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FINANCIAL STATEMENT

OF THE

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HON. GEO. W. ROSS,

TREASURER OF THE PROVINCE OF ONTARIO,

DELIVERED ON THE 8th MARCH, 1900,

IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO,

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY.

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TORONTO:  
WARWICK BROS. & RUTTER, PRINTERS.  
1900.







*Mr. Dept of Treasury and Economics  
Taxation and Fiscal Policy Branch  
Budget*

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# FINANCIAL STATEMENT

OF

Hon. Geo. W. Ross,

PREMIER AND PROVINCIAL TREASURER.



LEGISLATIVE ASSEMBLY, TORONTO,

Thursday, 8th March, 1900.

MR. SPEAKER,—In rising to move that you do now leave the Chair, and that the House resolve itself again into Committee of Supply, I desire to say that for many reasons I regret that the duty which I am about to discharge devolves upon me. My predecessor had given so much attention to the Treasury Department and had so fully mastered all the financial problems of the Province, it seemed a pity that in the organization of the Government a change of Portfolios was necessary. His statements were so lucid and were so aptly expressed that it is almost a hopeless task on my part to try to fulfil the duty I am about to attempt as satisfactorily as he did. I am glad to believe, however, that the circumstances under which we are about to consider the financial condition of the Province of Ontario are so very favorable. We have a bouyant revenue. We are submitting perhaps larger estimates of expenditure than have been submitted for the last few years, and we have no hesitation in asking this House to consider increased expenditures in various directions, from the fact that our revenue is fully adequate for all proposed expenditures.



## CANADA IS PROSPEROUS.

It will be noticed from the public press of the country, from the reports of different Boards of Trade as well as from the hopeful attitude of business men, that Canada has entered upon an era of prosperity, hopeful alike to the political economist and to all who, like the Members of the different Legislatures, have to deal with public affairs. I do not want to entrench upon the domain of Dominion politics or to discuss questions of trade with which the Dominion Parliament is specially charged, yet I think I can be fairly excused if I should take a hopeful view of the financial position of the country, and particularly of the Province of Ontario, which comes more immediately within the supervision of the Treasury Department. It is therefore fitting that I should congratulate the House upon the development of Canadian trade and the vast development of all our industries during the last few years. I shall not enquire into the cause of this development nor into its effect upon the balance sheet either of the Province or of the Dominion. I recognize, with pleasure, that our working men and artisans are, as a rule, more fully employed than in former years, that many of our factories are running over-time and that new markets are being opened all over the world for the produce of our factories, our forests and our farms. The fact that our exports had risen from \$113,638,803 in 1894-5 to \$158,896,905 in 1898-9, and that our imports during the same period of time had risen from \$111,011,682 to \$162,764,308 necessarily calls for a large increase in our banking institutions and all concerned in the transportation of merchandise of every kind. In this way investments made in our railways and our canals have become remunerative, and shipping that was comparatively idle for many years now finds abundant freight.

In regard to the produce of the farm there has been an extraordinary increase in exports in the last ten years. In 1889 we exported of butter 1,780,785 pounds, valued at \$331,958. Last year we exported 20,139,195 pounds, valued at \$3,700,-



873, an increase of tenfold. Of cheese, ten years ago we exported 88,534,837 pounds, valued at \$8,915,684. Last year we exported 189,827,839 pounds, valued at \$16,776,765. This shows an increase of more than twofold in the quantity of cheese, and about twofold in the value. Of bacon our exports ten years ago amounted to 3,879,788 pounds, as against 111,868,938 pounds last year: The value of our exports of bacon ten years ago was \$361,070, as against a value last year of \$9,953,582. This increase in the exports of these three articles of produce is encouraging, and as agriculture lies at the foundation of our Provincial, perhaps of our national, wealth, must be very gratifying to every person interested in the prosperity of the country. (Ministerial applause.) Another instance which shows the activity of business is the fact that the Bank circulation which ten years ago was \$32,207,144 had risen last year to \$41,320,083. Deposits in chartered Banks amounted ten years ago to \$134,650,732. They have now reached a total of \$272,592,086. The railway traffic receipts in 1889 amounted to \$42,149,615; last year they were \$59,715,105. The number of failures ten years ago was 1,747. In 1898 they were 1,305. The liabilities ten years ago amounted to \$14,528,884; in 1898 they were \$10,333,630. Every one of these items contains much food for reflection. They accentuate the statement with which I started at the outset, viz., that there has been a great revival of business, and that we are enjoying an era of prosperity which must be gratifying to every honorable Member in this House. (Ministerial applause).

