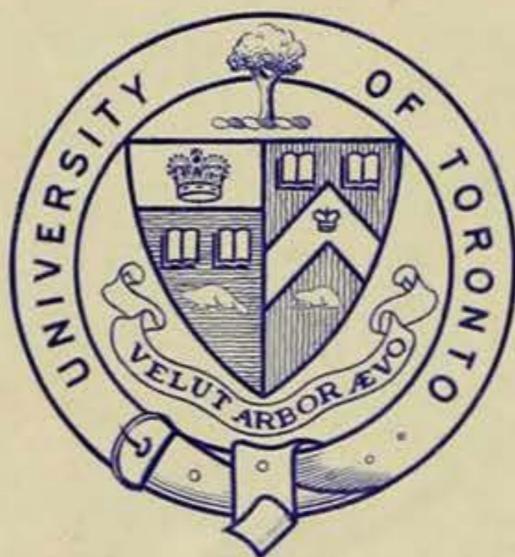


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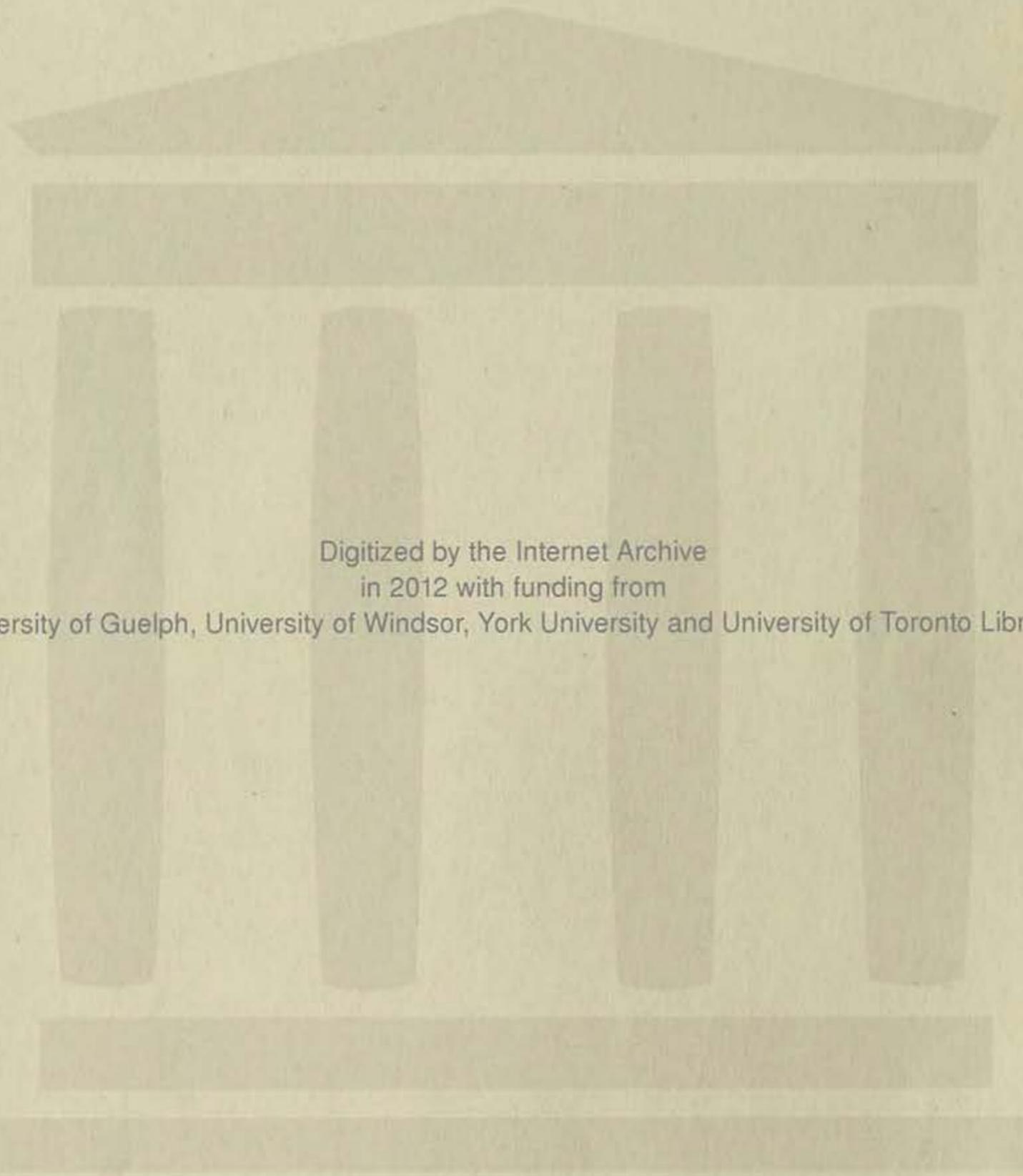
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Financial Statement

OF

The HON. T. W. McGARRY

TREASURER OF THE PROVINCE OF ONTARIO

Delivered on the 23rd February, 1915

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 A. T. WILGRESS, Printer to the King's Most Excellent Majesty

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BUDGET SPEECH

DELIVERED BY

HON. T. W. MCGARRY

TREASURER OF THE PROVINCE OF ONTARIO

23rd FEBRUARY, 1915

MR. SPEAKER,—In rising to move that you do now leave the Chair in order that the House may resolve itself into a Committee of the Whole for consideration of Supply, I crave the indulgence of honourable members, if for a few moments I occupy their time with a reference to the late Prime Minister.

Coming into the House for the first time in 1905, I was privileged to be an humble follower of his during the full course of his premiership, and I cannot let the opportunity pass without joining with his successor and the other honourable members who have borne testimony to his sterling qualities. His high sense of duty, his sensible democracy, his hatred of sham, his faithful performance of promises made to his people, coupled with his remarkable prescience and his judgment of the trend of public opinion, were characteristics which are familiar to every person in this Province. Perhaps never before in its history has Ontario been called upon to mourn the loss of so gifted a son, and certainly never before has the loss been so generally and freely expressed.

As head of the Government, he witnessed ten years of unexampled prosperity; ten years which brought happiness to the people and complete confidence in him and his Government. He was not afraid to launch great enterprises, nor once entered upon, was he ever inclined to turn back. He saw brought to fruition the great Hydro-Electric undertaking; the expansion and improvement of our educational system; the enlargement and development of the work of the Agricultural

Department; the wonderful improvement in our prisons and asylums, and last, but not least, the institution of a Workmen's Compensation Commission, working under the most modern and well considered of legislation. He saw our revenues increased from \$6,000,000 in 1905 to upwards of \$11,000,000 in 1913. He witnessed the great development of Northern Ontario, the marvellous expansion of our mineral output, and the completion of the Temiskaming & Northern Ontario Railway. He was enabled to enlist in the service of the Government, in the persons of Sir Adam Beck and Mr. J. L. Englehart, two of the ablest and most devoted public men of which any province can boast—(applause)—and finally, the selection of a head for the Workmen's Compensation Commission, is but one more mark of his wise judgment in choosing men to administer the great public services of this Province. And when in Massey Hall last June, standing before that immense audience, he said:—

“I have come back by God's mercy from beneath the shadows of the dark valley. I feel more than ever impressed with the knowledge of what I owe to the good people of Ontario. They have given me the opportunity to be of some service to the State; they have given me their confidence in full measure, heaped up, pressed down, shaken together and running over, and as long as my renewed health and strength are vouchsafed to me, I shall be at their disposal and shall continue to give them faithful service.”

The people of this Province knew that he meant what he said, and that they could expect nothing else than a continuance of his fidelity to the duties of his high office. That he died in harness was but what one expected from a life devoted to duty and what he certainly wished for himself. His life and his life's work will inspire those of us who are left to carry on the task so well begun.

It is most fortunate for the Province that in his successor we have one who, during the three and a half years he served under Sir James Whitney, merited and won from that master judge of human nature the highest praise and greatest confidence—(applause)—and who also, within the knowledge of the members of this House and of the people of the Province, administered so faithfully and successfully one of the most important departments of the Government.

THE ANNUAL STATEMENT.

It has been the custom ever since Confederation for each successive Provincial Treasurer to give perennially to the honourable members of this House a statement of the financial affairs of the Province, offering at the same time such suggestions as may appeal to him as worthy of the consideration of honourable members for the future welfare of the country. This task, for the past ten years, has been one of extreme pleasure to the hon. gentlemen who for the time being occupied the office of Provincial Treasurer. It made it easier for him because of the consistency with which he was able to announce to this House a balance on the right side of the ledger, and if there is one thing more than another that gave to those of us, who sat on this side of this House during the last ten years, extreme pride in the party of which we were members, it was that each year we were able with confidence to anticipate the usual gratifying annual report of our financial representative.

But, Mr. Speaker, on this occasion, coming before hon. members with the statement of our finances from November 1st, 1913, to October 31st, 1914, I am not able to announce, as has been the custom during the last nine years, a balance on the right side of the ledger. I have to say to this House there is a deficit of \$697,928.58. But, sir, if my hon. friend the Attorney-General, who preceded me in this office, took pleasure in announcing a balance on the right side of the ledger, if he took pleasure in saying to this House that the

revenues of the Province had exceeded the expenditures, I take more pleasure to-day in announcing to you that we have a balance on the other side of the ledger. (Applause.)

That deficit of \$697,928.58 expresses and represents to the world at large the generosity and patriotism of the people of the Province of Ontario. (Applause.) During the twelve months which ended on the 31st of October last, this Government, using that wisdom which it possesses, and interpreting, as it believed it did interpret correctly, the ideas and wishes of the people of Ontario, had paid out the sum of \$294,000 as part of a donation to the people of the Mother Country in their hour of trouble and to the brave Belgian people who were suffering such hardships. (Applause.) In addition to that, in the department of my hon. friend the Minister of Lands, Forests and Mines (Hon. Mr. Ferguson), there was a falling away in revenue of some \$453,000, and in addition to that we failed to collect from certain companies the sum of \$250,000 which should have been paid, and which will be paid if we are able to collect it from them. (Loud applause.) The prophecy of my hon. friend a year ago that we would have a balance on the right side of the ledger would have been amply fulfilled but for these circumstances.

Last year my honourable and eloquent friend the Attorney-General (Hon. Mr. Lucas), who was then Provincial Treasurer, gave us the forecast for the fiscal year ending October 31, 1914. He told us that he expected there would be a surplus; the fact that there is no surplus in no way discredits his forecast, but rather proves the uncertainty which attaches to all human undertakings. No person at the time could have foreseen that, during the twelve months which have elapsed since that forecast was given to this House, events of world-wide importance, of far-reaching significance and of terrible consequence would have greatly affected our revenues and expenditures; as they have affected the revenues and expenditures of not only the countries which are at war,

England, her Dominions, colonies and dependencies, but also of neutral countries as well.

Taking up the statement which is in the possession of each honourable member, it will be seen that our total ordinary receipts for the twelve months ending the 31st October, 1914, amounted to \$11,121,382.07, and our total ordinary expenditure for the same period amounted to \$11,819,310.65, leaving a net deficit of \$697,928.58.

Of these expenditures, I repeat, the sum of \$294,806.80 was paid out towards our contribution of flour to the Mother Country and towards the Belgian Relief Fund. (Applause.)

Our receipts from Crown Lands fell short of the estimate by the sum of \$459,342.93; and through the refusal of certain companies to pay their taxes under the Corporation Tax Act there was withheld from us some \$145,000. If we had received the full amount which we expected from the Department of Lands, Forests and Mines, and the monies which were withheld by the insurance companies, and if we had not carried out the wishes of the people as we interpreted them, and failed to pay the sum already mentioned for relief in Britain and Belgium, instead of closing the year with a deficit of \$697,928.58 we would have closed the year with a surplus of about \$300,000.

If hon. gentlemen will take the statements before them, I will follow each item of receipts and expenditures and explain so far as I can what they mean. But before doing so I wish to refer to the fact, that while *The Toronto Globe* finds fault with the finances of the Province, and while it states and insinuates that Ontario should retrench, the first speech by my hon. friend on the other side of the House (Mr. Lang) is an invitation to spend more money in Northern Ontario.

THE FEDERAL SUBSIDY.

Dealing with the receipts in the order in which they appear, hon. gentlemen will see that the amount received from the Federal subsidy was the same as that received in 1913—

\$2,396,378.88. As you are aware, the question of the amount of this subsidy has been receiving the attention not only of the Treasurer of this Province, but the Treasurers of other Provinces as well, and on more than one occasion attempts have been made to obtain from the Dominion Government an increase in this annual payment.

As you are aware, an Interprovincial Conference was held in Ottawa in the fall of 1913, at which earnest representations were unanimously made to the Dominion Government for an increase in subsidy. So far there has been no result, but I wish to outline briefly the history of the subsidy we receive from the Dominion.

Under section 118 of the B.N.A. Act, in consideration of the surrender of their customs and excise duties by the Provinces to the Dominion, it was provided that the sum of \$80,000 should be voted to the Province of Ontario for support of Government and Legislation, and an annual grant of 80 cents per head of the population of 1861, namely, 1,396,091, making altogether in cash \$1,116,872.80, which with the \$80,000 made \$1,196,872.80.

