be capital expenditures in connection with the T. & N. O. this year of approximately one million dollars, estimates of which will be submitted in detail, and the House asked for borrowing powers to meet these capital expenditures; there will also be substantial Hydro capital expenditures to be provided for—probably several millions, and detailed estimates will be submitted and borrowing powers asked before the close of the Session.

Now, coming to the last item, and a rather substantial and interesting item, the subsidy from the Dominion Government for T. & N. O., the members of the House are of course fairly familiar with the history of the application by this Government to the Dominion Government for a subsidy for this railway. It has been discussed in this House a number of times. It has been debated in the House and the House has been divided. I will not take up time to recall history so recent that it is still fresh in the minds of all the members of the House.

One fine morning in June of last year we found that the Senate either repented or got more light and by a majority of one carried the subsidy to Ontario already twice baited by the Dominion Government and we got the hard cash so long due us from Ottawa.

MR. CLARKE: Have you any of it left?

HON. MR. LUCAS: Yes, we have, but no thanks to Liberals here or in Ottawa; we received in all \$2,134,080. The House will, I think, pardon me if I make a somewhat fuller reference to it, because there will no doubt be some discussion as to this T. & N. O. subsidy and the manner in which we deal with it. Hon. gentlemen opposite placed themselves on record as to how they think this Government should have proceeded to

get this subsidy and I shall refer to it again. Hon. gentlemen opposite, I understand, say that we are entitled to it. They say so in their resolution, but they do not say so very loudly.

AN HON. MEMBER: In a whisper. (Laughter.)

HON. MR. LUCAS: Exactly, they did not want their Ottawa friends to hear them saying it, and besides they put a string on it, and the reason for it may be observed in the debate at Ottawa. Sir Wilfrid Laurier, on June 14th, 1913, just before that bright June morning when we got the subsidy, had something to say about it. I want to ask the House to follow me and my hon. friends opposite particularly to see if they are in accord with this.

Sir Wilfrid, as reported in Hansard, says (they are debating the granting of this subsidy) :—

“I grant at once to my hon. friend that if this railway had been built by a private company and that company had come here it would have received assistance. But I claim that a distinction is to be made between the treatment to be given to a company and the treatment to be given to a Provincial Government.”

HON. MR. LUCAS: Do you follow the logic of that? It is Laurieresque logic, hon. gentlemen opposite will appreciate it even if they cannot follow it. Our position was that a province ought to be treated just as well as a private corporation. But not so according to Sir Wilfrid. Sir Wilfrid then goes on to argue that there cannot be equality between the provinces if subsidies are given by the Dominion to provincial roads. Now, there may be some reason in that. My friend from Northumberland smiles, he understands Sir Wilfrid now, even if that first proposition of Sir Wifrid's was too much for him. (Laughter.) But wait; Sir Wilfrid will get him in more trouble. Sir Wilfrid adds :—

“That is the reason the late administration (Laurier) did not think it advisable to give any subsidy—the Province of Ontario applied to us but we did not think it advisable to grant a subsidy.”

And Sir Wilfrid concludes his argument:—

“ So my criticism of this measure is that it is not in the proper spirit of the British North America Act.”

Let me point out this. I say first that there is not and there ought not to be any distinction in the treatment measured out to a railway built by the Government and a railway built by a private corporation. If a private corporation can go to Ottawa and as a matter of course get a subsidy, I am unable to see or understand any reason at all why a provincial Government that desires to enter the field of public ownership should not receive the same treatment in this respect as a private company. (Applause.)

But I pass that by and for the moment agree with Sir Wilfrid that you cannot treat the Province as you would a private railway corporation—Sir Wilfrid argues that would produce inequality between the provinces. But Sir Wilfrid is too late to make that kind of an argument to the House even if there was anything in it. The Honorable Minister of Railways offered in the House during the debate to pay subsidies to any provinces that entered into railway construction upon exactly the same terms as to private corporations. Sir Wilfrid was too late to make his argument as to inequality, because, Sir, grants had already been made to other provinces, which produced the inequality and only Ontario remained out in the cold. (Applause.)

In the Maritime Provinces railways had been built and taken over by the Intercolonial—absorbed, and in that way and in other ways they receive their advantages from the Dominion Treasury. In Quebec the Province built a road from Quebec to Montreal, and another road from Montreal to Ottawa away back in the eighties or nineties. They were paid by the Dominion Government a subsidy of \$6,000 per mile on the Quebec to Montreal section and a subsidy of \$12,000 per mile on the Montreal to Ottawa section. But Sir Wilfrid says we will disturb the equality between the provinces if we pay a similar subsidy to Ontario. (Hear, hear.) Does my hon, friend who smiled a little while ago follow Sir Wilfrid's logic?

Now there was another objection. Senator Jaffray, of the Toronto Globe, whom my hon. friend the leader of the Opposition will remember on his New Ontario trip of a year ago, made a speech upon this subsidy question, in which amongst other things he said that as a condition precedent to obtaining the subsidy we should be compelled to agree to extend the road to James Bay.

Senator Jaffray, in the Senate, also stated:—"I have had something to do with this railway." (Hon. gentlemen will please keep in mind that Senator Jaffray was one of the Commissioners under the old Government during the construction of the T. & N. O.) "In the first place this road is already constructed. It is a paying road and has already demonstrated that the outlay will make a return to the Government for all that has been spent upon it. The only reason given for the grant is that several provinces having received other grants Ontario should not be left out."

That seems to me a pretty good reason. But Senator Jaffray doesn't think so. He says of it:—

"I think that is the worst reason that can be given, because the whole system is vicious and calculated to bring us into a great deal of trouble. I regret exceedingly that the reason given is altogether indefensible."

It is too late to make that sort of argument. In my opinion there never was anything in it. The Province should be treated just as well as a private corporation. It looks as if something had gone wrong in the logical mind of the Senator as the debate showed that the same treatment had been given to other provinces. Listen to the last excuse of the Senator:—"The road was finished, completed and running, and therefore it was past the time when any bonus should have been asked for or required." Listen to the logic and see if you don't get into a circle as you follow it.

Senator Edwards said—I am giving you Ontario men:—

"Ontario is able to take care of its own affairs, and if

this vote is clearly unnecessary for Ontario it is an improper vote, and I cannot support it. What is the nature of the railway. It is owned by Ontario, not by any railway company, but is a provincial road, belonging to the richest Province in the Dominion of Canada, and it comes to this Parliament and asks for assistance of this nature. I think every man in Ontario ought to be ashamed of such action. Ontario requires nothing of the kind."

Senator Cloran:—

"The Honourable the leader of the Government appealed to the House to grant to the poor Province of Ontario a bonus, a free gift of \$6,400 per mile on nearly 300 miles of railway. Does the honourable gentleman know the condition of things in the Province of Ontario? Does he not know that Ontario never piled up one dollar of debt on behalf of railways, never as long as the Liberals were in power?"