#### COMPANIES INCORPORATED.

Another circumstance, perhaps not so well known as the statements already made, is to be found in the records of the Provincial Secretary's office. In 1898 that department issued 244 charters for the incorporation of joint stock companies. Last year 346 were issued. In 1898 19 supplementary letters patent were issued; last year, 37. In 1898 twelve licenses for extra-Provincial companies were issued; last year, 16. The totals of these three classes were 275 in 1898 and 399 in 1899.



But the capital stock is the extraordinary feature connected with the issue of these charters. The amount of the capital stock represented by the letters patent issued from the Provincial Secretary's Department in 1898 reached a total of \$35,691,177. The capital stock represented by charters or letters patent issued in 1899 totalled \$156,696,885, thus showing the confidence those who have money to invest have in the various projects which are opening up to them, whether in the development of our agricultural resources or in the development of our industries. (Ministerial applause.)

#### REVENUES OF THE PROVINCE FOR 1899.

Having said so much in regard to the evidences of prosperity that surround us, let us turn now to the revenues of the Province of Ontario. Hon. gentlemen have these figures on their desks, and they can see for themselves where we stand in regard to receipts and expenditure:—

Subsidy .....	\$1,116,872 80	
Specific grant .....	80,000 00	
	<hr/>	\$1,196,872 80
Interest on capital held and debts due by the Dominion to Ontario .....	\$ 272,414 48	
Interest on investments .....	28,268 78	
	<hr/>	300,683 26
Crown Lands Department—		
Crown lands .....	\$ 87,286 72	
Rent <i>re</i> Crown lands .....	111,169 32	
Railway lands .....	78 93	
Clergy lands .....	3,625 93	
Common school lands .....	9,179 59	
Grammar school lands .....	1,737 90	
University lands .....	3,619 46	
Woods and forests .....	1,092,848 64	
Mining licenses .....	4,154 00	
Miscellaneous .....	1,638 03	
Refunds .....	29 50	
	<hr/>	1,315,368 02



Algoma taxes .....	\$ 3,596 08
Law stamps .....	55,231 28
Licenses .....	373,803 81
Education Department .....	50,154 87
Sale of lands at Toronto L. A. ....	9,266 53
Fisheries Department .....	30,940 79
Provincial tax (62 Vic., ch. 8) .....	217,059 94
Succession duties .....	150,111 50

## Public Institutions revenue—

Toronto Lunatic Asylum .....	\$ 36,705 33
Mimico " .....	4,043 52
London " .....	12,302 50
Hamilton " .....	12,449 49
Kingston " .....	4,186 51
Brockville " .....	3,402 37
Orillia .....	3,490 04
Reformatory for Females .....	1,626 74
" Boys .....	357 50
Blind Institute .....	474 57
Deaf and Dumb Institute .....	385 00
Central Prison Industries .....	18,008 78
	<hr/>
	97,432 35

## Casual revenue—

Provincial Secretary's Department .....	\$ 66,607 85
Provincial Registrar's branch ..	119 00
Registrar General's branch .....	388 75
Fines, etc. ....	4,134 73
Insurance companies' fees and assessment .....	19,283 85
Loan companies—fees .....	10,005 35
Public officers' surplus fees (57 Vic. Cap. 9, and R.S.O., Cap. 50) .....	12,854 82
Fees—Local Masters of Titles ..	4,095 25
Shooting licenses .....	9,693 96
Circus licenses .....	800 00
Official Gazette .....	5,892 78



Private bills .....	\$ 7,586 57	
Statutes .....	4,874 48	
Ground rent, old Agricultural Hall site.....	1,666 66	
Sale, old Agricultural Hall site.	101,250 00	
County of York, re expenses Master of Land Titles office..	1,398 52	
City of Toronto, re expenses Master of Land Titles' office..	2,630 15	
Refunds .....	313 88	
Incidentals.....	13 10	
Removal of patients to asylums	4,314 48	
Privileges Algonquin and Ron- deau Parks .....	54 50	
	<hr/>	\$257,978 68
Drainage works assessments.....		5,909 59
		<hr/>
		\$4,064,409 50
Drainage debentures.....		22,630 61
“ Tile .....		9,454 85
		<hr/>
		\$4,096,494 96

From the statement in the hands of honorable gentlemen they will see that the revenue or receipts for 1899 amounted to \$4,096,494.96 as against \$3,647,353 the previous year, or an increase of nearly half a million dollars.