In 1884 \$2,848,289.53 capital was added to the debt allowance on which 5 per cent. was allowed. This equals \$142,414.48, but this was treated as interest on trust funds held by the Dominion and did not appear as subsidy until 1905. It has appeared as subsidy ever since.

In 1906 at the Interprovincial Conference increased demands were unanimously made on the Dominion, and on August 9th, 1907, a new basis of subsidy was assented to in the Imperial House. This was made up of fixed grant of \$80,000, increased to \$240,000; 80 cents per head on population up to 2,500,000, 60 cents per head on population above 2,500,000, the population to be based on the last preceding decennial census instead of that of 1861. The population of Ontario in 1901 was 2,182,947. The \$142,414.48 allowance

on capital added remained the same, the subsidy of 1908, therefore, on that basis was:—

| | |
|----------------------------------|----------------|
| Fixed grant | \$240,000 00 |
| Allowance on capital added | 142,414 48 |
| 80 cents on population | 1,746,357 60 |
| | <hr/> |
| | \$2,128,772 08 |

The population increased from 2,182,947 in 1901 to 2,523,274 in 1911, therefore the subsidy now is:—

| | |
|---|----------------|
| Fixed grant | \$240,000 00 |
| Allowance on capital added | 142,414 48 |
| 80 cts. per head on population to 2,500,000.... | \$2,000,000 00 |
| 60 cts. on population over 2,500,000 | 13,964 40 |
| | <hr/> |
| | 2,013,964 40 |
| | <hr/> |
| | \$2,396,378 88 |

At the Interprovincial Conference in 1913 a resolution was passed calling upon the Dominion Government to increase the amount of the subsidy so that there would be divided among the Provinces 10 per cent. of the total customs and excise duties in addition to all other subsidies. It reads as follows:—

“*Resolved*—1. 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.

“ 2. 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.

“ 3. 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 resolution was unanimously adopted at the Inter-provincial Conference in Ottawa in 1913. Of course, one has only to stop and think of the terms upon which the subsidy was given at the time of Confederation to realize that there is a strong argument in favour of obtaining an increase in the amount of the subsidy we are to-day receiving from the Dominion Government. Without taking up too much time of the House, I want to say that the amount of Customs and Excise duty which formed the basis upon which the Dominion Government agreed to give this subsidy has increased since 1867 from \$2.48 per head of population to \$15.00 per head of population, but the amount given to the Province in that time has only increased from \$0.85 to \$1.42 per head. One will see how immoderate is the amount in increase so far as the subsidy is concerned, and one can understand how reasonable it is we should ask for this increased subsidy when one con-

siders the increased cost of administration and of the maintenance of public institutions which modern civilization demands from any up-to-date community like the Province of Ontario. But, sir, we are living in times of stress, a time when it taxes the ingenuity of the Finance Minister at Ottawa to meet the demands upon the exchequer, so one cannot expect that they will favourably consider the application of the Provinces at the present time, but I am hopeful in the near future that all parties will be united on the wisdom and fairness of having the matter settled and that we will have something further from the Government at Ottawa.

Now, sir, the next item you will see among the receipts is that of interest. It varies a very little this year from last year; the amount of interest is not quite so large. As you will understand, the interest is principally on deposits held in the banks and accrued interest on account of loans. Without going into detail, I may say the difference amounts to about \$20,000.

REVENUE FROM LANDS, FORESTS AND MINES.

Taking the next item—receipts from the Department of Lands, Forests and Mines, \$2,340,567.07, this is the department in which there is a serious falling off in revenue. There is altogether a decrease in receipts from Crown lands amounting to \$453,152.80 from the previous year. That is absolutely and altogether attributable to the war. There is no industry in the Province which was so directly affected last August by the declaration of war as was the lumbering industry. As you are aware, under arrangements made in recent years, when a sale of timber territory takes place, we do not follow the system of the old Government. We do not put up large tracts of territory for sale and receive the cash in full at the sale, but we have been selling the timber at so much per thousand feet. Last year the lumbermen owed a large amount for timber cut during the year; in addition the lumbermen did not during the fall put the same number of men in camps that

they would have done had the prospects been brighter. Altogether in last year's business I find there is a shortage of timber dues amounting to \$165,000, a shortage in collection of bonuses on timber of \$137,508, a shortage in the sale of agricultural lands of \$30,319, a shortage in town sites of \$3,318, a shortage in Crown leases of \$22,000, in refunds of some \$14,000, and the collection on lands is \$87,000 less than last year, making the total I have mentioned of some \$453,000.

MR. S. CLARKE (West Northumberland): When are the payments due by the lumbermen to the Department? I understand the lumber is usually cut before the first of July.

HON. MR. MCGARRY: The money is due the first of November.

MR. CLARKE: The lumber is cut in May and June?

HON. MR. MCGARRY: The lumbermen have to make a deposit with the Government, when they get the right to cut, that they will faithfully perform the contract with the Government and pay the amount of stumpage. In some cases they give a bond of \$40,000 or \$50,000, or a marked cheque, which is deposited with the Government and held until they make full payment for the lumber. In any case it is up to the Government to see that the amount is ample to secure performance of the contract, leaving the bush clean, and the full amount due is paid to the Government.

MR. CLARKE: There is no specified time for this money to be paid?

HON. MR. MCGARRY: If my hon. friend will permit me to explain—I have no objection to him asking questions, but I do not think this question is material now—if he will ask my hon. friend the Minister of Crown Lands he will get accurate information. I know sufficient about the lumber trade to know what I have stated is correct, but he will get the information if he will allow me to proceed with my address.

REVENUE FROM LIQUOR LICENSES.

The next item which appears on the sheet is that of Liquor Licenses—\$860,210.14. I need not say that this was furnished from the receipts from tavern and brewers' licenses in the Province of Ontario. In 1913 we received \$901,486.03. This year there is a falling off of \$41,275. Our estimate for the year was \$850,000, and our actual receipts exceeded the estimate by \$10,210. Included in the \$860,000 is the item of bar receipts, the tax of 5 per cent., which in 1914 amounted to \$299,200. I say this for the information of my hon. friends. At the same time there has been some question as to what portion of the revenue came from that 5 per cent. tax. I wish to draw the attention of the House to the fact that between 1895 and 1904 the Government of that day received \$3,354,000; between the years 1905 and 1914 this Government received \$6,279,000, or double the amount of money from the liquor licenses. During that time it is important to note that licenses have been reduced. In 1904 I find the number of tavern licenses was 2,576 and 298 shop licenses, while in 1914 the number is 1,281 tavern and 213 shop licenses, in other words 1,380 less in the last ten years, or an average reduction of 153 per year since this Government came into power. (Applause.)

Coming now to the item of Supplementary Revenue, that is, from the corporation taxes, we received from that source \$1,386,308. It is the largest amount received in any one year, due principally to the changes made in the Act by my hon. friend, now Attorney-General (Hon. Mr. Lucas) last year, and also to the collections which we have enforced with considerable vigour during the last twelve months.

INSURANCE COMPANY TAXATION.

I may say, however, that this revenue is not as large as it should be. It is not as large as this Province is entitled to receive, or as large as it will get in the very near future. It is not as large because of the very strange manner in which some people have attempted to show their patriotism in this

hour of stress. As I said before, we have received \$1,386,308.68. We should have received \$250,000 more. Last year we passed an amendment to the Corporation Tax Act levying upon all life insurance companies a tax of $1\frac{3}{4}$ per cent. on their gross premium income. It was not a new principle. That principle has been embodied in our statutes for the last fifteen or sixteen years. It was introduced originally by the late Sir George Ross when Prime Minister in 1899. He levied a tax at that time upon life insurance companies to the extent of 1 per cent. on the gross premium income. From that time until the present the insurance companies have complacently paid the amount of that tribute which they owed the Province. Last year we increased this amount by $\frac{3}{4}$ of 1 per cent. and, lo and behold, this year these companies refused to pay that money to the extent of \$145,000. We are still looking for the money which we are entitled to. An action has been brought by the Province of Ontario against the principal one, the Canada Life Assurance Company. In order that we may know what companies these are, I will now read to hon. members the list of the companies that have refused to pay the Province its just tribute and have defied us:—

| | |
|--------------------------------------|-------------|
| Canada Life Assurance Co. | \$25,059 25 |
| Confederation Life Assurance Co..... | 13,783 68 |
| Continental Life Assurance Co..... | 3,346 42 |
| Crown Life Ins. Co. | 1,613 97 |
| Dominion Life Assurance Co..... | 3,886 64 |
| Excelsior Life Assurance Co..... | 4,753 42 |
| Federal Life Ins. Co..... | 7,236 46 |
| Imperial Life Ins. Co..... | 11,108 26 |
| Manufacturers Life Ins. Co..... | 11,304 54 |
| Mutual Life Ins. Co..... | 24,404 55 |
| National Life Ins. Co..... | 3,129 87 |
| North American Life Assurance Co.. | 12,096 41 |
| Sun Life Ins. Co..... | 20,219 74 |
| Travellers' Life Ins. Co..... | 514 55 |

MR. MUSGROVE (North Huron): They paid the 1 per cent?

HON. MR. MCGARRY: Yes, ever since 1899 until this year. The total in round figures is \$145,000. These are all Canadian companies—every one of them. I may say that all the American companies paid the tax, and I will tell the reason why they did. In order that there may be no misunderstanding, I may say that the Canadian companies have taken the position in the correspondence that the tax we levied is an indirect tax. As all hon. members know, the B.N.A. Act says the only tax we are able to impose as a Province is a direct tax. Now there are people throughout the Province who say that we are coming to direct taxation; we have been there for the last twenty years. We have no other source of revenue except what we receive from Crown lands. In 1902 a debate arose in this House. At the time the late Sir George Ross was leader of the Government, and this is what he said with regard to this Act:—

(Pages 18 and 19, Budget Speech, Hon. G. W. Ross, delivered January 22, 1902.)

“Complaint has been made that this tax upon insurance companies is a tax which affects the cost of insurance to all persons taking out policies on their lives or policies in fire companies. I have asked the Inspector of Insurance to look into the matter and report, and here is what he says:—

“‘For example, at the passing of the Revenue Act the annual premium for an ordinary all-life policy of \$1,000 issued at age 30 in the Canada Life was \$22.55. Now if this policy premium were increased by the same percentage that the Ontario tax forms of the company’s whole premium income the addition to the policy premium would not amount to even one cent; it would be only eight mills.’”

Now the argument was that because of this tax the insurance rates would go up. Well, in answer to that here is the evidence of an expert on insurance matters who says that the tax on \$1,000 of insurance would be eight mills. Will hon. gentlemen say that the Canada Life, or any other respectable company, would add those eight mills to their insurance fees? (Ministerial applause.)

MR. WHITNEY: Why not increase the tax?

THE PREMIER: Yes, we could afford to do it, but we do not need the money just now. (Ministerial applause.)

In regard to fire insurance, our case is still stronger, for the additional rate will be found even less than on life insurance. That should be a complete answer to the complaint that the tax would fall upon the people. True, a smaller amount may go to rest account; the accumulations may not go on so rapidly, but that is not the only matter that should concern the public. Do these companies pay a reasonable dividend? Are they so managed as to warrant the stockholders in the expectation that they will pay a reasonable dividend? Does the action of the Government affect the profits heretofore earned to any appreciable extent? The answer is that our interference does not so affect those companies. (Ministerial applause.) We say to those companies—give us of those accumulations a just percentage. You get charters and legislation from this Government. Officers are appointed to see that the public interests are protected so far as you are concerned; the whole machinery of justice, criminal and civil, all that this Government controls and can do, is now and again invoked in order to protect your interests, and for that purpose and those services you have a right to contribute a reasonable proportion of your profits. (Ministerial applause.)”

I approve of everything the hon. gentleman (Sir George Ross) said at that time, and I trust that my hon. friends now in Opposition will approve of the same legislation by us.

MR. ROWELL: I say we most heartily approve of the principle there stated. (Hear, hear.)

HON. MR. MCGARRY: I am very glad my hon. friend (Mr. Rowell) has so said, because I will say to him that the same principle still exists. If this was a direct tax in 1902, it is a direct tax to-day; if it is indirect to-day, it was in 1902, because there is no difference in principle between the present Act and the principle of the Act at that time.

But, sir, I want to refer to a report of one of the leading companies fighting the tax. Here is the report of the Canada Life Assurance Co. It says the net surplus amounts to \$6,198,988.84. Further over it refers to the year's business as the most successful in the annals of the company. The annual income was \$8,438,071.11, and the report says:—

“The annual income from all sources has continued to expand, and once more goes on record as the largest in the company's history.”

Now then, Mr. Speaker, the position is this: If, as Hon. Mr. Ross said in 1902, this Province of Ontario and this Government is affording to these companies protection through its courts, protection by their charter allowing them to do business, protection by administration, how much more should the argument apply this year, when we are doing all that we can to support the armies of the British Empire, and require the \$145,000 which they owe this Government? I see no difference between the conduct of these insurance companies and the soldier on the field of battle who, when he meets the enemy and when much may depend upon his bravery and capacity and willingness, turns his back and runs away. Why, sir, he would be shot. These gentlemen are just as much traitors to this country as the man on the field of battle who turns his back. This Province of Ontario is desirous of discharging its duty to the British Empire and is obliged to face a deficit, when these men, knowing that we require the money, get behind their legal advisers in the City of Toronto, prevail

upon the other companies to join with them and say, although this Province requires this money, although we have admitted the principle for the last fifteen years, although we have willingly paid during the old administration, yet in this year of crisis, at a time when the Province needs the money, we will fight the Government. I place the gentlemen who form the Boards of Directors of these companies in the judgment of the people of the Province of Ontario, and I ask them to deal out to these companies that castigation and merited disapproval which every honourable man ought to give to them at this time.