Well, now, the honourable Senator was wrong. I object to his argument on two grounds—first, his statement of facts is not true, and, secondly, even if his statement was true it could not affect the right of Ontario to claim this subsidy. He says:—"Ontario never piled up one dollar of debt on behalf of railways as long as the Liberals were in power." My honourable friend the Senator is mistaken. My honourable friend from Middlesex (Mr. Elliott) knows the facts and will correct me if I am wrong. The old Government issued railway certificates amounting in all to \$12,739,254.87. There is outstanding to-day railway certificates amounting to \$5,397,947 to be paid by the Province as the years go by for railway aid. Listen: the honourable Senator says:—"Liberals never piled up any railway debts"; the honourable Senator has the facts twisted. When this Government voted railway aid it paid it in cash and piled up no debt; we have never issued any railway certificates or annuities. But for years the old Government did. When a railway promoter came along and wanted a bonus they issued railway certificates extending over forty years, and

each year as certificates fell due they issued a new style of certificate and called them railway annuities, and renewed the certificates for another forty years, and so they piled up that \$12,000,000 of railway certificates, and then the old Government argued there was no railway debt because as it used to be put these certificates were not "presently payable."

So the honourable Senator was quite wrong when he said Ontario never piled up any debt so long as the Liberals were in power. If he had said since this Government came into power in 1905 we paid in cash any bonuses that were granted and that the Liberals piled up a debt, then he would have been right. (Applause.) The Senator goes on to say:—"The Province of Ontario is not entitled to one cent on this road. There is neither necessity nor justification for the expenditure. As the honourable Senator for Toronto (Jaffray) said if the railway were sold it would bring a good profit to the Province. The measure has but one object and purpose in view, to fatten the fund of the Conservative party for the next general election." Now what does my honourable friend opposite think of that for an argument?

AN HON. MEMBER: Have you got it yet?

HON. MR. LUCAS: The Province of Ontario got \$2,134,080.00 and has it yet. The honourable Senator continues:—"All these donations out of the national treasury have been made to their friends in the several provinces." And then he appeals to his fellow Grit Senators as follows:—"I have never seen in the history of the British Empire or in the history of Canada where a Liberal majority has helped a Tory minority to carry their measures." Now I won't quarrel with the honourable Senator about that statement, I can understand even if I cannot agree with his policy. Honourable gentlemen opposite appear to hold much the same view, but fortunately we do not need their support here as much as we do in the Senate. (Laughter.) The situation in the Province then was this: the Province was entitled to the subsidy; the Liberal Government asked for it; this Government asked for it; the Laurier Govern-

ment refused it, and when the Borden Government granted it the Senate threw it out and I have been giving you some of the excuses put forward by the Senate for their action—we did not think these excuses were good ones and so this Government introduced a resolution protesting against the action of the Senate, and one would have thought that honourable gentlemen opposite having in view their own record would have joined us in that protest—would have supported up in our protest against the action of the Senate. It seems to me that the path of duty was perfectly clear for honourable gentlemen opposite; we would have expected honourable gentlemen opposite to say—we asked for that subsidy ourselves; it is a just claim; Ontario is entitled to it; let us join the Government in making the demand unanimous. But no, honourable gentlemen opposite thought of their friends the venerable Senators; we must not condemn them; we dare not, we dare do much but not that, and so like the Senators they one and all began to make excuses. (Applause.)

My honourable friend the leader of the Opposition is not here this afternoon and my honourable friend the Attorney-General to be of the Opposition (Mr. Proudfoot) is not here either. I regret their absence for these were the two who first began to make excuses for the Senators. The Government moved a resolution condemning the action of the Senate in refusing the subsidy already voted by the Government to Ontario. My honourable friends opposite then had to do something and so they moved an amendment declaring that subsidies should be granted by the Parliament of Canada to Provincial Government railways under the same circumstances and upon the same conditions as subsidies are granted to railway corporations. They approved of the application and then commenced to make excuses. They then said "this House regrets that when the question of a subsidy for the said railway came before the Senate of Canada for consideration at the session just closed, it does not appear to have been drawn to the attention of the Senate that a subsidy was applied for by

the Government of this Province when the construction of the said railway was undertaken and before the first section thereof had been completed, and the matter appears to have been considered in the Senate simply on the basis of an application for a subsidy for a railway, the construction of which had already been completed and which was now being operated at a profit." They say in effect we cannot join you. We cannot protest against the action of the Senate because the Senate did not understand it. We do not blame the Senate, we blame you for not explaining it more carefully to the Senators. Listen—we are at fault because we did not tell the Senators there had been a previous application for the subsidy—what nonsense; the Liberal Leader of the Senate was the man who as Premier of this Province had made the application himself, and honourable gentlemen complain we did not tell him that he himself had made application. Senator Jaffray, who opposed the subsidy, was the Government Commissioner of the road when the first application for subsidy was made. The debates of the Commons setting out these facts were all before the Senators. The application had been made; the man, Sir Wilfrid Laurier, to whom it had been made, Sir George Ross, who made it, and Senator Jaffray, on whose behalf it was made, were all present, but, say honourable gentlemen opposite, the Ontario Government are to blame because we did not explain over again to these gentlemen what they themselves had done; because of that my honourable friends opposite say we cannot join you in this protest against the action of the Senate; cannot join you in making a unanimous demand for payment to Ontario of this subsidy. My honourable friends opposite claimed if there was to be a subsidy granted it should be used to extend the T. & N. O. road to James Bay, and in their resolution it was stated that this House should consent in the event of a subsidy being granted that the proceeds should be applied to extending the road to James Bay (that was in compliance with the demand of the Senate) the Senate having declared as a condition precedent to Ontario receiving the subsidy that we

should extend the road to James Bay. Senator Jaffray, both in Ottawa and as reported in his own paper, on the Northern Ontario Liberal tour in the presence and with the approval of Leader Rowell, laid down the proposition that as a condition precedent to receiving that subsidy we should undertake to build the road to James Bay. I said a year ago when this question was still in the air, that this House was determined that there should be no dictation from the Senate at Ottawa as to how or in what way that money should be applied. (Hear, hear.) I said then—we will extend the railway to James Bay when the members of this House think it should be extended, not before, and we will refuse to submit to any such condition. We demanded the subsidy as a matter of simple justice to Ontario. We did not submit to the Senate terms or conditions as honourable gentlemen opposite said we ought to in moving their resolution. But we got our subsidy. I said then our claim was a just one that the "stars in their courses are fighting for us" and time proved I was some prophet.

We got the subsidy. We got the cold hard cash, but no thanks to honourable gentlemen opposite—what have we done with it? We have applied \$954,629.05 to pay the interest that the T. & N. O. owes the Province of Ontario. We did with that just exactly what I said a year ago we would do with it when we got it. A year ago I anticipated a deficit because the T. & N. O. could not pay its interest, but I said if the T. & N. O. got the subsidy it would be in a position to pay the arrears of interest that they owed the Province of Ontario. They paid it and we have so applied it and placed that amount in the current revenues of the Province for this year.

MR. BOWMAN: Will the honourable the Provincial Treasurer tell me what proportion of the \$954,629 interest on the T. & N. O. applies to the fiscal year ending October 31st, 1913?