#### INCREASES IN REVENUE.

I shall just mention one or two items composing this large increase. First, we have an increase from the License Department. Honorable gentlemen will remember that last year an additional fee was imposed on tavern licenses issued in cities, and a tax was also imposed on brewers and distillers. From these sources we have an increased revenue of \$97,042.53. The incidence of that taxation is as follows:—From 62 brewers we received \$30,855.66, and from eight distillers \$35,166.66, making in all a revenue from that source of \$66,022.32. We



received also an increased revenue of \$31,020.21 from the additional fee imposed upon tavern licenses in cities, making up the \$97,000 already stated. I believe this taxation was borne without any inconvenience by the various parties upon whom it was imposed. I want to notice also that this increase in the revenue from licenses took place in face of the fact that 88 fewer licenses were issued last year than were issued the year before. Owing to the amendment to the License Act in 1897 increasing the unit of population by which a municipality was entitled to a tavern license, 88 licenses were cut off last year making the number of tavern licenses now fewer than they have been since Confederation. In the year 1893-4 we issued 3,276 licenses in Ontario for the sale of intoxicating liquors, last year we issued only 2,976, a falling of about 300 in that period of six years. There is therefore a gradual reduction in the number of licenses, and at the same time a substantial increase in the revenue. Nor does that increase apply to the Provincial revenue alone. Of course, under the Act of last Session the entire revenue arising from licenses went into the Provincial Treasury. But extending our calculations over a period of six years, we find that the Province received \$1,656,375.93 from tavern, shop, and wholesale licenses—that is, for the five years between 1894 and 1899—and the municipalities received \$1,597,441.44. So the entire revenue from tavern licenses has been almost evenly divided between the Province and the municipalities.

#### DECREASE OF DRUNKENNESS.

One of the incidents connected with, or alleged to be directly connected with the number of licenses issued for the sale of intoxicating liquors, is the effect upon the commitments to our gaols. Honourable Members looking over the report of the Inspector of Licenses will have noticed that a large number of those committed to our gaols are committed because of drunkenness. In 1898, the number of commitments to our County gaols for drunkenness was 4,573. Last year the number committed was 1,802.



## SUCCESSION DUTIES.

Since the Act came into operation, seven and a-half years ago, we have received as Succession Duties \$1,223,943, or an average of \$174,800 per annum. This revenue was derived from 532 estates.

We estimated we would receive for the year 1899, \$175,000; the actual receipts amount to \$150,111.

On analyzing the returns made by the Clerks of the Surrogate Courts, I find that 3,169 wills were proved and 1,744 Letters of Administration were issued during the year 1899, making in all 4,913 estates adjudicated upon. The number the previous year was 4,471, and 4,574 the year before.

Of the 4,913 estates reported in 1899, only 97 were dutiable under the Act. The number which escaped duty was 4,816; that is to say, only one out every fifty came within the provisions of the Act.

It is interesting to note that in 11 cases out of 12, it was the collateral heirs who were liable to pay duties. In only eight instances were direct heirs called upon to pay.

In 1899 four Counties contributed seventy-four per cent. of the total income from this source of revenue, as the following figures show :—

York (including Toronto) . .	\$66,336,	or	44	per cent.
Lanark . . . . .	16,345	“	11	“
Essex . . . . .	15,022	“	10	“
Leeds . . . . .	13,141	“	9	“

There has been, as hon. gentlemen will have noticed, no increase in the succession duties last year, but rather a falling off. Our estimate for the current year, however, is that there will be a slight increase of some \$40,000 or \$50,000. Whether we will realize these expectations or not remains to be seen. The operation of the Succession Duties Act has been very satisfactory, and, although it met with some opposition in certain quarters when first imposed, I think practically all opposition is now withdrawn. It does not tax the poor man's estate; it does not tax even the estate of the man of moderate



means; it reaches those large accumulations which sometimes have been made through what has been called the profits of the unearned increment, and from savings or investments arising from the growth of large cities and by the change of centres of population.