Perhaps I ought to say that I know of none of these companies, the names of which I have given you, which hastened to offer insurance to the Canadian soldiers who rushed to the aid of the Empire. The company that insured them paid the amount of the tax in full, and every other American company doing business in the Province of Ontario willingly paid the full amount of this tax, and why? I have a list giving the tax in every state of the Union. I find that in forty-three of the United States of America there is a similar tax upon insurance companies. I find it runs up to $2\frac{3}{4}$ per cent., and these companies felt it their duty to pay this tax to the state that gave them protection. I give these Canadian companies warning that, if through the litigation which they have brought upon this Government any court could be found to give effect to the legal technicality which they have raised allowing these people to get out of making the payment, then this Legislature, exercising its supreme and authoritative right, will be asked to pass legislation which will not alone insure the collection of this \$145,000, but will penalize these companies who refuse to pay.

Now, leaving the insurance question, I was going on to give you the rates of taxes imposed by the different states, but I will briefly say they run from 1 to $2\frac{3}{4}$ per cent. But I would like to point out to hon. members before leaving the question of corporation taxes, that although introduced under the old

administration in 1899, this Government has from time to time increased this tax by legislation so that to-day our revenue amounts to considerably more than it would have otherwise, and that we received last year \$700,000 more than we would have received under the legislation passed by the old Government. I do not say this with any idea of casting any reflection upon the wisdom of that administration, but rather to point out to hon. members, and through them to the country, the fact that we have been passing legislation imposing upon these companies taxation, as we thought, in accordance with the revenues which they were deriving and in accordance with the obligation they owe this Province, to help bear the burden of government. (Applause.)

THE SUCCESSION DUTIES.

Now, passing on, I wish to refer to succession duties. The amount received last year for succession duties was \$1,287,633.36. This is considerably more than my hon. friend (Mr. Lucas) had calculated, but one must remember it is a very difficult estimate to make. One has but very little upon which to build other than the record of the Department. If during the present year enough millionaires happen to drop off, I might be able, in spite of prognostications of *The Globe*, to make both ends meet next fall. (Laughter.) Sir, hon. gentlemen know that last session we passed legislation which will enable us to enquire into some of the larger estates of men who have died during the last ten or fifteen years and in which cases we were of opinion that the Department was not getting the revenue it should. I am not going into details or personalities, but I do say this: we are hopeful that from that legislation, and from certain investigations we are making, the revenue from succession duties will be considerably augmented in the very near future. This is a source of revenue which is justified. It is a source of revenue which my hon. friends opposite highly approve. It is a source of revenue which, they claim, they were instrumental in placing on the statute books.

I am not quarrelling with that, but I will ask them to help us and say to people who are trying to evade the Succession Duty Act that we should get every cent of revenue which is justly due the Province.

THE TEMISKAMING AND NORTHERN ONTARIO RAILWAY.

The next item with which we have to deal, and which seems to have caused my hon. friends opposite a good deal of trouble and a good deal of anxiety, is that of receipts from the Temiskaming and Northern Ontario Railway. I will deal first with the \$250,000 received from the railway. This was a payment on account of interest. My hon. friend (Mr. Rowell) knows we have something over \$19,000,000 invested in the T. & N. O. Railway. To be more exact, we should have received last year about \$794,000 in interest if the road had been able to pay its way. Unfortunately, partly because of the state of war, and partly because of the failure of other railways as well as ours to come up to the expectations of the managers, we received from the T. & N. O. only \$250,000. I want to say, however, that in comparison with every other railway on this continent, the T. & N. O. stands pre-eminent for the ratio of profits made, for the care with which it was handled, for the consistency with which they retained in their employ the men who were on the staff at the time war was declared. (Applause.) Without trespassing on the time of this House, let me say that the gross earnings of the railway for this fiscal year were \$1,726,773.32; in 1913, \$1,737,576.05. The year before operating expenses were 88.7 per cent. of the gross earnings, and in 1914, 87.8, so that we reduced the operating expenses last year. We carried in passengers last year 135,000, as against 508,000 in 1913. During the whole time since the road was built they have not killed or seriously injured one passenger. (Applause.)

I would like to compare the gross receipts of the T. & N. O. with some of the other roads.

Comparison in Gross Receipts with Other Canadian Railways for Six Months, to December 31st, 1914.

| | 1914. | 1913. | Decrease. |
|--------------------------------------|---------------|---------------|-----------|
| Temiskaming & Northern Ont. Ry. | \$619,000 00 | \$678,000 00 | 8.7% |
| Canadian Pacific Ry | 54,328,000 00 | 73,736,000 00 | 26.3% |
| Grand Trunk Ry. | 26,468,000 00 | 29,366,000 00 | 9.8% |
| Canadian Northern Ry. | 10,461,000 00 | 13,365,000 00 | 21.7% |

So you will see that the T. & N. O Commission, through the trying ordeal of the months during which the war was being waged, show better results than any other railway in Canada. Mr. Speaker, when war was declared on August 4, 1914, 732 men were employed on maintenance of way, and 234 on equipment. Instructions were given that all these men, so far as possible, were to be retained even in war time. As a result, in August there were 746 men, in September 736, in October 758, in November 666, and December 550. The reduction in November and December was because they could not employ any more. I want to point out in this connection that they have made a reduction in the rate for the telephone and telegraph services during the last year. The Commission has also done a great deal towards the settlement of New Ontario. The entries were:—

| | | | | |
|---------------------|-----|-----------|--------|---------------|
| At Haileybury | 23 | settlers, | 3,370 | acres of land |
| “ New Liskeard .. | 98 | “ | 14,820 | “ |
| “ Matheson | 251 | “ | 40,161 | “ |
| “ Englehart | 133 | “ | 21,280 | “ |
| “ Cochrane | 129 | “ | 19,503 | “ |

This makes a total of 634 settlers and 99,133 acres of land taken up, as against 938 settlers and 148,780 acres the year before. You will see that the grand total for the two years is 1,672 settlers taking up 247,000 acres of land and becoming permanent residents in New Ontario. In addition the Commission has introduced along the line of the railway “rossing” machines for the purpose of peeling the pulpwood, advancing to the farmers \$2.00 per cord so that, although the pulpwood

market is now in a very poor condition, one not offering very much inducement to the farmer, settlers have been able to continue their work, obtaining from the T. & N. O. Ry. an opportunity of having the wood placed in a marketable condition and at the same time receiving on account of it an advance sufficient to help them through the winter. And when my hon. friend talks of unemployment, let him bear in mind that the T. & N. O. Ry., among the public service commissions of this Government, has done its duty towards solving the question of unemployment in New Ontario.

In addition, there has been established at Iroquois Falls the Abitibi Power & Paper Co., the plant of which when completed will cost over \$4,000,000, with a capacity of 240 tons of ground wood pulp per day, 75 tons of sulphite and 250 tons of paper, and will employ 2,000 men. At the present the mill is making 200 tons of ground wood pulp per day and employing 250 men, while 200 men are employed in the construction of the plant.

The Grand Trunk Railway has made an arrangement with the Government whereby on the taking over by the Grand Trunk of the National Transcontinental Railway, if it does take it over, our Government will receive, in addition to the cost of the new structures which we are erecting, a rental of \$300,000 per annum plus interest on 50 per cent. of improvements and betterments made to the T. & N. O.

I wish to say one word of praise for Mr. Englehart, the Chairman of the Commission, who, possessing large means as he does, has given to the Province of Ontario unlimited time and splendid service.

The next item is perhaps the most interesting one, of \$544,491 credited to the consolidated revenue as balance of interest of \$794,491 on the capital cost of the T. & N. O. Ry. That interest caused my hon. friend a great deal of worry yesterday evening. In fact, although he had the public accounts from the morning, he was so surprised at the item that he threatened to adjourn this debate until he could more fully

discover where the joker was. My hon. friend, last year, if I remember correctly, spent a good deal of the time of his speech, and the hon. member for West Bruce (Mr. Bowman) a good deal of the time of the House in discussing the propriety of my hon. friend the Attorney-General entering upon the receipts side the sum of \$954,629.05.

Now it is interesting to note the frame of mind of my hon. friends opposite, and I hope they will take my remarks in the friendly spirit in which they are being offered because I am trying to bring consolation to them and re-assure the people of Ontario that there is nothing wrong with the finances of the Province. As I said, last year my hon. friend, the then Provincial Treasurer (Hon. Mr. Lucas), inserted in the receipts the sum of \$954,000 as interest received from the T. & N. O. Ry. At that time my hon. friends on the other side denied the propriety of placing that amount in receipts, and I quite remembered the eloquence then wasted when I came to prepare these accounts this year. I need not say how I pictured my hon. friends opposite endeavouring to understand how it was that I placed the item where it is. I began seeking for light upon the subject and I found much light. I found a good deal of light and inspiration from hon. gentlemen who were members of this House. For instance, my hon. friend from Bruce (Mr. Bowman) last year—(and, mind you, he has received the approval of his beloved leader as a financial critic and therefore when it comes to a discussion of the question of finance—and I now speak very seriously—we must, rather than accept the statement of the leader of the Opposition, accept the advice of my very good and genial friend the hon. member for West Bruce) in attacking the hon. the Provincial Treasurer for placing \$954,000 in the receipts column, stated he was willing to give the Treasurer credit for \$400,000 or \$500,000, the amount of shortage of interest in 1912-13 due from the T. & N. O. Ry.

FEDERAL GOVERNMENT SUBSIDY.

Mr. Speaker, for the benefit of the House let me explain that we received from the Dominion Government in 1913 as subsidy for the T. & N. O. Ry. the sum of \$2,134,080. In accordance with a ruling of the Association of American Railway Accounting officers, the highest tribunal on matters pertaining to accounts and finances of railways, it is quite proper that this money should be used in payment of interest on capital. In 1913 when that money was received the T. & N. O. Ry. owed for interest \$954,629.05, so the then Provincial Treasurer placed that amount in the ordinary receipts of that year. My hon. friend from Bruce admitted that of that sum it is quite proper that about \$500,000 should have been so placed. In 1914 the T. & N. O. Ry. owed the Government for interest \$794,491.17. Of this sum they paid by cheque \$250,000, leaving a balance of \$544,491.17 still owing to the Government for interest. Acting upon the principle adhered to in 1913, we credited to ordinary revenue the sum of \$544,491.17 in order to balance the account of the T. & N. O. Ry. This, I have no doubt, will have the approval not alone of the members of this House, but of the country as well.

My hon. friend was there arguing that the Provincial Treasurer was wrong in adding to the interest which he was applying for 1912-13 the balance of overdue interest for 1911-12, but my hon. friend correctly agreed if it were only a question of applying four or five hundred thousand dollars which we were short in 1912-13 it was not so serious. But as a good business man, as a man of a great deal of experience in handling large sums of money, as a man who has received the endorsation of the leader of the Opposition, he would have placed the interest for the current year where it was. Therefore, adopting the advice of my hon. friend so worthily given and so graciously received, I have decided to place the sum of \$544,000 in the column of ordinary receipts as you have it before you. (Applause.) I am pleased, indeed, to find that my hon. friend for West Bruce has made it so easy

for me to explain the item which perturbed my hon. friend the leader of the Opposition yesterday evening, and I am sure he will not begin to castigate my hon. friend from Bruce for having given this advice twelve months ago.

I wish to devote one or two brief moments to capital receipts. You will find among the special receipts reference made to certain loans. During the early part of September last certain temporary loans made by my hon. friend the then Provincial Treasurer in England matured, and it became necessary to make a payment on account of £100,000 of these loans. We paid the £100,000 out of the larger loan which was then going through. The balance of the loans were renewed, and because of the condition of the market then we found it necessary to pay to the money lenders in England 6 per cent. for the money. I will mention briefly the loans.

LOANS OBTAINED IN BRITAIN.

On July 1st, 1914, a permanent loan of £1,000,000 was issued in London, England, through the Bank of Montreal, in the form of Ontario Government inscribed stock due in 1965. This was a 4½ per cent. loan, which was being subscribed and the monies paid in to the Ontario Treasury from time to time until the outbreak of the war, when, under the provisions of the British Moratorium, persons who had deferred payments in full of the instalments due on this issue were allowed as an alternative to withhold further instalments and receive in respect of amounts already paid fully paid-up stock. This was taken advantage of, and as a result the loan as completed amounted to £817,294. The issue was sold to the public at par.