HON. MR. LUCAS: I can only give you that approximately. We received from the net earnings for the year ended October 31st, 1913, \$250,000. The interest for the year would be about \$750,000 on the total advances. There would be about \$500,000

of that interest for the current year, interest paid out of that year by us for the T. & N. O. and the balance of it would be accumulation of arrears of interest prior to last year. The interest prior to 1909 was duly adjusted and charged up. Although they paid a certain amount out of earnings each year, since then the Province has had to make up the difference. We have paid these arrears out of the subsidy and we include it in current revenue for the year.

We now come to capital receipts. Under the head of drainage debentures we received \$28,029.50. From tile debentures we received \$7,575.00.

We sold \$1,770,300 of the loan authorized and issued some two or three years ago at an average sale price of 94.42. These are 4 per cent. bonds due in 1941, and sold to realize a net price after payment of all commissions of 92.48. The Dominion Government made an issue in December of £4,000,000 or \$20,000,000, which were issued at 97. After deducting cost of placing loan the Dominion Government would realize about 94½ net for their 4 per cent. bonds, or practically only two points more than Ontario realized. In other words, we sold our securities only two points less than the Dominion sold their \$20,000,000 in December, which is indeed very satisfactory on the whole for the Province of Ontario. In addition we placed £600,000 Treasury bills during the year, particulars of which are given in detail in the Public Accounts. We thought it desirable to place short date notes rather than to place a permanent loan at the current rate, and yesterday on the London market we renewed the last of these Treasury bills for six months at 3½ per cent. When we can go into the London market to-day and place our Treasury bills at 3½ per cent. there is nothing much the matter with the credit of the Province of Ontario; and when we can sell our bonds at only two points less than the Dominion issue of 1913 we are doing fairly well along financial lines.

What ought we to do now? It is easy to be wise after it is over. Is it wise for this Government to go in and place a

permanent loan at present rates or renew our Treasury bills? I suppose if the market goes up and we cannot later place a loan on as favourable terms as we might to-day we will be blamed. Perhaps the honourable gentlemen opposite will express an opinion now rather than a year from now. I would like to have them place themselves on record, we can all be wise a year from now. However,

“To earn no praise when well laid plans prevail,
And to be rudely censured when they fail”

is the usual fate of governments. For the present we are borrowing at short dates for $3\frac{1}{8}$, and the present view of the Government is we will continue to finance on short date paper in the hope of a favourable turn in the market for permanent investments.

I propose now for a short time to run over the expenditures although these are given in detail in Public Accounts. I submit the following statement of expenditures:—

PAYMENTS.

Fiscal Year Ended October 31st, 1913.

For Civil Government	720,225	93
“ Legislation	302,293	27
“ Administration of Justice	715,934	43
“ Education	1,969,291	62
“ Public Institutions Maintenance	1,366,038	95
“ Colonization and Immigration	134,801	06
“ Agriculture	693,391	20
“ Hospitals and Charities	416,812	36
“ Repairs and Maintenance	161,923	97
“ Colonization Roads	406,034	29
“ Charges, Crown Lands	582,593	97
“ Refunds	164,212	96
“ Miscellaneous Services	317,190	79
“ Hydro-Electric Power Commission; Provincial Government Expenditure, 1913	138,592	11
		8,089,336
		91

Public Buildings:

For Hospitals for Insane.....	161,791	89
" Reformatory for Females	3,440	10
" Central Prison, Toronto	2,041	04
" Osgoode Hall	26,841	26
" Normal Schools	21,761	22
" Agricultural College	2,924	29
" Fruit Experimental Station	5,426	38
" Ontario Government Office, Front Street West, Toronto	2,577	70
" Deaf and Dumb Institute, Belleville ..	2,084	75
" Blind Institute, Brantford	3,491	96
" Unorganized Districts	15,021	69
" Public Works	184,102	24
" Parliament and Departmental Build- ings—Fire Alarm	18,619	12
" Special Warrants	52,716	54
" Stationery and Paper Accounts, excess of purchases of distribution	31,183	01
" Fish and Game, Boat Houses, etc.	2,833	52
" Statutory Expenditure	2,241,832	66
		2,778,689 37

Total Expenditure 10,868,026 28

" Drainage Debentures, Municipal (Sta- tutory)	84,154	53
" Drainage Debentures, Tile (Sta- tutory)	19,566	40
" Advanced to Temiskaming North- ern Ontario Railway (Statutory). .	950,000	00
" Roads in New Ontario	1,063,655	55
" Good Roads (Statutory)	288,367	66
" Highway Improvement Act	47,100	00
" New Government House	224,396	37
" New Provincial Prison	338,975	97
" Parliament Buildings, West Wing	44,133	64
" Parliament Buildings, Addition to, Li- brary Fittings, Furniture and Fur- nishings, and Hydro-Electric Equipment	96,517	20
" Provincial Museum	50,000	00
" Ontario Veterinary College, New Building	112,957	68
" Ontario Agricultural College, Dining Hall, New Dairy Stables	46,239	22
" Deaf and Dumb Institute, Belleville, New Dormitories, Boiler House ..	85,477	92
" Blind Institute, New Dormitories, Boiler House	72,412	23
" Brockville Asylum, Additional Build- ings	31,492	55

" Orillia Asylum, Additional Cottages, Farm Lands, Barn	10,168 49
" New Hospital for Insane, Whitby ...	209,568 46
" Industrial Farm, Fort William	24,053 70
" London Asylum, Kitchen and Amuse- ment Hall	24,606 75
" New Registry Office, Kenora	7,950 09
" New Registry Office, Temiskaming....	6,200 11
" Rainy River District, New Court House	12,787 95
" Court House, Haileybury	11,726 27
" Advanced to Hydro-Electric Commis- sion during fiscal year ended 31st October, 1913	1,361,407 89
	5,223,916 62
(Interest and Sinking Fund to be paid by Municipalities.)	
" Amount at Special Deposit, October 31st, 1913	2,225,000 00
" Amount at Current Account October 31st, 1913	181,006 20
	2,406,006 20
Less balance of Federal Subsidy for Agriculture deposited to special Account	25,310 89
	2,380,695 31
	18,472,638 21

For Civil Government there has been an increase. Last year we spent \$720,225.93, an increase of \$39,773.98 over 1912. That increase is mainly accounted for by salary increases to civil servants. I think no member of this House will find any fault with the amount. I feel certain that there can be none. If I had any criticism to pass it would be that the salary allowances to the civil servants are not too high, but rather not high enough. (Applause.) I am one of those who believe it is not wise economy to pare the civil service of the Province. If we take the total increase after deducting salaries for new appointments, the increase in salaries under civil government would be about \$20,000, an average percentage increase of about 3½. That is an exceedingly modest rate of increase. I believe, and I think the Government believe, that many of these salaries should be revised and that the revision should

be an upward one. I believe the country and the Legislature would support and justify reasonable increases in civil service salaries.

For Legislation there is a small increase. We spent in 1913 \$302,293.27. For Administration of Justice there was an increase. For the maintenance of the Public Institutions, the Hospitals for the Insane, Central Prison and the Mercer Reformatory there is an increase of \$52,000. A small increase in view of the general advance in prices that these institutions must pay for up-keep.