### RECEIPTS UNDER THE REVENUE ACT

We derived last year a somewhat substantial sum from the Revenue Act, which received so much consideration from both sides of the House last Session. The total revenue from all sources under that Act was \$217,059.94. When that Act was passed we contended that the public necessities required additional revenue, and we thought it was most reasonable that large corporations should be made to contribute something to the Provincial Treasury for the moneys they had received and the investments which they were enabled to make through the construction of railways, the improvement of highways and the development of agriculture. No corporation can thrive in a poor country, and if by the expenditure of one hundred millions of money since Confederation we have added to the general wealth of the country, and to the wealth of corporations in particular, by giving them such advantages as that expenditure necessarily involves, it was but reasonable that we should ask them to contribute something in return.

The following statement shows the amounts contributed by the various corporations under the Revenue Act of last session:—

Insurance companies . . . . .	\$80,435 66
Banks . . . . .	38,930 32
Trust companies . . . . .	3,160 00
Loan companies . . . . .	28,990 00
Railway companies . . . . .	32,944 40
Street railway companies . . . . .	7,063 41
Express companies . . . . .	2,725 00
Sleeping and Parlor Car companies . . . . .	583 59
Natural gas companies . . . . .	9,362 93
Gas and electric light companies . . . . .	6,907 13
Telegraph companies . . . . .	1,512 50
Telephone companies . . . . .	4,445 00
Total . . . . .	<hr/> \$217,059 94



Now, to pass on rapidly, I will refer to the expenditure of the Province.

## EXPENDITURE 1899.

Civil Government .....	\$253,013 03
Legislation .....	154,230 08
Administration of Justice .....	417,211 85
Education .....	746,001 66
Public Institutions Maintenance..	807,598 48
Immigration .....	6,623 70
Agriculture .....	222,109 79
Hospitals and Charities .....	200,011 49
Repairs and Maintenance .....	76,943 99
Public Buildings .....	112,193 80
Public Works .....	32,155 89
Colonization Roads .....	90,464 09
Charges Crown Lands .....	162,658 62
Refunds .....	50,100 67
Miscellaneous .....	142,527 36
	<hr/>
	\$3,473,844 50
Drainage Debentures .....	4,244 34
“ “ (Tile) .....	2,500 00
Railway Aid Certificates .....	125,909 18
Annuity .....	102,900 00
Stationary Office, Purchase over Distribution .....	1,022 80
	<hr/>
	\$3,710,420 82

In 1898 our expenditure was \$3,803,081.38. In 1899 it was \$3,710,420.82 or less by \$92,660.56 than the expenditure of the previous year. In that expenditure let me notice two or three circumstances worthy of attention. In 1898, instead of paying railway subsidies out of revenue, we sold annuities, and they were paid in that way. In 1899 we paid all railway subsidies out of ordinary revenue account, and we paid out for this purpose \$236,576.32. Had it not been for the increase of revenue we would not have been able to do that. I think it is well that the revenue of the country should



be sufficient under ordinary circumstances to enable us to pay these railway aid certificates as they become due. On Education there was a slight increase in the expenditure as compared with the previous year; in fact, in almost every case where the expenditure was for the maintenance of some great public service there was an increase. For instance, in Hospitals and Charities there was a slight increase of about \$15,000. In Agriculture there was an increase of about \$15,000 also. In Public Buildings there was an increase of about \$14,000, the increase in that connection being caused by the erection of a Normal School at London and by some other charges necessarily imposed upon us. We think that Civil Government in Ontario has always been carried on at very reasonable expense. We propose a slight increase this year, but under that head I think no reasonable criticism will put the Government to shame, either in the salaries paid to our public officers or in the contingencies required for the public service. In the Administration of Justice, of course, there is a growing charge. Every new township, or block of townships added to our territory imposes a charge upon the Department of Justice. We have to build lockups in the small towns in the north; we have to appoint Police Magistrates or Stipendiary Magistrates and constables; we have to preserve the peace; we have to make secure the person and property of every man who goes into the country, and as the country expands to the north, so will the expenditures of the Department of Justice grow.