A Canadian loan of \$1,000,000 was issued to the public during October in the shape of \$1,000 bonds dated 1st October, 1914, due 1st October, 1919 (5 years), interest 5 per cent. annually, principal payable in Toronto and Montreal, at par, with an allowance for brokerage of ½ of 1 per cent. These short-term bonds found a ready sale, and the whole issue was

taken before the end of the month. This was followed by an identical issue of \$1,000,000, of which, to the end of the fiscal year, \$205,000 had been sold. This has also been fully subscribed, and the balance of the proceeds, of course, will appear in next year's annual statement. Quite a considerable amount of these loans was sold over the counter in the Treasury Department.

In addition, in July, 1913, a year ago, we issued Treasury bills for £400,000, and in August, 1913, £200,000, making in all £600,000 which were placed on the market. These have been renewed several times at various rates of interest, the highest rate of 6 per cent. being paid in September. When these bills were renewed to March 2, 1913, we paid off, as I mentioned before, £100,000, and during the present week we paid off a further £300,000, reducing our indebtedness in England by that amount. During last year, when the money markets of the world have been under such stress, we have been able to pay off loans amounting to £400,000, or \$2,000,000. In addition to that, we have falling due shortly temporary loans in London of £600,000 which mature early in May, and it is my hope, if my hon. friends do not discredit to too great an extent the financial standing of the Province of Ontario, to be able to renew or make new loans to cover this amount. I expect it will be necessary for us to go into the market also for the Hydro-Electric. The only other loan is one of \$1,500,000 obtained on Treasury bills payable on demand at the Bank of Montreal. This latter loan we are going to pay off on the first of March, so that I expect most of our temporary loans will be paid off by that date.

MR. ROWELL: Will the hon. Minister tell us at what rate the new loans are negotiated—at what rate of interest?

HON. MR. MCGARRY: The temporary loan in England is at 6 per cent. The loans negotiated here are at 5 per cent. for five years. We are endeavouring to make all these temporary loans run for five years on the advice of financial men that the market will be better at their maturity to make longer

permanent loans. I may say, summing up so far as the loans are concerned, Ontario, by reason of the fact that we have been able to pay off these temporary loans, stands in a better position than it has for the past twenty months, and some of the most prominent financial men tell us that we could not have used better wisdom and judgment or done anything that would be more in the interest of the Province than paying off at the present time the loan in England; and we have not only paid it off, but we have anticipated the maturity date by paying it off some ten days before it was due.

UNUSUAL EXPENDITURES REQUIRED.

I now desire to say a word or two with reference to the payments made by the Province. If my hon. friends will look in the columns on the expenditure side they will find that the total payments on ordinary account amount to \$11,819,310.65, showing an increase in a number of items which is inevitable and necessary in the administration of affairs of a Province such as this. Glancing at the statement, you will find the principal item is that of Education. We have spent during the past year for this service the sum of \$2,048,545, which is the largest annual expenditure ever made upon education in the Province of Ontario. It is larger than last year by some \$79,000, and I will refer in detail to the increase later on. There is an increase for the maintenance of Public Institutions of \$133,937.02, the total for the year being \$1,499,975; for Colonization and Immigration, \$101,609, a decrease of \$33,000. Following down the line to Miscellaneous, you will find an increase of \$179,794 over the previous year. Statutory expenditure was \$2,233,702, a decrease of \$8,000. Altogether we had an increase of expenditure in 1914 over 1913 of \$1,186,904.

If hon. gentlemen will refer to the item at the bottom, there is an increase of \$522,000, and of that amount \$294,000 represents our gifts to England and Belgium. (Applause.) When war was declared this Government undertook to ex-

press what it believed to be the wishes of the people of Ontario and gave to England a donation of 250,000 bags of flour. I need not tell you with what thanks the gift was received in England. How much England has appreciated it is shown in the receipt by the Minister of Agriculture only yesterday of an engrossed resolution by one of the boroughs in which this flour was distributed, testifying to the intense satisfaction and the grateful thanks which the people of England felt and expressed at this manifestation of love and attachment to the Empire.

MR. BOWMAN: Will the Minister just pardon me? I understood him to say that the Government had given 250,000 bags of flour to England. Has this all been shipped?

HON. MR. DUFF: Yes.

HON. MR. MCGARRY: And paid for.

MR. S. CARTER (South Wellington): I would like to ask the hon. Minister if he will explain the item of \$182,000 for the Hydro-Electric.

HON. MR. MCGARRY: If my hon. friend will allow me to make this speech, I will deal with that a little later on. I will deal with the various items in the order in which I think they should be dealt with. I was speaking of Education a moment ago. We have spent over \$2,000,000 on Education—much more than was ever spent by the old administration.

MR. McDONALD (North Bruce): Will you tell us how the increase is made up?

HON. MR. MCGARRY: If my hon. friend will look in the Public Accounts he will find the items. It is not either the wish or the desire of the members of this House that hon. friends opposite should direct either the manner or the order in which I should deliver this speech. I may tell him we have spent in the last ten years \$20,000,000 upon Education, which compares very favourably with the \$7,000,000 expended by the old Government for the corresponding period. We have increased the grants by \$13,000,000, or an average of \$1,000,000 per year for Education. To summarize briefly

what we have done I might say the largely increased expenditures for Education during the past ten years have revitalized the whole school system. The State University was given a fresh start with an adequate income. Professional training was augmented by the establishment of two University Faculties of Education and four new Normal Schools. The Model Schools, while reduced in number, were given increased aid. The salaries of the teaching body, which had been for many years one of the weak spots in the system, were largely augmented by larger grants to the elementary schools. There have been set up systems of education for Technical Industrial Instruction and for Agriculture. The schools for the blind children and for deaf children have been made equal to the best similar schools on this continent. If, under Education, we have spent \$20,550,796.60 in ten years we have all this to show for it. I wish to point out in addition that we spent last year on technical education alone the sum of \$136,000, as against \$19,000 spent in the last year of the former administration. I may again repeat to my hon. friends, I am not making these references for the purpose of disparagement, but to show to the hon. gentlemen of the House and the people of the country that we are fully abreast of the times and spending to the limit of our ability in the interests of the children of this Province.

EXCELLENCE OF PUBLIC INSTITUTIONS.

The next item with which I would like to deal is that of maintenance of Public Institutions. We spent a great deal of money last year for that purpose, but I think every hon. member will agree with me there is no more important department than that of the maintenance of our Public Institutions. I wish to show what I consider to be a credit to the honourable Provincial Secretary for the able manner in which he has managed these institutions for ten years.

During the past ten years no effort has been spared by the Government to improve the condition of the patients in

the Hospitals for the Insane. To do this has necessitated large expenditures on improvements, in buildings and equipment, and also for increases in the nursing and medical staff, but in the making of these expenditures the greatest economy possible consistent with good administration and the most up-to-date methods in that administration have been followed.

In order that the patients in the Hospitals should receive greater care and supervision, it became necessary to increase the number of nurses and attendants, more particularly in hospitals receiving acute cases. We find that in six such Hospitals—Brockville, Kingston, Hamilton, London, Mimico and Toronto—the average population in 1904 was 4,630, with 381 attendants and nurses, or one nurse to every 12.81 patients. In 1914 the population was 5,399, with 617 attendants and nurses, or one nurse to every 8.75 patients.

To still further improve the treatment of patients, a Training School for Nurses has been established and is being carried on in all the Hospitals receiving acute cases.

The total amount expended on maintenance for the ten years ending December 31st, 1904, was \$7,633,790.73, while the total amount expended on maintenance for the ten years ending October 31st, 1914, was \$10,759,735.93, making a total increase of \$3,125,945.20, or 40.98%.

From the years 1895 to 1904, the total amount collected as revenue from paying patients in the Hospitals for the Insane was \$890,154.78; from the years 1905 to 1914 the total amount collected from paying patients was \$1,884,583.35, making a total increase of \$974,428.57.

In the year 1906, legislation was passed providing for the payment by municipalities of ten cents per day for every patient in the Hospitals for the Insane for whom there was paid less than \$1.50 per week. The total revenue from this source to date has been \$963,502.77. A further source of revenue derived from the Hospitals for the Insane is in the shape of Farm and Miscellaneous products, such as hides,

tallow, etc., but exclusive of farm produce consumed in the Institutions, making in all for the past nine years \$79,143.11.

The total revenue derived from the Hospitals for the Insane for the past ten years is \$2,927,229.23, as against \$911,819.32 in the preceding ten years.

SOUND BUSINESS MANAGEMENT.

Comparing the cost of food during the decades mentioned, we find that flour has increased in cost 38%, coal 26%, oatmeal 53%, and meat 42%. Notwithstanding this large increase in food costs and an increase in the salaries of all institution employees of 50%, and after deducting the revenue as stated, the average net cost of maintaining the patients in the Hospitals for the Insane is \$104.65, as against \$108.79 during the preceding ten years, or a saving to the Province of \$4.14 per patient.

In 1906 it was found that there was a large number of insane in the gaols throughout the Province, and in order to remove these patients to the Hospitals for the Insane, it became necessary to provide additional accommodation. To do this necessitated an enlargement of some of the existing Hospitals, but in addition particular attention was devoted to the number of foreign-born insane who were inmates, not only of the Hospitals for the Insane, but also of the gaols and other public institutions.

In 1906 the first deportation of undesirables took place, and during the past ten years the Department has been instrumental in effecting the removal from public institutions of 1,733 people, made up of 394 insane, 875 criminal, and 465 of those likely to become public charges. The pecuniary benefit accruing to the Province as a result of this action on the part of the Government is at once apparent. It is estimated that the average life of an insane patient is thirteen years, so that a saving on the deportation of the insane alone, based on the average cost during these years, amounts to the large sum of \$770,195.14.

In 1905 the total acreage of public institution grounds and farms amounted to 2,172, of an estimated value of \$647,535. The Government in carrying out its policy of affording better hospital treatment to the insane, and in the effort to reform the prisoner, found that the acquisition of more land was necessary, not only from an economic standpoint but also from the standpoint of treatment. To this end the farms of many of the institutions were added to, and large farms were purchased at Guelph for the Central Prison, and at Whitby for the new Hospital for the Insane. In the North Country 1,000 acres were set apart in the District of Thunder Bay, and approximately 12,000 acres in the District of Sudbury. To-day the total acreage in public institution ground and farms amounts to 19,226 acres, of an estimated value of \$1,265,370, and an increase in value over that of 1905 of \$617,835.

The estimated total value of buildings in 1912 for insurance purposes was \$3,257,237. There has been expended on Capital Account during the past three years on these buildings, exclusive of the purchase of lands at Guelph and Whitby, the sum of \$2,309,815.16, making the total value of buildings \$5,567,052.16. Summarizing, the total value of public institutions, lands and buildings, exclusive of live stock and equipment, is as follows:—

| | | |
|--|-------------|----|
| Buildings | \$5,567,052 | 16 |
| Lands | 1,265,370 | 00 |
| Balance payable on surrender of Central Prison and Hospital for Insane lands, Toronto | 835,474 | 42 |
| | <hr/> | |
| Total | \$7,667,896 | 58 |

Prior to 1905 there were about 500 acres actually farmed. To-day there are approximately 3,000 acres under plough. At the Industrial Farm, Fort William, 700 of the 1,000 acres have been cleared and 400 acres are being farmed, and thus land that was originally worth not more than \$10 per acre

has been converted, through the use of prison labour, into land worth \$75 per acre.

HYDRO-ELECTRIC ENTERPRISE.

My hon. friend from South Wellington (Mr. Carter) asked me a question a while ago with reference to the Hydro-Electric. I am glad to welcome to this House an hon. gentleman who is a great admirer of Sir Adam Beck. During the past year we have expended outside the amount on capital, which is chargeable against the municipalities, the sum of \$182,000, and as my hon. friend is aware that is made up of examinations, surveys, investigations, etc., carried on for different municipalities throughout the Province, which up to the present time is not properly chargeable to the municipalities now engaged in the Hydro undertaking. Eventually it may be that the Hydro-Electric Power Commission may reorganize this work and they may think it advisable to charge the cost to the municipalities. We believe it is in the interests of the people that this work should be undertaken and chargeable to the Province at large. If my hon. friend desires further information regarding the details, if he will come to my office I will be very glad to give him all the information at hand.

Now upon the Hydro-Electric enterprise last year there was spent over \$4,000,000. We have for that expenditure a service to eighty municipalities, and during the past twelve months we have increased the service to an additional number.

The Act appointing the Hydro-Electric Power Commission of Ontario passed in May, 1906, and The Power Commission Act on April 20th, 1907. Later legislative enactments legalizing contracts with municipalities; empowering the Commission to regulate electrical wiring installations, to arrange for the distribution of electrical energy to farmers in rural districts, and to provide for the construction and operation of a system of electric railways, to be operated in conjunction with electrical transmission systems, passed in the years 1908, 1909, 1910, 1911, 1912, 1913 and 1914.

The Commission was on October 31st, 1914, supplying power to eighty municipalities—fifteen cities, nineteen towns, forty-five villages and two townships—as compared with forty-eight in 1913, thirty-three in 1912, twenty-two in 1911, and eight in 1910. Power contracted for during the last year amounted to approximately 7,000 h.p.

The Commission is now operating five separate and distinct transmission and distribution systems, known as the Niagara System, Severn System, St. Lawrence System, Wasdell's Falls System, and Port Arthur System. It is also operating two generating systems, known as the Wasdell's Falls and Big Chute Systems, and is supplying power under contracts to the municipalities of Ottawa and Peterborough from other sources.