Honourable gentlemen opposite from time to time have heard from this side of the House that this Government was administering the affairs of this Province in a business-like way.

MR. CLARKE: Yes, we have heard that.

HON. MR. LUCAS: My honourable friend from West Northumberland smiles. Well, I want to take time to show my honourable friend that our claim is a good one. I want to give him one example of business administration. We hear a lot about the high cost of living; if it affects any place it should affect the cost of maintenance in the Public Institutions of the Province of Ontario. My honourable friend assents; well, let us see how it works out in a particular case. The Hospitals for the Insane from 1896 to 1904 inclusive show the total number of patients was 46,471. The yearly average was 5,163. Listen, I want the honourable members to follow this: the average number of insane patients from 1896 to 1904 (nine years) was 5,163; from 1905 to 1913 inclusive the total number was 57,053, the yearly average of 6,339. That is taking the two periods, nine years before and nine years after the advent of this Government. There was an increase of 1,178.8 in the daily average population for the latter nine years in the Insane Asylums, an increase of 22 per cent. in the average number of inmates. Now, what did it cost? We had 1,178 more inmates during the last period of nine years than we had during the other nine years. The net mainten-

ance cost, taken from the Public Accounts of this Province for the first nine years from 1896 to 1904 was \$6,655,754.47. Divide that by the average number of patients and the number of years and you have the per capita cost per annum for each patient for the nine years prior to 1904, \$143.23. The maintenance from 1905 to 1913 was \$7,744,135.09. Divide that in the same way and you have the per capita cost per annum during the last nine years to compare with the per capita cost during the former nine years. My honourable friend from Northumberland will agree with me that it is a fair comparison. Will my honourable friend hazard a guess as to how much more it has cost the Province the last nine years? Well, if he won't guess, I must tell him. It has just cost the Province \$7.49 per patient less per annum the last nine years than the first nine years. (Loud applause.) Those are the plain figures taken from the Public Accounts, and the net per capita cost is the best test of business administration. Notwithstanding the increased cost of supplies during recent years and the more scientific methods adopted in the care and treatment of patients, we have a lower per capita cost of maintenance. If my honourable friend wants more detailed examples of business administration I have them, but time will not permit.

We hear much talk about social legislation. But the best example of real social work can be found in these very asylums, the most up-to-date methods of treatment have been adopted, with the result that many have been restored to health and strength. We are to-day treating insanity as a disease that may come into any home, and if we can save some for themselves, their friends and society we are doing a great social work. The Provincial Secretary is doing the work, doing it well and at no increased cost to the Province.

We now come to Agriculture. The total expenditure for Agriculture last year was \$900,362.68, which compares rather well with the total expenditure in 1904 of \$446,481.22. We are not looking after agriculture, say some honourable gentlemen. We have gone from \$446,000 to \$900,000. This is made

up of direct Provincial vote of \$693,391.20 and Federal aid \$206,971.48. These increased grants enable the Department to take up many new features, develop new lines of work and to extend the work along old lines as well, and generally to develop the activities of the Agricultural Department, with the result to-day that the Province of Ontario not only leads the other provinces of this Dominion in advanced agricultural methods but, I believe, is at any rate in the first ranks if it is not the leader in agricultural education and advanced thinking on agricultural questions on this continent. This record shows the initiative of the Department in keeping Ontario to the front in agricultural work, and the financial assistance given shows that the Government recognizes the tremendous importance of agricultural educational work in this Province and the absolute necessity for generous grants in support thereof.

The expenditure for Hospitals and Charities needs no remarks.

The expenditure for charges upon Crown lands shows a slight decrease from the amount of the previous year. Under Miscellaneous Services, under ordinary expenditure, you will find we spent \$440,000 in 1912, and 1913 \$317,190, a decrease of \$123,000. This decrease, of course, is caused by the fact that in 1912 the expenses of general election amounted to \$134,000, while the only expense for elections in 1913 amounted to \$8,030, and that item might have been saved and the bye-elections made unanimous so far as the result in the country was concerned. (Laughter and applause.)

Particulars of statutory expenditure appear in the Public Accounts. Amongst these statutory expenditures, will my honourable friend notice the railway subsidies paid by us this year? We are paying this year out of current revenue for railway subsidies and annuities \$591,000 that the old Government authorized. We pay that out of current revenue. These subsidies were voted by this Legislature in the old days. The old Government had a much nicer way of paying these subsidies—by issuing railway certificates and spreading payments over forty years.

Then there are capital expenditures for roads in New Ontario—passing hurriedly on—\$1,063,655.55. Of the capital expenditures on public buildings, I might mention the sum of \$338,975.97 on new Provincial Prison. The total of these buildings, which I ask you to keep in mind, is \$1,234,000. This figure is exclusive of a great many other smaller capital amounts spent on buildings throughout the Province, which are given in the statement before you. Some of the larger items are, \$338,975 on the new Provincial Prison at Guelph; \$112,957 for the new Ontario Veterinary College on University Avenue; \$209,568 on the new Hospital for the Insane at Whitby; \$85,477 for new buildings for the Ontario School for the Deaf at Belleville; \$72,412 for new buildings at the Ontario School for the Blind at Brantford; \$140,550 for the west and north wings of the Parliament Buildings, besides a grant of \$50,000 for the Royal Ontario Museum. These items run up but they are not challenged by any member in this Legislature.

We are spending a great amount of these moneys for the betterment of the condition of the helpless classes in the Province of Ontario. It is the sort of social legislation in which this Government is engaged. For years—I am within the knowledge of any person who has paid any attention to such matters—for many years the old Government starved many public services, spent nothing for public buildings for this class of work. This is social legislation of the very best kind, surely.

We used to hear of a \$4,000,000 surplus. We could have had that sort of surplus easily. Let us see. This Government since 1905 on public works and public buildings of the character I have been indicating—all of which have been supported and none challenged by this Legislature—spent \$8,491,957 in those years. What did the old Government spend in nine years—\$2,342,431. In nine years this Government spent on the public buildings, hospitals, etc., the details of which are given, over \$6,000,000 more than the old Government spent in the

same time. Is that not an asset of the Province of Ontario? (Loud applause.) Why, Sir, we created all these new assets of the Province, and yet they still talk about the surplus of \$4,000,000 they used to have, while they starved the public services. But that is ancient history. Surely all these public buildings are assets. They are the kind of assets the Province of Ontario wants; because the people are getting the benefit of them. If we add to this \$8,000,000 spent on public buildings the amount given to good roads in New Ontario, which is a capital expenditure, namely, \$1,300,489, \$150,000 for the Provincial Museum, \$290,000 for the Munn Timber Limits and \$90,000 for Bloor Street property, all good assets, every one of them, we would have added to the assets more than \$11,335,000 in the last nine years.

In the statement of assets and liabilities, we do not include any of these things, but in any proper summing up to find out whether or not the Province is improving its position, you must take them into account. While we have been adding this \$8,000,000 to the assets in the shape of public buildings in the Province, so far we have been able to pay our ordinary annual expenditure out of current revenue. We only include interest or dividend paying investments in the statement of assets of the Province. But if we should include as well the public service buildings, the hospitals, the asylums and similar buildings, and who dare say they are not good assets, as good, yes, better than cash in the bank, (applause) if we take these assets, these new public service buildings and add them to the interest or dividend paying assets, we would have a surplus not of \$4,000,000 but of \$10,000,000 or better in the Province to-day.