A sixth generating, transmission and distribution system, known as the Eugenia Falls System, is at present under construction and will be placed in operation during the present year.

The capital expenditures on account of the various systems are as follows:—

| | |
|----------------------------------|----------------|
| Niagara System | \$8,000,784 99 |
| Severn System | 692,192 38 |
| St. Lawrence System | 124,201 56 |
| Wasdell's Falls System | 210,327 92 |
| Eugenia Falls System | 238,739 53 |
| Port Arthur System | 103,730 87 |
| Renfrew Storage System | 20,763 74 |

Total Capital Expenditure \$9,393,631 59

The above expenditures include the cost of construction, purchasing and equipping of generating and transmission systems, the construction of transmission and distribution lines to the above eighty municipalities and others under contract but not supplied, and also include expenditures on fifteen trans-

former and forty-seven distribution stations, 433 miles of 110,000-volt steel-tower transmission line, and 815 miles of low-tension steel-lattice and wood-pole distribution lines with voltage varying from 13,200 to 44,000.

The aggregate power load on all the systems, as of October 31st, 1914, amounted to approximately 82,500 h.p., as compared with 47,500 h.p. in 1913, 30,000 h.p. in 1912, 13,500 in 1911, and 750 h.p. in 1910.

THE SYSTEM EXTENDING.

During the past four years the engineering staff prepared and submitted some 1,500 preliminary estimates of the cost of delivering power. Enabling by-laws have been carried in about 100 municipalities and debenture by-laws in approximately 90.

The Commission has prepared a uniform system of accounting, which has been introduced and placed in operation in over eighty municipalities, and on account of its efficiency this system has been adopted by many municipalities for accounting of their other public utilities. The Commission has approved of, and assisted in, the organization of inspection departments in over eighty municipalities.

Approximately 112 municipalities are availing themselves of the advantages of co-operation offered by the Purchasing Department of the Commission, and during the year \$750,000 was spent in purchasing for the municipalities.

There are at present over 800 rural contracts in force, much of the power supplied being used by farmers. The municipalities have 300 farm contracts and 500 with rural residences and small manufacturing plants. Hydrographic surveys and investigations of stream flow cover some fifty-four rivers in various parts of the Province.

As a result of the increased demand of the municipalities in the Niagara district, and the very rapid increase in the load, it has been necessary to extend and improve the existing transmission systems. Additional contracts with western munici-

palties have necessitated the construction of 106 miles of 110,000-volt steel-tower lines, and increased capacity in the existing lines between St. Thomas and Niagara.

These extensions and additions account for an expenditure of about \$1,750,000.

The capital expenditures during the fiscal year 1914, on the various systems, were as follows:—

| | | |
|---------------------------------|-------------|----|
| Niagara System | \$2,812,816 | 61 |
| Severn System | 456,824 | 13 |
| Wasdell's Falls System | 195,596 | 69 |
| Eugenia Falls System | 238,739 | 53 |
| St. Lawrence System | 31,254 | 30 |
| Port Arthur System | 13,305 | 61 |
| Round Lake Storage System | 3,001 | 86 |
| | <hr/> | |
| Total Capital Expenditure | \$3,751,538 | 73 |

Now, Mr. Speaker, just one more word with reference to our expenditure. Hon. gentlemen will see that statutory expenditure amounted to \$2,333,000, and included in that is the great work of the development of Northern Ontario—(applause)—to which my hon. friend Mr. Lang referred a short time ago, and if there is any member of this House who has respect for the opinion of Northern Ontario members it is myself. I take pride in referring to the improvements which have taken place in Northern Ontario during the last five years, reflecting as they do great credit on the Prime Minister and Mr. Whitson, and I think this country should become cognizant of the fact that this work has been going on at a time when it would do the most good.

NORTHERN ONTARIO DEVELOPMENT.

Just to give an idea of the work done I may say that the operations extended from the Petawawa Military Camp on the Canadian Pacific Railway on the east to the Lake of the Woods on the west, along the line of the Canadian Northern

north of Sudbury, along the Temiskaming and Northern Ontario Railway and its branches from Haileybury north to the Transcontinental Railway, along the latter railway between the Abitibi River on the east and the town of Hearst on the west, along the Soo branch of the Canadian Pacific Railway from Echo Bay to Blind River, and south along the Grand Trunk Railway from Callender to near Powassan, in the valley of the Rainy River, and also in the mining districts around Porcupine, Kirkland Lake, Larder Lake, and the Montreal River.

Labour was more plentiful than in previous years, and there was no difficulty in securing all the men required from among the settlers and residents in the districts. Little or no foreign labour was employed, except in the construction of ditches and taking out rock cuts. During the months of June and July, from 4,500 to 5,000 men were engaged on the work, which was rushed during the early part of the season, owing to the very favourable weather, and in order to allow the roads to dry out before the rainy season began. Work, however, continued during the entire season.

During the season up to the 31st of October, the sum of \$802,578.19 was expended on roads and on Experimental Farm Plots in different places along the Transcontinental Railway. There were 676 miles of road under construction, of which 254 miles were new roads cut out of the forest; 296 miles of road were graded; 108 miles were surfaced with gravel or crushed rock; 183 miles were partly graded or improved by cutting down hills, ditching, and in other ways improving the grades; 40 bridges were constructed, the longest at Matheson across the Black River, having a length of 650 feet, and a steel bridge at Kakabeka Falls, west of Fort William, 300 feet.

In addition to the construction of roads and bridges, three Experimental Farm Plots were started along the Transcontinental Railway; one near the town of Cochrane, one 50 miles west at the Groundhog River and one at the town of Hearst, 130 miles west of Cochrane. The land on which the experi-

ments were made was chopped and cleared in the early part of May and planted at different intervals between the 15th May and the 1st July. In the growth of grain, roots and vegetables, good results were met with, as in nearly every instance they matured. Spring wheat, oats, barley, rye and peas were not damaged by the summer frosts, were of good quality, and compared favourably with similar crops in older Ontario. Potatoes, cabbage, onions, carrots, radishes, etc., did exceptionally well and produced large yields, maturing early in the season. Beans, corn, tomatoes, and a few other vegetables were more or less injured by the summer frosts, but not more so than in parts of old Ontario. Where the land was well cultivated, drained, and fairly large clearings made, the settlers throughout the district did not suffer materially from summer frosts.

CROPS ARE ABUNDANT.

Judging from the crops produced with a reasonable amount of cultivation, it is evident that there will be no great difficulty in growing almost all classes of grain and vegetables in Northern Ontario. Timothy, clover and alfalfa grow in great abundance almost everywhere along the line of railway both on the low and high lands, and did not suffer from the summer frosts; and good pasture was abundant up to the end of the first week in October. Furthermore, in the valley of the Rainy River exceptional progress has taken place; the settlers are now able to reach markets along the Canadian Northern Railway, which three years ago were inaccessible. Heretofore where no roads were constructed, the settler was merely marking time; since the construction of roads, he has taken courage, and is now clearing up large areas of land, and in other ways improving his social condition. This will apply to almost all the sections where good roads have been constructed. It has encouraged the settlers to build schools, and has made it possible for the children to attend them. This in itself has done much to stimulate settlement, as in the past the want of schools

and their inaccessibility through lack of roads has been found to be one of the great obstacles in the way of settlement.

During the three years in which operations have been carried on under this Branch, 1,673 miles of road have been under construction, of which 743 miles are entirely new roads cut out of the forest; and there were 930 miles of old road improved.

I say, Sir, that this establishes to the satisfaction of the people of Ontario that in the northern country there are great tracts which contain millions and millions of acres of arable land, and crops grown there compare favourably with those in the older portions of the Province. In the report which I have before me, I am told that the settlers have been encouraged to go still further into the country. They realize the advantages of the new roads, school houses and railways that, under the policy of this Government, we are able to give to the pioneer settlers. I make no apology for this expenditure of \$800,000.

DEPARTMENT OF AGRICULTURE.

Just one word more with reference to expenditure. I wish to refer to the new work of the Department of Agriculture. Last year we expended \$1,129,000. Compared as it does with \$516,000 spent in 1904, we spent altogether \$613,000 more than the old Government did in 1904. Now then, in spending that money we have done a great deal of splendid work. We have, in the first place, during the past ten years, introduced the District Representative, than whom there is no man in the Province doing more for the British Empire, I mean within the boundaries of Ontario. Why, Sir, during the last five or six years there has developed throughout the length and breadth of the country a system by which the full benefits of the Agricultural College are brought to the very door of the farmer. As a result last year we had the greatest production we have had in twenty-five years. At a time when this country is at war, at a time when it is to the interest of this

Province and the British Empire that there should be greater development and greater production, it is a great source of gratification to this Government to know that although unconscious that the war was near and the Empire would be engaged in this terrible struggle, and unconscious of the fact that the matter of increased production would become so important, through the wise provision made and enterprise displayed by the Department of Agriculture we are able to face this situation to-day and we are able to meet it, and when the returns are made next year, it will be seen that the Ontario farmers rose to the occasion and had a much greater production, mainly because of the efforts of the Minister of Agriculture. (Applause.)

I do not intend to go into the different branches of the work carried on. I have only this to say, that the value of farm properties has increased in Ontario from \$1,086,000,000 in 1903 to \$1,455,000,000 in 1913, or an increase of nearly \$400,000,000 in ten years. The value of live stock in 1903 amounted to \$154,000,000; to-day \$237,000,000, or nearly double. Live stock sold or slaughtered in 1903 amounted to \$59,000,000; to-day it is \$89,000,000. The number of acres assessed in 1903 was 20,000,000; this year it is 24,000,000 acres. The value of the yield from farms in grains, etc., in 1903 was \$136,000,000, and to-day \$168,000,000, or an increase of \$30,000,000. So that, altogether, we can congratulate the Minister of Agriculture and those under his charge for the manner in which they have been able to meet conditions to-day and for the help they have been able to give the Empire in the time of need.

• VAST ASSETS OF ONTARIO.

Now, Mr. Speaker, I come to a most important branch of the subject in which I will deal with the assets and liabilities of the Province. If my hon. friends will look at the list of assets and liabilities, they will find appearing in this year's statement a note which may have been the subject of wonder

on their part, and which I desire to explain. My hon. friends will find that the statement of assets has not been added up, and no total given as in other years. There is a reason for that, and it is that during the past year there has been going on in the different branches of the Government a survey of the assets of the Province. My hon. friend the Prime Minister, in announcing the position and policy of this Government, said that such a survey was being undertaken. That survey has been proceeding with considerable despatch, and we are in a position to note that the statement of assets is incomplete and might create an unfavourable impression if so published. The total amount of the direct assets as shown in the statement is \$35,368,101.16 and direct liabilities \$40,405,535.96. Added to that \$35,368,000 there should be the following list of assets:—

| | |
|--|-----------------------|
| Present value of buildings and lands on which they stand and surrounding areas belonging to the Province | \$18,795,903 31 |
| Pine timber | \$132,000,000 00 |
| Pulpwood timber, ties, poles, hardwood, etc. | 225,000,000 00 |
| Mining lands and profits..... | 70,000,000 00 |
| Agricultural lands | 15,000,000 00 |
| Water powers | 20,000,000 00 |
| Sand, gravel, etc. | 1,000,000 00 |
| Amount outstanding on Crown Lands and interest | 1,000,000 00 |
| Amount outstanding on timber dues, bonus, etc. (31st October, 1914) | 1,300,000 00 |
| District of Patricia, area of 146,000 miles, timber, fisheries, furs and mining possibilities | 10,000,000 00 |
| | —————\$475,300,000 00 |

I see my hon. friend (Mr. Rowell) laughs, and I have no doubt he is the gentleman who inspired the article in the *Globe* this morning.

The Public Accounts of last year were tabled in this House yesterday, and I think what was wrong was that he was disappointed that the deficit was not so huge as he thought it would be. He was disappointed, and I have no doubt it cost him a tremendous amount of sleep last night. (Laughter.) They say there is a shortage of nearly five million dollars. The Auditor refused to certify to an entry. That is the entry which caused my hon. friend so much suspicion that he wanted to adjourn the House for three or four hours so that the *Globe* might throughout the length and breadth of the Province fulminate a charge against this Government that there was a shortage of \$5,000,000, so that it might go to the financial world, might be cabled over to London that this Province was in a state of bankruptcy, that we had a deficit of \$5,000,000.

I would like to remind hon. members that the reverend editor of the *Globe* for the past five months has been going throughout the country making great patriotic speeches. How do these patriotic speeches sound alongside of this article in which he sends to the world the charge that this Province has a deficit of \$5,000,000? I say that he knew when the article was prepared that it was untrue, because he must have had access to the Public Accounts, and if he had gone over them he would have found there an explanation of everything.

We have expended \$8,000,000 on capital account, and Mr. Speaker, we are proud of the fact that we spent that much and are proud of the fact that we had the money to spend. If he had looked at that same statement, he would have found facts that would have been very interesting to him. There is the sum of \$840,000 spent upon roads in New Ontario; some \$1,700,000 upon capital account for buildings. And yet, Sir, in that article in the *Globe*, this morning, it is stated we spent \$4,087,000 for Hydro and \$550,000 for the T. & N. O. Railway.

and for no other capital expenditure. I say, Sir, that the man who wrote that article knew when he was writing it that it misrepresented the financial standing of the Province. In addition to that, he charged in this article that we made a total expenditure of \$22,000,000; in fact, he delights in it; it is a matter of the greatest pleasure to write this article and publish it in the *Globe* this morning, that we had a deficit of \$4,800,000, and we spent the enormous sum of \$22,000,000. We did not spend that; we spent altogether \$20,600,000, of which \$8,000,000 was upon capital account. And if we can show that there is \$4,087,000 spent in Hydro and \$550,000 in the T. & N. O. Railway we can also show that the other \$3,000,000 of capital expenditure is made up of money expended upon public institutions, roads and other works. (Ministerial applause.)

I ask any hon. gentleman on that side of the House to tell me of what item of capital expenditure which goes to make up that amount of \$8,000,000 he disapproves. There is not an hon. gentleman sitting on that side of the House who will challenge the wisdom of the expenditure of one cent of that money. (Applause.)

ONTARIO'S STRONG FINANCIAL POSITION.

Returning to the question of assets and liabilities, I will ask my hon. friends what they expect to gain by making the attack upon the Government with respect to the state of our finances to-day. We have given to the House, and we are giving to the country the statement of the assets and liabilities, giving a statement of the revenue and expenditure. We are able to show, and we are not ashamed to show, that if during the past ten years we have largely increased the expenditure of this Province, we have collected the money with which to do it. But we have taken on increased obligations, and we have provided the means to do it. We have shown, and we are continuing to show, that every dollar of expenditure by this Government has been in the interest of the Province of On-

tario. I ask hon. gentlemen if it is their intention to have us reduce our grants to education? If they are going to reduce let them stand up and say so! I ask my hon. friends if it is their intention to reduce the grants for the maintenance of Public Institutions or the Hospitals and Charities? I ask my hon. friends if it is their intention to reduce the grants to Northern Ontario roads, if it is their intention to curtail the amount spent upon agriculture? I ask them, in heaven's name, if they are going to traduce the good name of this Province, and if they wish to establish before the world that we are going to the dogs and are in the face of ruination? I ask them, I repeat, to point to one way in which we can save the money. Will hon. gentlemen stand up and name one item in which they desire us to make a reduction?

Now, my hon. friend, I am sure, will excuse me when I say I am rather enjoying this afternoon; not because I enjoy talking finance, but because I feel sure that my hon. friend who is leading the Opposition will not care to step into the unenviable position occupied by the newspaper with which he was recently connected and endeavour in this hour of trial and tribulation to blacken the fair name of the Province. I am not afraid of criticism, and it has been said of me that I like a fight, and I shall confess, sub rosa, that I do like a fight. (Laughter.) You will remember that the words which pass across the floor of the House, and the words which appeared in such a prominent place in the *Globe*, will also appear in every financial paper in the world. I say to my hon. friend that in carrying on the business of the Province of Ontario, it will be necessary in the natural course of events for us to go into the money markets of the world and ask for loans aggregating five or six million dollars this year, and the greater part of these obligations will be in the interest of the great Hydro-Electric undertaking. We will be faced with the fact that one of the responsible papers of Toronto charged us with having a deficit of \$5,000,000, when there is a deficit only of \$697,000. We are prepared to meet fair argument, but we

do not wish to have insinuations made that would be detrimental to the credit of the Province. (Hear, hear.)

WILL EXERCISE WISE ECONOMY.

It is very difficult to estimate the receipts for the coming year. It is difficult because of the times in which we are living. Prophecies made a year ago have not been borne out. My hon. friend (Hon. Mr. Lucas) a year ago estimated a surplus last year, and had it not been for the war we would have had a surplus. But even he was mistaken in his predictions, and therefore I do not care to venture along that line. We expect to carry on as usual all the Departments. The King's government must go on. (Applause.) We expect to give to the educational institutions of the Province the same help we have in the past. We desire that the children of the Province of Ontario, whether there is war or peace, shall not be interrupted in their progress in life. (Applause.) We intend to carry on the Department of Agriculture. The work in that Department is perhaps more important at the present time than the work in any other Department. My hon. friend (Hon. Mr. Duff) will ask for the usual grants in aid of agriculture, and I feel assured it will afford this Government much pleasure to agree to do so to the limit of its financial ability. My hon. friend the Provincial Secretary will require the usual grants of money to all the public institutions where the sick and insane and all those suffering are cared for. Surely my hon. friend will not disagree with me as to the advisability of making no curtailment of these grants. Referring to my hon. friend's remark that the estimated receipts for 1914-15 are \$10,000,000, I hope the amount will be somewhat increased. It is usual for the revenue to amount to more than we forecast and the expenditure amount to less. The estimated expenditure on ordinary account is \$9,713,769.99 and on capital account \$1,395,700. This includes everything except statutory expenditure.

MR. ROWELL: Further supplementary estimates?

HON. MR. MCGARRY: My hon. friend no doubt will be quite pleased to know that there will be further supplementary estimates. He will understand that at this stage of the session it is impossible for us to commit ourselves and say this is the last vote which we shall ask the House to make. The statement now before you includes the ordinary expenditure and the capital expenditure, including the estimates passed last year, but exclusive of the statutory expenditure and further supplementary estimates. My hon. friend will see a great deficit. This is one place where he will have free run for his imagination.

I hope that in the coming year the expectations we have of receiving \$10,000,000 will be surpassed by a couple more millions. I have no doubt that we will have the satisfaction of knowing that although the different Departments are asking to-day for \$11,000,000 they will use due economy in the expenditure of this money, recognizing the fact that it is difficult to borrow money at favourable terms and that it is not a good time to launch a new enterprise. The position of this Government will be that while we will carry on the work in which we are engaged to the best of our ability, yet we will use the strictest economy; we will not enter into any new enterprises because we do not believe the times will warrant such work just now.

But, Sir, in estimating the receipts and expenditures for this year, I want to bring to the attention of hon. gentlemen this fact, that we paid \$294,806.80 last year for aid to Great Britain and Belgium, and since the end of October we have expended towards these contributions \$523,543.20. We have paid \$780,000 for flour sent to Great Britain (applause), \$15,000 to the Belgian Relief Fund, \$11,000 for evaporated apples and \$10,000 for beans for the Belgians. This Government believed at the time it gave these contributions that it was properly interpreting the wishes of the people of Ontario

and of Canada in this emergency, and it gave willingly. I refer to this, however, to show how unfair the article in the *Globe* is when it seeks to place an improper application upon the action of this Government. The cost of the flour which we gave to Great Britain was 250,000 bags at \$2.80 per bag. When that article stated that the amount of \$279,000 represented our gift of flour, the writer knew that it was only the proportion of the flour paid for before the end of the last fiscal year and did not by any means show the total gift of the people of Ontario to the mother country. Why do they not be honest and honourable and give us credit for what we do? The country knows that we gave 250,000 bags of flour; the *Globe* itself announced it, but in order to give this Government a rap it goes out of its way to mislead the people.

Sir, we have already granted that amount of money, and properly interpreting, as I think we do, the wishes of the people of Ontario, we intend to go on making grants both to the Belgians and the people of the British Empire. (Applause.) Are we justified in this? If we are, we must find means of getting revenue from which we can pay these amounts, and it is my intention now to say to this House that we propose legislation which will reimburse the Government for what we have already expended and provide for future donations from this Province.

A WAR TAX OF ONE MILL.

But, sir, there is something further. There are throughout the length and breadth of Ontario many generous givers among the men who have been able to contribute, and there are others who never give to a patriotic fund, who never do their duty. And in order that we may impress these people as well as the more generous, and in order that we may do something to show the mother country that we are willing to help towards this war, and that we may interpret what we think are the wishes of the people of this Province, this

Government has decided to impose a tax upon the people of Ontario of one mill on the dollar on all taxable property throughout the Province. (Loud applause and cheers.)

As I have already explained to hon. gentlemen, we have expended for war purposes the sum of \$818,000, but we are not going to stop there. We hope to continue to contribute as the occasion may arise. It is neither within my right nor power to say how much we will contribute, but we wish to place ourselves in a position to be able to donate generously towards the objects which we may think are worthy in connection with this deplorable war.

Now we have paid out already \$818,000. We intend to pay out considerably more, and this tax will be a levy of one mill on the dollar on every property assessable in the Province. According to the latest statistics the value of the assessable property in Ontario is \$1,800,000,000; it will therefore bring us a revenue of about \$1,800,000. That is none too much (considering the fact that we have already paid out over \$800,000) to ask the leading Province of the Dominion to give towards the mother country. Well, sir, we will collect this money in the following way. We will levy against the cities and those municipalities that are separated from the counties for municipal purposes directly. They will collect the tax for us. In counties, other than those particular districts I have referred to, the tax will be made by the counties upon the equalized assessment. Although we will not receive the money till next year, I am taking the power to borrow against it to the extent of \$2,000,000. I am sure my hon. friends opposite will heartily join with us in a measure to meet this time of stress. (Applause.)

Now, there is just this I wish to add in connection with this tax. It is purely a war tax, and in imposing it we believe we are expressing the sentiment of the people of the Province. It will be heralded, I am sure, throughout the length and

breadth of the Empire as a testimony not only of our generosity, but also of our patriotism. (Loud applause.)

CONDEMNED BY A NEUTRAL CRITIC.

Before the Government of Ontario should ask the people to contribute, I think we should say something in justification of the case which we are placing before the House. It is not my intention after listening to the eloquent remarks of the Premier and the Leader of the Opposition last week to go into the causes of the war. But I would like to say this much, that in my opinion the country which is to blame has been fairly well marked in the judgment of the public opinion of the world. I will briefly refer to a judgment given by an eminent neutral jurist, who after summing up all the causes which led to the war decided on certain resolutions which he thinks are applicable in the circumstances.

“ These are the facts as shown by the record, and upon them, in my judgment, an impartial court would not hesitate to pass the following judgment :

“ 1. That Germany and Austria in a time of profound peace secretly concerted together to impose their will upon Europe and upon Serbia in a matter affecting the balance of power in Europe.

“ 2. That Germany had at all times the power to compel Austria to pursue a reasonable and conciliatory course, but at no time effectively exerted that influence. On the contrary, she certainly abetted, and possibly instigated, Austria in its unreasonable course.

“ 3. That England, France and Italy, and Russia at all times sincerely worked for peace, and for this purpose not only overlooked the original misconduct of Austria, but made every reasonable concession in the hope of preserving peace.

“ 4. That Belgium as a sovereign state has as an inherent right the power to determine when and under what con-

ditions an alien can cross her frontiers. This right exists independently of treaties, but is, in the case of Belgium, reinforced by the treaty of 1839 and the Hague Convention, whereby the leading European nations (including Germany) guarantee its "perpetual neutrality." The invasion of Belgium by Germany was in violation of these rights, and England only respected its solemn covenant when, in defence of that neutrality, it declared war against Germany."

I, therefore, say that we have a justification put in a few words there. But the question is, to whom do we owe assistance in this hour? In my opinion Ontario owes assistance to Great Britain and to Belgium. My opinion is that the people of this Province cannot overlook the debt due both those countries.

CANADA'S DEBT TO THE NAVY.

Let us consider for a moment our condition financially and otherwise on the 1st of August last. We have such a short memory that we are prone to forget the days which were more difficult to face. We found on the declaration of war between Austria and Serbia, between Russia and Austria, between Russia and Germany, between France and Germany, the markets of the world seriously affected, stock exchanges closed, large manufacturing establishments shutting down, and stagnation in the world of finance and commerce, because of the great uncertainty as to what would take place next. Commercial chaos confronted the world.

When Britain declared war against Germany on the night of August 4th there flamed across the British Empire an intensity of patriotic sentiment never before known in the annals of its history. In that fateful hour the heart of every Briton in the four quarters of the globe beat in unison with the heart of the Empire in London; every British eye was focussed upon Westminster, where the leaders of the nation sat in solemn council. The whole world waited in tense and

anxious expectation to learn what action Britain would take in this terrible crisis. And the answer was given when the great grey armada of Britain silently and mysteriously vanished into the mists of the North Sea, over which has since hung an impenetrable cloud of secrecy, broken now and then by the sounds of battle and the signs of victory, but a secret efficiency which has not only bottled up the Germany navy in the Kiel Canal but has swept German commerce entirely from the seas and driven dread into the hearts of German sailors and civilians. For seven months, amid the snow and fog and storm of the North Sea, the great British fleet has kept ceaseless watch over the heart of the Empire, unrelaxing in its vigilance, as the battles off the Dogger Banks and the Falkland Islands have eloquently testified.

On the night of August 4th, 1914, some 3,900 German merchantmen fled for safety to neutral ports—which many of them never reached! And to-day not only is the British navy far greater and more efficient than when war broke out, but the 21,000 ships of her mercantile marine are sailing the Seven Seas and carrying material and men and munitions to and from the ports of the world. Confidence was restored to the British Empire.

That is what the British navy has done since war was declared. Think what this means to Canada; and think, too, that for a century or more the people of Britain have patiently paid the cost of that wondrous fleet which guards the homes of Canada as much as those of Britain. Yet not one dollar have we paid toward its support!