I have already dealt with the railway aid certificates, a mortgage debt put on the Province by the old Government. Since this Government came into power what have we done? In nine years out of current revenue we have paid our way from year to year, and in addition we have paid \$2,484,584 on railway aid. Since this Government came in there has been legis-

lation granting extensions of time where the former Government had voted aid to railways, but only in three cases was there any aid voted by this Government, and in all three cases the subsidy voted has been paid in cash out of current revenue, and nothing added to the liabilities of the Province.

The estimates of receipts for the coming year are before you, as well as the estimates for expenditure, apart from statutory expenditures which last year were \$2,241,832.66 and which it may be assumed will be about the same for this year. The main and supplementary estimates are before honourable gentlemen in detail, as well as the statement showing the official estimate of receipts. I commend them to the consideration of the honourable gentleman (Mr. Bowman) who is now going to take up the criticism of these estimates, in the light of explanations given last year as to estimates of receipts and expenditures. These estimates will, of course, be discussed in detail in Committee. I do not propose to refer to or deal with them further at present. The honourable gentlemen will keep this in mind also. A year ago I estimated a deficit of \$500,000 to my honourable friend from Middlesex, if the T. & N. O. subsidy was not paid. I then mentioned that if the subsidy was paid the T. & N. O. would be able to hand over the arrears of interest, and we should then have a surplus. Without that subsidy, I estimated a deficit of \$500,000. That estimate has proved to have been about right. If the T. & N. O. had not been able to pay its arrears of interest, if we hadn't got a dollar of interest from the subsidy, we would have had a deficit of something under \$600,000. This year it is different. Let me say to my honourable friends now, with the estimates before the House, that for this year I am not estimating a deficit at all. I venture to say that next year there will be a surplus. (Applause.) Why, Sir, it makes one an optimist to have anything to do with the finances of the Province of Ontario. (Applause.) The more you know about it, the more optimistic you become.

What about our capital expenditures? We will ask the

House to authorize the loans necessary to carry on work involving capital expenditure. My honourable friend from London (Hon. Adam Beck) will be down asking the House to authorize loans to meet the capital expenditures in connection with the development and extension of the Hydro-Electric. The T. & N. O. will require money for capital expenditure. We are not afraid to come down to the House and ask for money to carry on these works. Capital expenditures are in the interest of the people. As the years go by, the sphere of activities of the State must widen and the expenditures must correspondingly increase, and the revenue must correspondingly be increased.

We hear of social legislation from honourable gentlemen opposite; a great deal from them and in their papers. Social legislation in its widest sense means more work to be carried on by the State in the interests of all the citizens; it means as well the necessity for more revenue. Social legislation means as well financial legislation. This is something that honourable gentlemen opposite sometimes forget. Social legislation in the final analysis means financial legislation. Social legislation in Great Britain is based on the annual budget, and every responsible man who has got social legislation to propose should at the same time be prepared to suggest where the revenue to carry on the social work he proposes is to come from. This Government has been able to keep abreast of the times, to keep up with the needs of a progressive people, because it has had the courage to go out and get the revenues to keep up these public services. The old Government simply stood pat for years. (Applause.) Too busy holding on to office to do anything else. For twenty years they practically built no public buildings. For twenty years there was no expenditure to assist in any social legislation.

I am sorry my honourable friend the Leader of the Opposition is not here this afternoon. The other day he talked of unemployment and poverty, which everyone regrets. He condemned the Government. He asked honourable gentlemen to

vote want of confidence and turn this Government out, because—because what? Because there was unemployment in the Province. There was and is unemployment to some extent, and poverty and sickness and distress, yes, to some extent. That is the problem of the ages—it has been so for years, it may be so for years to come. It is a great social question, a world problem, deserving the best consideration of the best thinkers of the world, the best efforts of all men and women to lessen the evils and lighten the sorrow and distress that often follows periods of unemployment. But men, listen, it is not a question of party politics to be bandied across the floor of this House in the hope of making political capital for any man or any party. (Applause.) Unemployment is worldwide to-day, admittedly less in Ontario than in any other Province of Canada (applause) or perhaps in any of the States of the Union. Yet my honourable friend the Leader of the Opposition criticizes this Government because it has not done something, but he does not suggest what, to help the situation. My honourable friend knows that in the Workmen's Compensation Act this Government has before the House the most advanced social legislation ever proposed in this Province. Yet my honourable friend charges across the floor of this House that this Government is sleeping, that we are behind the times. But this Government has shown that it is alive and abreast with the needs, necessities and aspirations of the people of this great Province, and the people have declared it by overwhelming majorities on more than one occasion. There is a word I do not like to use in this Legislature which describes the man who goes out and talks for the purpose of stirring up unrest and discontent and has no remedy. I do not want to use harsh words, but if that was the purpose of my honourable friend, then, Sir, I do say he is not the man to whom the people of this Province should give their confidence.

During the reciprocity campaign I heard a criticism by a farmer of a certain speech. He was asked if he heard Mr. So and So speak in the hall and what sort of speech did he

make. "Oh, he made a fine speech, all right, all right," said the farmer, "but a shower of rain would have done a lot more good." (Applause.) And that is about what I thought of my honourable friend the Leader's unemployment speech. My honourable friend, set off by his graceful gestures, made a fine speech all right. I hoped, however, he was going to suggest some remedy for the ills he pointed out, but he had nothing whatever to propose, no suggestion except to "grapple" with it. We are prepared to "grapple" with these questions. We are doing so to-day, and we propose to continue along the lines the people have approved of. We are going to ask more revenues to help us carry on our work. We are going to get some more from succession duties. We are going to get more from supplementary revenue. We hope to get from the Dominion by way of subsidy more than we are getting now. If we do not get it now, we can wait, and we can manage without it. That is our revenue programme this year.

Next year we will have more to say on this subject. I have sat in this House for some years, and since 1905 I have not heard a single suggestion from an honourable member who sits on the opposite side saying here is available revenue that will enable you to carry on the social legislation that we want, and that is the first essential on the part of a man who treats these questions seriously.

In the meantime the Government will go on, following along old lines, advancing step by step; content with such popularity and support as may come to it by reason of a plain, straightforward administration of the affairs of the Province, devoting such ability and talent as it may have, not only to the development of the material resources of the Province, but as well to the social and moral improvement of the people.

Mr. Speaker, I move that you do now leave the chair in order that the House may resolve itself into Committee of Supply. (Loud applause and cheers.)

FINANCIAL STATEMENT OF

CASH AND DEBENTURE ASSETS OF THE PROVINCE.

OCTOBER 31ST, 1913.

BANK BALANCES:—

Current Account	\$ 181,006 20
Special deposits bearing interest (Including Federal Subsidy for Agriculture unexpended, \$25,310.89)	2,225,000 00
	————— 2,406,006 20

SINKING FUNDS:—

Re Ontario Government inscribed stock, 5 Edward VII., cap. 2 and 3, £1,200,000, one-half of one per cent. per annum on the principal.