CANADA'S DEBT TO BELGIUM.

But let us remember that we owe a great debt not only to Britain but to Belgium—gallant, devastated little Belgium, that in August, 1914, gained imperishable glory by blocking the wheels of the great German juggernaut sufficiently long to save France from destruction and to give Britain and Russia time for hasty preparation for defence.

When war was declared between Germany and France Germany was well prepared, because a year before war was declared von Bernhardi (an author who was a soldier) visited San Francisco in May, 1913. I have here a copy of a paper by Dr. David Starr Jordan, in which he says:

“I met von Bernhardi in San Francisco and heard him give an address on May 26th, 1913, just as I was leaving for Europe, Germany, the Balkans and Austria. The invitation was from the German Consul's office. The gathering was composed of about three hundred persons, all Germans except one other American and myself.

“Very unmistakable were his references to the planned march through Belgium and the taking of Paris. He did not mince matters. Questions of morals, of international treaties, of national rights, he brushed aside. ‘Law,’ he said, ‘is a makeshift; the reality is force. Law is for weaklings; force is for strong men and for strong nations.’

“Perhaps his chief purpose was to advise Germans in the United States that Britain, not France, is in Germany's way, that Britain would soon be reached, and reached by Germany's war.”

Railway after railway was built right up to the borders of Belgium; so that in July and August last when Germany declared war against France and invited Belgium to allow her to pass through, if Belgium had been less honourable than she proved to be, that invasion would have taken place. And in spite of the great work of the British fleet, the German army, possessed as it is of the greatest inventions of modern ingenuity, would have reached Paris in a short time.

I tell you, Mr. Speaker, that we owe a great deal to Belgium. We owe her much of the liberty, much of the freedom of trade and much of the peace of mind which we enjoy to-day, because if Belgium had not fought the invaders, Paris would have been taken. For more than a month the little

Belgian army of less than 100,000 held up a force of nearly 2,000,000 (applause), and witnessed their people being attacked, their homes invaded, their cathedrals and churches desecrated and their museums of art destroyed. In spite of this they fought against the invaders for the benefit of mankind.

The point I wish to make is, that had it not been for the opposition of the Belgian people on that occasion, it would have been but a short time until Paris would have capitulated. France would have been forced to make terms of peace with Germany, and if that had taken place where would England have been? It is true England had an immense navy, but only a small army. We in Canada had no army. Had the Germans got to Calais and Bordeaux, it would have taken a short while for ingenious minds and busy hands to make such craft as would have been able to reach our shores and destroy the peace which we to-day enjoy. I say there is a debt which we owe to that brave little people of Belgium, which we will all endeavour to pay. I say this much, and I say it after having given every consideration, that I do not think the people of this country have had brought home to them sufficiently seriously that we personally every one of us are engaged in this war. The German people have given us manifestation of their greatness and unanimity. For forty years they have striven hard to make a united people, increase their manufactures, train splendid armies. We respect them for it. They are a proud people. But, Sir, to-day there is growing up in Germany a feeling that this war must be won at all costs, and at what cost? Just refer to one matter, the feeling which predominates in Germany to-day. I refer to the Hymn of Hate, written by an officer of the German army, who for writing those words was decorated with one of the greatest honours which the Kaiser has in his power to bestow. I would not violate the records of this House by placing upon them the

whole poem. I want to show the spirit of these people and the temper of the country against which we are fighting:—

Take you the folk of the earth in pay,
 With bars of gold your ramparts lay,
 Redeck the ocean with a bow on bow,
 Ye reckon well, but not well enough now,
 French and Russian, they matter not,
 A blow for a blow, a shot for a shot,
 We fight the battle with bronze and steel
 And the time that is coming peace will seal.

You will we hate with a lasting hate
 We will never forego our hate,
 Hate by water and hate by land,
 Hate of the head and hate of the hand,
 Hate of the hammer and hate of the crown,
 Hate of seventy millions, choking down,
 We love as one, we hate as one,
 We have one foe and one alone—ENGLAND.

This is the spirit in which these people are fighting, and this is the spirit of the German Empire towards the English people. In answer to it, and I think representing the feelings of the peoples of the dependencies and dominions, I say in the words of Rudyard Kipling:—

One from the ends of the earth—gifts at an open door—
 Treason has much, but we, Mother, thy sons have more!
 From the whine of a dying man, from the snarl of a wolf-pack freed,
 Turn and the world is thine: Mother, be proud of thy seed!
 Count, are we feeble or few? Hear, is our speech so rude?
 Look, are we poor in the land? Judge, are we men of the Blood?

In the hour of supreme trial, when the existence of the British Empire hung in the balance, when disaster and disintegration faced the British people, every colonial nation and dependency under the sway of British rule, rushed to the aid of the Motherland, and the whole British Empire resounded to the tramp of armed men of every shade and of every tongue. Offers of men and money came from every colony and

dependency in the remotest parts of the earth in support of the flag and to insist that Right and not Might should prevail, that Liberty and Decency should endure upon the earth. Read the record of the contributions which poured in from all parts of the British possessions and I am sure that you will be convinced that the least Ontario can do is to contribute to the extent of this tax. (Applause.)

One word and I am done. I will ask my hon. friends, in the criticism which I know it is their right to offer, to bear in mind that this Province has to go into the financial markets to offer its securities. The financial world is a critical one and will enquire into reports disseminated in the newspapers. It may be, Sir, that we have expended \$20,000,000, and of this \$8,000,000 is on capital account. But we have assets for it.

In conclusion, when as Provincial Treasurer I move that this House do go into Committee of Supply, I feel sure it will only make for me a more pleasant duty—and this duty I am performing now—to introduce to this House legislation which will evidence to the world that the heart of Ontario rings true. (Applause and cheers.)

CASH AND DEBENTURE ASSETS OF THE PROVINCE.

OCTOBER 31ST, 1914.

BANK BALANCES:—

| | | |
|---|---------------|-----------------------|
| Current Account | \$ 285,874 25 | |
| Special deposits bearing interest (Including Federal Subsidy for Agriculture, unexpended, \$60,068.36.) | 1,350,000 00 | |
| | | <u>\$1,635,874 25</u> |

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, 1914, £63,624 10s. 1d., at par of exchange | 309,215 08 |
|--|------------|

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 of October, 1914, £34,122 17s. 4d., at par of exchange | 165,837 13 |
|--|------------|

DEBENTURES:—

| | | |
|---------------------------------------|------------|-------------------|
| Drainage Debentures, Municipal | 369,873 58 | |
| Tile Drainage Coupons | 91,323 53 | |
| Sault Ste. Marie Debentures | 25,572 50 | |
| Village of Eganville Debentures | 12,465 13 | |
| Town of Cochrane Debentures | 35,862 49 | |
| Township of Whitney Debentures | 19,328 35 | |
| Township of Tisdale Debentures | 40,000 00 | |
| | | <u>594,425 58</u> |

| | |
|---|---------------|
| Temiskaming and Northern Ontario Railway, amount expended to 31st October, 1914, see Statement No. 15 | 20,246,451 99 |
| Hydro-Electric Power Commission of Ontario, amount advanced to 31st October, 1914 | 10,110,202 92 |
| (Interest and Sinking Fund to be paid by Municipalities.) | |
| Balance due from sale of Central Prison and Toronto Asylum properties | 835,474 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, 1913), after deducting Land Improvement Fund, \$2,631,844.56, portion belonging to Ontario as per population of 1911 \$1,467,274 74

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

Common School Fund, Montmorency Bridge Debentures paid over to the Dominion re Quebec Turnpike Trust, \$6,000.00, portion belonging to Ontario as per population of 1911 3,345 05
 ----- \$1,470,619 79

NOTE.—The above does not include the numerous Public Buildings, lands and resources upon which large expenditures have been made.

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 Inscribed Stock (London, Eng., loan), 4 George V., cap. 9, 4½ per cent., principal due January 1st, 1965, £817,294, at par of exchange 3,977,497 47
- (4) 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

| | |
|---|--------------|
| (5) 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 |
| (6) 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 |
| (7) Ontario Government Bonds and Stock, 1 George V., cap. 9, and 8 Edward VII., cap. 12 (Canadian loan), Algonquin Park Loan and Purchase Act, 4 per cent., principal due May 1st, 1941 | 500,000 00 |
| (8) 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 |
| (9) Ontario Government Stocks, Charitable and Educational Bequest, 9 Edward VII., cap. 26, sec. 42, and 10 Edward VII., cap. 26, sec. 47 | 46,001 00 |
| (10) Ontario Government Bonds, R.S.O., 1914, cap. 39, sec. 14, and R.S.O. 1914, cap. 21 (Canadian loan), 5 per cent., principal due October 1st, 1919. Series E | 1,000,000 00 |
| (11) Ontario Government Bonds, R.S.O., 1914, cap. 39, sec. 14, and R.S.O., 1914, cap. 21 (Canadian loan), 5 per cent., principal due October 1st, 1919. Series F. Amount issued to October 31st, 1914 | 205,000 00 |
| (12) Treasury Bills, £300,000 due March 2nd, 1915, and £600,000 due May 2nd, 1915, 2 George V., cap. 2, and R.S.O., 1914, cap. 39, sec. 14; £900,000 at par of exchange | 4,380,000 00 |
| (13) Treasury Bills, Canadian, \$1,500,000.00, 4 George V., cap. 9, dated August 20th, 1914; due date blank | 1,500,000 00 |

| | |
|---|--------------------|
| (14) Municipal Securities, 8 Edward VII., cap. 51, Municipal Sinking Funds on deposit with the Province of Ontario to 31st October, 1914, with accrued interest at 4 per cent. | 207,559 77 |
| (15) Railway Certificates, present value outstanding on 31st October, 1914 | 2,330,435 07 |
| Annuity Certificates, present value outstanding on 31st October, 1914 | 1,229,121 52 |
| | <hr/> 3,559,556 59 |
| (16) Common School Fund collections by Ontario, from 1st January, 1914, payable to the Dominion, in trust for both Provinces | 4,978 03 |
| In Trust for Ontario | 2,775 30 |
| In Trust for Quebec | 2,202 73 |
| (17) University of Toronto Certificates, \$30,000.00 per annum for 21 years, 5 Edward VII., cap. 37, present value at 3½ per cent. per annum | 440,939 10 |
| (18) 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 |

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) | 200,000 00 |
| | <hr/> \$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 35 years at 4 per cent. 471,468 04

(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 37 years at 4 per cent. 125,728 49

(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 37 years at 4 per cent. 290,144 08

887,340 61

**Receipts and Expenditure, Fiscal Year ended
October 31st, 1914.**

RECEIPTS.

Balances as per Public Accounts, 1913.

| | | |
|---|--------------|--|
| 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 Sub- sidy for Agriculture, de- posited to Special Account | 25,310 89 | |
| | 2,380,695 31 | |

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 | 73,560 63 | |
| Interest on Investments ... | 41,087 72 | |
| | 114,648 35 | |

Lands, Forests and Mines:

LAND COLLECTIONS:

CROWN LANDS:

| | | |
|-------------------------------|-------------|--|
| Agricultural | \$81,418 82 | |
| Townsites | 2,110 68 | |
| | 83,529 50 | |
| Mining | 41,027 50 | |
| Clergy Lands ... | 1,367 56 | |
| Common School Lands | 4,978 03 | |
| Grammer School Lands | 957 91 | |
| University Lands | 2,498 74 | |
| | 9,802 24 | |

RENTS:

| | | |
|--------------------|-----------|--|
| Mining Leases .. | 16,469 76 | |
| Crown Leases .. | 40,755 48 | |
| | 57,225 24 | |
| Miners' Licenses.. | 34,160 55 | |
| Permits | 860 00 | |
| Recording Fees .. | 29,174 71 | |
| | 64,195 26 | |
| Royalties | 74,685 11 | |

SUPPLEMENTARY REVENUE:

| | | | |
|-----------------------|---------|----|------------|
| Acreage Tax | 10,046 | 41 | |
| Profit Tax | 272,610 | 89 | |
| Gas Tax | 24,204 | 10 | |
| | | | 306,861 40 |

WOODS AND FORESTS:

| | | | |
|-------------------------|-----------|----|--------------|
| Bonus | 454,167 | 24 | |
| Timber Dues | 1,112,480 | 38 | |
| Ground Rent | 103,910 | 31 | |
| Transfer Fees | 4,330 | 00 | |
| | | | 1,674,887 93 |

Provincial Assay

| | | | |
|-------------------------|-----|----|----------|
| Fees | 361 | 52 | |
| Casual Fees | 755 | 68 | |
| Cullers' Fees | 116 | 15 | |
| | | | 1,233 35 |

Algonquin Park.. 4,831 28

| | | | |
|--------------------------------------|-----|----|----------|
| Quetico Provincial Park | 254 | 84 | |
| Forest Reserves. | 730 | 50 | |
| | | | 5,816 62 |

REFUNDS:

| | | | |
|---|--------|----|-----------|
| Fire Ranging .. | 18,437 | 47 | |
| Wood Ranging .. | 2,421 | 00 | |
| Estimating Tim- ber Berths | 350 | 00 | |
| Agents' Salaries | 88 | 50 | |
| Mining Recorders | 62 | 00 | |
| Surveys | 23 | 94 | |
| Bureau of Mines | 6 | 00 | |
| Northern Develop- ment | 4 | 01 | |
| | | | 21,392 92 |

2,340,657 07

| | | |
|---|-----------|----|
| Licenses | 860,210 | 14 |
| Law Stamps | 133,414 | 23 |
| Algoma Taxes | 3 | 94 |
| Education | 67,787 | 67 |
| Provincial Secretary | 363,350 | 85 |
| Game and Fisheries | 154,836 | 73 |
| Agriculture | 157,141 | 80 |
| Corporation Tax Act, 4 Geo. V., cap. 11 .. | 1,386,308 | 68 |
| Succession Duty | 1,196,818 | 36 |
| Succession Duty (Funds deposited in lieu of Bond for payment of Succession Duty) | 90,815 | 00 |
| Casual Revenue | 304,576 | 62 |
| Insurance Department | 66,563 | 04 |
| Public Institutions: | | |
| Toronto Hospital for Insane | 55,191 | 42 |
| Brockville " .. | 21,748 | 87 |
| Hamilton " .. | 51,607 | 70 |
| Kingston " .. | 20,905 | 75 |

| | | | |
|--|--------|----|---------------|
| London Hospital for Insane. | 41,145 | 18 | |
| Mimico " .. | 22,548 | 85 | |
| Orillia " .. | 12,682 | 55 | |
| Penetanguishene " .. | 2,900 | 06 | |
| Cobourg " .. | 1,497 | 54 | |
| Reformatory for Females.. | 2,988 | 89 | |
| Works at Mimico | 19,088 | 64 | |
| Central Prison Industries.. | 68,318 | 79 | |
| Ont. Reformatory, Guelph.. | 25,507 | 02 | |
| Woodstock Hospital for Epi- leptics | 15,909 | 02 | |
| Hospital for Insane, Whitby | 14,443 | 46 | |
| | | | <hr/> |
| | | | 376,483 74 |
| Reception Hospital, Toronto | | | 608 05 |
| Hydro-Electric Power Commission: | | | |
| Interest paid by Municipalities under R.S.O., 1914, chap. 39, sec. 23 (a)..... | | | 316,287 75 |
| Temiskaming and Northern Ontario Rail- way, from earnings on account of in- terest | | | 250,000 00 |
| Consolidated Revenue Fund. Balance of interest as adjusted <i>re</i> the T. & N. O. Railway for fiscal year 1913-14, from Dominion T. & N. O. Railway Subsidy (received in 1912-13) | | | 544,491 17 |
| | | | <hr/> |
| Total Ordinary Receipts | | | 11,121,382 07 |
| Drainage Debentures, Municipal..... | | | 33,003 62 |
| Drainage Debentures, Tile..... | | | 7,385 00 |
| Ontario Government inscribed Stock (London, Eng- land, Loan), 4 Geo. V., cap. 9. Amount credited to Ontario Treasury Dept. See Statement No. 16..... | | | 3,902,994 87 |
| Province of Ontario Loan (Canadian) \$1,000,000.00, series E, R.S.O., 1914, cap. 39, sec. 14. Proceeds in 1914. See Statement No. 17 | | | 1,001,862 07 |
| Province of Ontario Loan (Canadian) \$1,000,000.00, series F, R.S.O., 1914, cap. 39, sec. 14. Proceeds to Oct. 31st, 1914. See Statement No. 17..... | | | 205,906 18 |
| Municipal Debentures | | | 2,092 70 |
| Municipal Securities, Municipal Sinking Funds received for fiscal year ended Oct. 31st, 1914..... | | | 53,198 70 |
| Central Prison and Toronto Asylum Properties, sale of | | | 9,225 00 |
| Treasury Bills, sale of. (See Statement No. 18)..... | | | 1,913,042 60 |
| Treasury Bills, sale of. (See Statement No. 18)..... | | | 1,500,000 00 |
| J. I. Carter, bequest, deposit..... | | | 40,000 00 |
| Galt Hospital, bequest, deposit..... | | | 5,000 00 |
| Stationery account, excess of distribution over pur- chases | | | 20,970 30 |
| | | | <hr/> |
| | | | 22,196,758 42 |
| | | | <hr/> |

PAYMENTS.

| | \$ | c. | \$ | c. |
|---|-----------|----|------------|----|
| For Civil Government | 790,998 | 80 | | |
| “ Legislation | 333,023 | 07 | | |
| “ Administration of Justice..... | 714,771 | 60 | | |
| “ Education | 2,048,545 | 84 | | |
| “ Public Institutions Maintenance..... | 1,499,975 | 97 | | |
| “ Colonization and Immigration..... | 101,609 | 26 | | |
| “ Agriculture | 710,133 | 55 | | |
| “ Hospitals and Charities..... | 421,780 | 52 | | |
| “ Repairs and Maintenance..... | 172,065 | 69 | | |
| “ Colonization Roads | 480,845 | 27 | | |
| “ Charges, Crown Lands..... | 587,299 | 00 | | |
| “ Refunds | 58,999 | 58 | | |
| “ Miscellaneous Services | 496,985 | 07 | | |
| “ Hydro-Electric Power Commission: Expenditure charged to Province.. | 182,443 | 30 | | |
| | | | 8,599,476 | 52 |
| Public Buildings, etc.: | | | | |
| For Hospitals for Insane..... | 126,261 | 20 | | |
| “ Reformatory for Females..... | 418 | 16 | | |
| “ Ontario Provincial Reformatory..... | 1,910 | 18 | | |
| “ Osgoode Hall | 20,013 | 26 | | |
| “ Normal Schools | 15,605 | 35 | | |
| “ Agricultural College | 2,615 | 42 | | |
| “ Fruit Experimental Station..... | 1,301 | 03 | | |
| “ Ontario Government Office, 172 Front Street West, Toronto..... | 135 | 20 | | |
| “ Deaf and Dumb Institute, Belleville.. | 8,574 | 09 | | |
| “ Blind Institute, Brantford..... | 9,886 | 85 | | |
| “ Unorganized districts | 17,529 | 71 | | |
| “ Public Works | 199,251 | 72 | | |
| “ Parliament and Departmental Build- ings | 4,305 | 40 | | |
| “ Under Special Warrants..... | 574,763 | 70 | | |
| “ Fish and Game, Boat Houses, etc..... | 3,548 | 48 | | |
| “ Ontario Veterinary College, repairs.. | 11 | 58 | | |
| “ Statutory Expenditure | 2,233,702 | 80 | | |
| | | | 3,219,834 | 13 |
| Total Ordinary Expenditure..... | | | 11,819,310 | 65 |

| | | | | |
|--|---------|----|--|--|
| For Drainage Debentures, Municipal (Sta- tutory) | 95,219 | 30 | | |
| “ Drainage Debentures, Tile (Statutory) | 31,357 | 13 | | |
| “ Advanced to Temiskaming and N. O. Ry. (Statutory) | 550,000 | 00 | | |
| “ Adjustment of interest <i>re</i> the T. & N. O. Railway for 1913-14, from Dominion T. & N. O. Subsidy deposited in Con- solidated Revenue Fund in 1912-13.. | 544,491 | 17 | | |
| “ Roads in New Ontario..... | 816,225 | 25 | | |
| “ Good Roads (Statutory)..... | 294,187 | 38 | | |

| | | |
|--|--------------|-----------------|
| For Highway Improvement Act | 6,011 59 | |
| “ New Government House | 108,598 08 | |
| “ Ontario Reformatory, Guelph..... | 398,391 92 | |
| “ Parliament Buildings, West Wing.... | 4,857 94 | |
| “ Parliament Buildings, Addition to, etc. | 21,418 50 | |
| “ Ontario Veterinary College, New Building | 164,011 49 | |
| “ Ontario Agricultural College, Dining Hall, etc. | 69,677 93 | |
| “ Deaf and Dumb Institute, Belleville, New Dormitories, Boiler House.... | 121,745 15 | |
| “ Blind Institute, New Dormitories, Boiler House | 52,408 92 | |
| “ Brockville Asylum, Additional Build- ings | 73,813 65 | |
| “ Orillia Asylum, Additional Cottages.. | 58,769 64 | |
| “ New Hospital for Insane, Whitby..... | 445,914 87 | |
| “ District of Thunder Bay..... | 37,691 17 | |
| “ London Asylum, Additional Buildings and Amusement Hall..... | 20,349 57 | |
| “ District of Timiskaming, Court House and Registry Office..... | 53,539 97 | |
| “ Rainy River District, New Court House | 54,884 61 | |
| “ Woodstock Asylum, Industrial Build- ings | 4,226 59 | |
| “ District of Sudbury, Industrial Farm. | 14,626 70 | |
| “ Pembroke Lumber Co., for full sur- render of certain timber limits..... | 185,000 00 | |
| “ Retirement of £100,000 Treasury Bills in London, Eng. | 486,666 66 | |
| “ Advanced to Hydro-Electric Commis- sion during fiscal year ended 31st October, 1914, to be repaid by Muni- cipalities | 4,087,556 70 | |
| | <hr/> | 8,801,641 88 |
| “ Amount at Special Deposit, October 31st, 1914 | 1,350,000 00 | |
| “ Amount at Current Account, October 31st, 1914 | 285,874 25 | |
| | <hr/> | 1,635,874 25 |
| Less balance of Federal Subsidy for Agriculture, deposited to Special Account | 60,068 36 | |
| | <hr/> | 1,575,805 89 |
| | | <hr/> |
| | | \$22,196,758 42 |

ESTIMATED RECEIPTS FISCAL YEAR ENDING OCTOBER 31ST,
1915, INCLUDING CASH BALANCES ON HAND
31ST OCTOBER, 1914.

| | |
|---|-----------------|
| Subsidy | \$2,396,378 88 |
| Interest on Common School Funds held by the Dominion | \$75,000 00 |
| Interest on Investments | 40,000 00 |
| | 115,000 00 |
| Lands, Forests and Mines Department | 2,000,000 00 |
| Public Institutions | 250,000 00 |
| Education Department | 65,000 00 |
| Provincial Secretary's Department..... | 350,000 00 |
| Agriculture | 150,000 00 |
| Casual Revenue | 300,000 00 |
| Insurance Department | 67,000 00 |
| Succession Duties | 1,000,000 00 |
| Corporation Tax Act (4 Geo. V., Cap. 11)..... | 1,500,000 00 |
| Tavern and Brewers' Licenses..... | 800,000 00 |
| Law Stamps | 135,000 00 |
| Game and Fisheries | 150,000 00 |
| Estimated Earnings, T. & N. O. Ry..... | 250,000 00 |
| Hydro-Electric Power Commission, Interest, etc..... | 475,000 00 |
| | \$10,003,378 88 |
| Cash Balances, 31st October, 1914 | 1,575,805 89 |
| | \$11,579,184 77 |

ESTIMATED EXPENDITURE FISCAL YEAR ENDING OCTOBER
31ST, 1915.

| | |
|--|----------------|
| Civil Government | \$873,148 78 |
| Legislation | 316,137 01 |
| Administration of Justice | 841,609 25 |
| Education | 2,259,015 57 |
| Public Institutions Maintenance | 1,603,687 00 |
| Agriculture | 774,841 00 |
| Colonization and Immigration | 122,800 00 |
| Hospitals and Charities | 475,038 45 |
| Repairs and Maintenance | 227,255 73 |
| Public Buildings | 464,689 72 |
| Game and Fisheries | 4,960 76 |
| Treasury Department, miscellaneous services..... | 3,250 00 |
| Public Works | 104,500 00 |
| Colonization Roads | 105,000 00 |
| Charges Crown Lands | 776,678 02 |
| Refunds | 100,488 70 |
| Miscellaneous | 660,670 00 |
| | \$9,713,769 99 |

Capital:

| | |
|---|--------------|
| New Ontario Reformatory | \$275,000 00 |
| New Government House | 300,000 00 |
| Hospital for Feeble-Minded, Orillia, additional buildings | 95,000 00 |
| Hospital for Insane, Toronto, additional buildings, farms, land and equipment..... | 350,000 00 |
| Normal School, Ottawa | 50,000 00 |
| Institution for the Deaf and Dumb, Belleville, completion of new dormitories | 15,500 00 |
| Ontario Agricultural College, new buildings..... | 42,200 00 |
| Ontario Veterinary College, new building | 25,000 00 |
| Court Houses, Industrial Farms and Registry Offices, Districts of Temiskaming, Sudbury, Algoma, and Thunder Bay | 243,000 00 |

\$11,109,469 99

(Capital Account \$1,395,700 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. | | \$ c. | \$ c. |
| | | | Fr'd. | 2,487,934 92 | 1,511,050 00 |
| 1914 | ..... | 51,450 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 | ..... |
| 1932 | 127,918 94 | 32,700 00 | ..... | ..... | ..... |
| Fr'd. | 2,487,934 92 | 1,511,050 00 | Totals | 3,534,034 76 | 1,621,900 00 |

NOTE.—Present value of Railway Certificates, October 31st, 1914 (interest $1\frac{3}{4}$ per cent. half yearly)..... \$2,330,435.07
 Present value of Annuities, October 31st, 1914, (interest $1\frac{3}{4}$ per cent. half yearly)..... 1,229,121.52