Amount of stock purchased for the Province for sinking fund by the Bank of Montreal, Fiscal Agents, to the 31st of October, 1913, £54,802 17s. 11d., at par of exchange 266,342 06
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Re Ontario Government inscribed stock, 8 Edward VII., cap. 11 and 12, £1,640,547 18s. 11d., one-half of one per cent. per annum on the principal.

Amount of stock purchased for the Province for sinking fund by the Bank of Montreal, Fiscal Agents, to 31st October, 1913, £29,263 12s. 1d., at par of exchange 142,221 12
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DEBENTURES:—

Drainage Debentures, Municipal	307,657 90
Tile Drainage Coupons	67,351 40
Sault Ste. Marie Debentures	25,572 50
Village of Eganville Debentures	12,646 88
Town of Cochrane Debentures	37,207 10
Township of Whitney Debentures ...	19,328 35
Township of Tisdale Debentures ...	40,000 00
	————— 509,764 13

Temiskaming and Northern Ontario Railway, amount expended to 31st October, 1913, see Statement No. 16 .....	..... 19,696,451 99
Hydro-Electric Power Commission of Ontario, amount advanced to 31st October, 1913 .....	..... 6,022,646 22
(Interest and Sinking Fund to be paid by Municipalities.)	
Balance due from sale of Central Prison and Toronto Asylum properties .....	..... 844,699 42

TRUST FUND OF THE PROVINCE HELD BY THE DOMINION.

Common School Fund (see Consolidated Statutes, c. 26), 1,000,000 acres set apart (proceeds realized to 31st December, 1912), after deducting Land Improvement Fund, \$2,628,724.30, portion belonging to Ontario as per population of 1911 \$1,465,535 17

NOTE.—See Awards, Sessional Papers, 1900 and 1901.

Common School Fund, Montmorency Bridge Debentures paid over to the Dominion <i>re</i> Quebec Turnpike Trust, \$6,000.00, portion belonging to Ontario as per population of 1911	3,345 05
	1,468,880 22
Total Assets	\$31,357,011 36

DIRECT LIABILITIES OF THE PROVINCE.

- (1) Ontario Government Inscribed Stock (London, Eng., loan), 5 Edward VII., cap. 2 and 3, 3½ per cent., principal due 1st January, 1946, for Construction of Temiskaming and Northern Ontario Railway, £1,200,000, at par of exchange \$5,840,004 00
- (2) Ontario Government Inscribed Stock (London, Eng., loan), 8 Edward VII., cap. 11 and 12, 1 George V., cap. 4, and 2 George V., cap. 2, 4 per cent., principal due May 1st, 1947, for construction of Temiskaming and Northern Ontario Railway, etc., £1,640,547 18s. 11d., at par of exchange 7,984,000 00
- (3) Ontario Government Bonds and Stock, 5 Edward VII., cap. 2, and 6 Edward VII., cap. 4 (Canadian loan), 3½ per cent., principal due July 1st, 1926, and July 1st, 1936, for construction of Temiskaming and Northern Ontario Railway 3,000,000 00

FINANCIAL STATEMENT OF

(4) Ontario Government Bonds and Stock, 5 Edward VII., cap. 2 and 3 (Canadian loan), 4 per cent. principal due June 1st 1939, for construction of Temiskaming and Northern Ontario Railway . . . . .	..... 1,150,000 00
(5) Ontario Government Bonds and Stock, 8 Edward VII., cap. 12, and 9 Edward VII., cap. 8 (Canadian loan), 4 per cent., principal due June 1st, 1939 . . .	..... 3,500,000 00
(6) Ontario Government Bonds and Stock, 1 George V., cap. 9, and 8 Edward VII., cap. 12 (Canadian loan), Algon- quin Park Loan and Purchase Act, 4 per cent., principal due May 1st, 1941	..... 500,000 00
(7) Ontario Government Bonds and Stock, 8 Edward VII., cap. 12, and 1 George V., cap. 4 (Canadian loan), 4 per cent., principal due November 1st, 1941 . . . . .	..... 3,000,000 00
(8) Ontario Government Stock, Char- itable and Educational Bequests. 9 Edward VII., cap. 26, sec. 42, and 10 Edward VII., cap. 26, sec. 47 . . . . .	..... 1,000 00
(9) Treasury Bills, £400,000, due Feb- ruary 2nd, 1914, and £200,000 due March 2nd, 1914, 2 Geo. V., cap. 2, and 3 Geo. V., cap. 18, sec. 50, O.C. July 11th, 1913, and O.C. August 19th, 1913; £600,000 at par of ex- change. See Statement No. 19 . . . . .	..... 2,920,000 00
(10) Municipal Securities, 8 Edward VII., cap. 51, Municipal Sinking Funds, on deposit with the Province of Ontario to 31st October, 1913, with accrued interest at 4 per cent. . . . .	..... 147,367 26
(11) Railway Certificates, present value outstanding on 31st October, 1913.. \$2,388,087 62 Annuity Certificates, present value outstanding on 31st October, 1913 .. 1,288,635 99	3,676,723 61

(12) Common School Fund collections by Ontario, from 1st January, 1913, payable to the Dominion, in trust for both Provinces .....	.....	3,120 26
In Trust for Ontario ..	\$1,739 57	
In Trust for Quebec ..	1,380 69	
(13) University of Toronto Certificates, \$30,000 00 per annum for 22 years, 5 Edward VII., cap. 37, present value at 3½ per cent. per annum .....	.....	455,013 90
(14) Assurance fund under the Land Titles Act, R.S.O. 1897, cap. 137, sec. 130, amended by 3 Edward VII., cap. 12, sec. 5. 10 Edward VII., cap. 61 .....	.....	110,000 00
Total Direct Liabilities	\$32,287,229 03	

INDIRECT LIABILITIES OF THE PROVINCE AND GUARANTEES.

(1) Niagara Falls Park Bonds:

(50 Vic., c. 13)	\$525,000 00
(57 Vic., c. 13)	75,000 00
(8 Edw. VII., c. 29)	100,000 00
(10 Edw. VII., c. 21)	\$525,000 00
	_____ \$900,000 00

NOTE.—The income of the Park Commission from lease of power, etc., was sufficient to pay all maintenance and interest charges and leave a balance available for capital expenditure.

(2) The Canadian Northern Ontario Railway Company.

Guarantee by the Province of Ontario, under authority of 8 Edward VII., cap. 47, of principal and interest at 3½ per cent. per annum, Debenture Stock of above Railway, payable in 30 years from 30th June, 1908, £1,615,068 9s. 7d. sterling 7,860,000 00
 Secured by First Mortgage on Railway, Rolling Stock and Terminals.

(3) University of Toronto.

Guarantee by the Province of Ontario under authority Order in Council, 15th July, 1908, and 16th June, 1909. Debentures of above University, payable 15th July, 1910, to 15th July, 1949, 40 years, \$500,000.00.

Present value for 36 years at 4 per cent. 477,623 15

(4) University of Toronto.

Guarantee by the Province of Ontario, under authority Order in Council 7th April 1911, Debentures of above University, payable 1st January, 1912, to 1st January, 1951. 40 years, \$130,000.00.

Present value for 38 years at 4 per cent. 127,208 17

(5) University of Toronto.

Guarantee by the Province of Ontario, under authority Order in Council May, 1912, Debentures of above University, payable 1st January, 1912, to 1st January, 1951, 40 years, \$300,000.00.

Present value for 38 years at 4 per cent. 293,558 80

898,390 12

\$9,658,390 12

RECEIPTS.

FISCAL YEAR ENDED OCTOBER 31ST, 1913.

Balances as per Public Accounts, 1912.

	\$	c.	\$	c.	\$	c.
Amount at Special Deposit,						
October 31st, 1912.....	1,422,000	00		
Amount at Current Account,						
October 31st, 1912.....	63,620	93		
			1,485,620	93		
Less balance of Federal Subsidy for Agriculture, deposited to Special Account..	46,549	05		
			1,439,071	88		

From Dominion of Canada:

Subsidy on population,		
B.N.A. Act, 1907	2,013,964	40
Subsidy, 47 Vic., c. 4.....	142,414	48
Special Grant, B.N.A. Act,		
1907.....	240,000	00
	2,396,378	88

Interest paid by Dominion,	
see Statement No. 3.....	73,316 04
Interest on Investments ...	62,122 54
	<hr/>
	135,438 58

Lands, Forests and Mines:**LAND COLLECTIONS:****CROWN LANDS:**

Agricultural	111,731 24
Townsites	6,403 36
	<hr/>
Mining	118,134 60
Clergy Lands ..	95,068 94
Common School Lands	1,284 38
Grammar School Lands	4,363 63
University Lands	729 90
	<hr/>
	3,356 72
	<hr/>
	9,734 63

RENT:

Mining Leases..	20,878 43
Crown Leases ..	18,348 05
	<hr/>
Miners' Licenses.	44,065 80
Permits	995 00
Recording Fees..	48,195 30
	<hr/>
Royalties	93,256 10
	<hr/>
	200,333 01

SUPPLEMENTARY REVENUE:

Acreage Tax ...	13,915 70
Profit Tax	173,532 65
Gas Tax	23,615 49
	<hr/>
	211,063 84

WOODS AND FORESTS:

Bonus	591,675 29
Timber Dues ...	1,277,490 08
Ground Rent ...	99,460 19
Transfer Fees .	10,500 25
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	1,979,125 81

PROVINCIAL ASSAY

Fees	404 75
Casual Fees	754 88
Cullers' Fees	169 00
	<hr/>
Algonquin Park ..	8,270 45
Rondeau Park ...	1,196 83
Forest Reserves ..	1,070 70
	<hr/>
	10,537 98

REFUNDS:

Fire Ranging ..	26,501 35
Wood Ranging..	8,475 54
Surveys	22 41
Contingencies ...	26 05

Agents' Salaries.	494 60	
Mining Recorders	92 00	
Mines and Mining	387 90	
	35,999 85	
		2,793,809 87
Licenses		901,486 03
Law Stamps		134,483 35
Algoma Taxes		230 64
Education		60,600 09
Provincial Secretary		376,366 82
Game and Fisheries		138,364 31
Agriculture		177,131 50
Supplementary Revenue Act, 8 Edw. VII., c. 14		937,599 29
Succession Duty		1,062,694 87
Succession Duty (Funds deposited in lieu of Bond for payment of Succession Duty)		83,450 00
Casual Revenue		220,248 65
Insurance Department		47,284 63

Public Institutions:

Toronto Hospital for Insane	52,798 39	
Brockville	22,577 92	
Hamilton	46,865 33	
Kingston Hospital for Insane	17,383 09	
London	40,175 66	
Mimico	25,707 70	
Orillia	13,585 60	
Penetanguishene	3,542 24	
Cobourg	1,156 86	
Reformatory for Females	2,283 43	
Central Prison	84 72	
Central Prison Industries	60,225 67	
Provincial Prison, Guelph	7,325 83	
Woodstock Hospital for Epi- leptics	16,587 56	
		310,300 00

Hydro-Electric Power Commission:

Interest at 4 per cent. on expenditure under 6 Edw. VII., chap. 15, sec. 18 (a). Oct. 31, 1912, to Oct. 31, 1913.	207,805 53
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Temiskaming and Northern Ontario Rail- way, from earnings on account of in- terest	250,000 00
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Dominion Temiskaming and Northern On- tario Railway Subsidy, balance of in- terest as adjusted. (See Statement No. 21)	954,629 05
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Total Receipts 11,188,302 09

Drainage Debentures, Municipal	28,029	50
Drainage Debentures, Tile	7,575	00
Ontario Government inscribed Stock (London, England, Loan), 2 George V., cap. 2. Amount credited to Ontario Treasury Dept. See Statement No. 17.....	100,000	00
Province of Ontario Loan, 8 Edw. VII., cap. 12, and 1 Geo. V., cap. 4. Amount issued in 1913. See Statement No. 18	1,637,173	75
Municipal Debentures	2,508	11
Municipal Securities, Municipal Sinking Funds received for fiscal year ended Oct 31st, 1913	40,685	76
Central Prison and Toronto Asylum Properties, sale of	18,000	00
Treasury Bills, sale of. (See Statement No. 19)	2,831,841	17
Balance, Dominion Temiskaming and Northern Ontario Railway Subsidy. See Statement No. 21.....	1,179,450	95
	18,472,638	21

PAYMENTS.

	\$	c.	\$	c.
For Civil Government	720,225	93		
" Legislation	302,293	27		
" Administration of Justice	715,934	43		
" Education	1,969,291	62		
" Public Institutions Maintenance	1,366,038	95		
" Colonization and Immigration	134,801	06		
" Agriculture	693,391	20		
" Hospitals and Charities	416,812	36		
" Repairs and Maintenance	161,923	97		
" Colonization Roads	406 034	29		
" Charges, Crown Lands	582,593	97		
" Refunds	164,212	96		
" Miscellaneous Services	317,190	79		
" Hydro-Electric Power Commission; Provincial Government Expenditure, 1913	138,592	11		
			8,089,336	91

Public Buildings:

For Hospitals for Insane.....	161,791	89
" Reformatory for Females	3,440	10
" Central Prison, Toronto	2,041	04
" Osgoode Hall	26,841	26
" Normal Schools	21,761	22
" Agricultural College	2,924	29
" Fruit Experimental Station	5,426	38
" Ontario Government Office, Front Street West, Toronto	2,577	70
" Deaf and Dumb Institute, Belleville..	2,084	75
" Blind Institute, Brantford.....	3,491	96
" Unorganized Districts	15,021	69
" Public Works	184,102	24

" Parliament and Departmental Buildings—Fire Alarm	18,619	12
" Special Warrants	52,716	54
" Stationery and Paper Accounts excess of purchases over distribution.....	31,183	01
" Fish and Game, Boat Houses, etc.....	2,833	52
" Statutory Expenditure	2,241,832	66
		2,778,689 37
Total Expenditure	10,868,026	28
For Drainage Debentures, Municipal (Statutory)	84,154	52
" Drainage Debentures, Tile (Statutory)	19,566	40
" Advanced to Temiskaming and Northern Ontario Railway (Statutory) ..	950,000	00
" Roads in New Ontario	1,063,655	55
" Good Roads (Statutory)	288,367	66
" Highway Improvement Act	47,100	00
" New Government House	224,396	37
" New Provincial Prison	338,975	97
" Parliament Buildings, West Wing ..	44,133	64
" Parliament Buildings, Addition to, Library Fittings, Furniture and Furnishings, and Hydro-Electric Equipment	96,517	20
" Provincial Museum	50,000	00
" Ontario Veterinary College, New Building	112,957	68
" Ontario Agricultural College, Dining Hall, New Dairy Stables	46,239	22
" Deaf and Dumb Institute, Belleville New Dormitories, Boiler House ..	85,477	92
" Blind Institute, New Dormitories, Boiler House	72,412	23
" Brockville Asylum, Additional Buildings	31,492	55
" Orillia Asylum, Additional Cottages, Farm Lands, Barn	10,168	49
" New Hospital for Insane, Whitby ..	209,568	46
" Industrial Farm, Fort William	24,053	70
" London Asylum, Kitchen and Amusement Hall	24,606	75
" New Registry Office, Kenora	7,950	09
" New Registry Office, Temiskaming..	6,200	11
" Rainy River District New Court House	12,787	95
" Court House, Haileybury	11,726	27
" Advanced to Hydro-Electric Commission during fiscal year ended 31st October, 1913	1,361,407	89
(Interest and Sinking Fund to be paid by Municipalities.)		5,223,916 62

" Amount at Special Deposit, October 31st, 1913	2,225,000 00
" Amount at Current Account October 31st, 1913	181,006 20
	<hr/>
	2,406,006 20
Less balance of Federal Subsidy for Agriculture, deposited to Special Account	25,310 89
	<hr/>
	2,380,695 31
	<hr/>
	18,472,638 21

ESTIMATED RECEIPTS FISCAL YEAR ENDING OCTOBER 31ST,
1914, INCLUDING CASH BALANCES ON HAND
31ST OCTOBER, 1913.

Subsidy.....	\$2,396,378 88
Interest on Common School Funds held by the Dominion	\$75,000 00
Interest on Investments	<hr/> 60,000 00
Lands, Forests and Mines Department.....	135,000 00
Public Institutions	2,800,000 00
Education Department	260,000 00
Provincial Secretary's Department	60,000 00
Agriculture.....	325,000 00
Casual Revenue	175,000 00
Insurance Department	200,000 00
Succession Duties	47,000 00
Supplementary Revenue Tax (8 Edw. VII., Cap. 14). .	800,000 00
Tavern and Brewers' Licenses	925,000 00
Law Stamps	850,000 00
Game and Fisheries	140,000 00
Estimated Earnings, T. & N. O. Ry.....	130,000 00
Hydro-Electric Power Commission, Interest, etc.....	250,000 00
	<hr/> 300,000 00
Total Estimated Receipts	\$9,793,378 88
Cash Balances, 31st October, 1913.....	2,380,695 31
	<hr/>
Total.....	\$12,174,074 19

FINANCIAL STATEMENT OF

ESTIMATED EXPENDITURE FISCAL YEAR ENDING OCTOBER
31ST, 1914.

Civil Government	\$ 831,420 03
Legislation.....	332,041 61
Administration of Justice	853,430 79
Education.....	2,232,864 04
Public Institutions Maintenance	1,543,397 00
Agriculture.....	760,609 13
Colonization and Immigration	124,576 37
Hospitals and Charities	430,010 57
Repairs and Maintenance	191,941 56
Public Buildings	575,499 95
Public Works	83,200 00
Colonization Roads	129,000 00
Charges Crown Lands	759,223 11
Refunds.....	103,602 96
Miscellaneous.....	621,394 03

\$9,572,211 15

Capital:

New Provincial Prison	\$275,000 00
New Government House	100,000 00
Parliament Buildings, Additions	41,000 00
Provincial Museum	50,000 00
Hospital for Insane, Brockville, additional buildings..	50,000 00
Hospital for Insane, London, additional buildings....	25,000 00
Hospital for Feeble-Minded, Orillia, additional build- ings.....	65,000 00
Hospital for Insane, Toronto, additional buildings, farms, land and equipment.....	300,000 00
Institution for the Deaf and Dumb, Belleville, new dormitories.....	118,000 00
Institution for the Blind, Brantford, new dormitories	112,000 00
Ontario Agricultural College, new buildings.....	92,000 00
Ontario Veterinary College, new building.....	182,000 00
Court Houses, Industrial Farms and Registry Offices, Districts of Temiskaming, Sudbury, Sault Ste. Marie, Rainy River and Thunder Bay.....	281,500 00

\$11,263,711 15

(Capital Account \$1,691,500 00)

Statement showing amounts payable annually for certificates issued by the Treasurer of the Province for "Aid to Railways" and Annuities.

Year.	Railway Aid Certificates.	AnnuitieS.	Year.	Railway Aid Certificates.	AnnuitieS.
	\$ c.	\$ c.	F'rd..	\$ c.	\$ c.
1913	51,450 00	1932	2,499,128 52	127,918 94	1,581,250 00
1914 139,112 54	102,900 00	1933	125,120 54	28,700 00	
1915 139,112 54	102,900 00	1934	123,021 74	28,700 00	
1916 139,112 54	102,900 00	1935	111,128 54	24,700 00	
1917 139,112 54	102,900 00	1936	105,090 01	16,700 00	
1918 139,112 54	102,900 00	1937	94,459 80	9,200 00	
1919 139,112 54	102,900 00	1938	90,961 80	2,850 00	
1920 139,112 54	102,900 00	1939	86,122 35	.....
1921 139,112 54	102,900 00	1940	82,239 02	.....
1922 139,112 54	102,900 00	1941	67,943 75	.....
1923 139,112 54	102,900 00	1942	31,818 40	.....
1924 139,112 54	96,200 00	1943	24,920 51	.....
1925 139,112 54	82,500 00	1944	22,695 08	.....
1926 139,112 54	69,350 00	1945	18,251 86	.....
1927 139,112 54	56,950 00	1946	18,251 86	.....
1928 139,112 54	50,700 00	1947	18,251 86	.....
1929 139,112 54	50,700 00	1948	18,251 86	.....
1930 138,412 94	50,700 00	1949	6,871 26	.....
1931 134,914 94	43,700 00	1950	699 60	.....
F'rd	2,499,128 52	1,581,250 00	Totals	3,673,147 30	1,724,800 00

NOTE.—Present value of Railway Certificates, October 31st, 1913 (interest $1\frac{3}{4}$ per cent. half yearly)... \$2,388,087.62
 Present value of Annuities, October 31st, 1913 (interest $1\frac{3}{4}$ per cent. half yearly),..... 1,288,635.99

Government
Publications

8789