#### PUBLIC INSTITUTIONS.

The charge for public institutions, hospitals and charities last year amounted to over \$1,000,000. These items have furnished hon. gentlemen opposite for many years with material for criticism, which, I think, on the whole, was not very



well founded, but which serves, at all events, to put the Government upon its guard, and to observe the greatest economy in the expenditure of such a large sum of money. It is evident for all time to come, unless there is some radical change in the physical condition of our people, that the maintenance of our public institutions will be a heavy charge upon us. I think perhaps one of the most gratifying features of the methods of government which were adopted in this Province at Confederation is the fact that we have assumed the care of those who are helpless, sometimes the indigent and sufferers from hereditary weakness, or from misfortune which leads to insanity and inability to take care of themselves.

#### ADMISSIONS TO OUR ASYLUMS IN 28 YEARS.—EXTENT OF GOVERNMENT AID.

It will no doubt be interesting to the House to learn the extent to which the Government has charged itself with the maintenance of this class of our population. Between the 1st of October, 1871, and the 30th of September, 1899, there have been admitted to our lunatic asylums, 19,307, to prisons and reformatories 21,532, to the Blind Institute 674 and to the Deaf and Dumb Institute 1,152 or a total of 42,665, all of whom have been provided with the necessary accommodation and maintenance, almost entirely at the expense of the Provincial Treasury. Within the same period of time, there have been admitted to our Hospitals 273,751, to our Refuges 36,788, to our Orphanages 48,121 and to our Magdalene Asylums 4,651 or a total of 327,311. With respect to this class, the Government has contributed only a portion of the expense or about \$200,000 annually.

#### GROWTH OF PAUPER POPULATION.

To show the demand upon the Public Treasury for the maintenance of our Public Institutions, Hospitals and Charities, the following tables are submitted:—

Comparative statement for years ending 30th September, 1872 and 1899, respectively, of Public institutions and institu-



tions receiving Government aid as to number in operation and also population.

Class.	1872		1899	
	No.	Daily Av'g. Pop.	No.	Daily Av'g. Pop.
Public Institutions.				
Lunatic and Idiot Asylums....	4	1,461	7	5,088
Prisons and Reformatories....	1	138	3	627
Deaf and Dumb Institute.....	1	125	1	262
Blind Institute.....			1	129
Totals .....	6	1,724	12	5,106

#### INSTITUTIONS RECEIVING GOVERNMENT AID.

Class.	1872		1899	
	No.	Admissions.	No.	Admissions.
Hospitals.....	8	2,814	50	25,110
Refuges.....	4	448	38	2,422
Orphanages.....	12	807	31	2,441
Magdalene Asylums.....	2	74	2	86
Totals .....	26	3,843	121	30,059

Cost of Public Institutions and aid to Hospitals and Charities, for the year 1872, \$284,731.63.

Cost of Public Institutions and aid to Hospitals and Charities, for the year 1899, \$1,002,602.92.

#### *Comparison of Asylums United States and Canada.*

Comparison of Asylum population from 1867 to 1899, in terms of 4 years each. Per capita cost given for each term.

At Confederation there were 921 patients in Asylums.



	Average daily population.	Increase.	Per capita cost.
1868-1871 .....	1,176		\$140 70
1872-1875 .....	1,568	392	132 76
1876-1879 .....	1,982	414	139 23
1880-1883 .....	2,642	660	129 04
1884-1887 .....	2,994	352	135 77
1888-1891 .....	3,532	538	132 07
1892-1895 .....	4,318	786	132 23
1896-1899 .....	4,917	599	127 28
Daily average population 1871.....			1,366
“ “ “ 1899.....			5,088
Per capita cost in 1867-1871 .....			\$140 70
Per capita cost in 1899 .....			124 05
Per capita cost from 1872 to 1899.....			132 66

*Comparison of Asylums United States and Canada.*

Annual per cap. in 10 New York State Asylums. 1898.	Annual per cap. in 6 Mas- sachusetts Asylums. 1898.	Annual per cap. in 5 Penn- sylvania Asylums. 1897.	Annual per cap. in 7 Ontario Asylums. 1899.
\$185 20	\$175 24	\$185 64	\$124 05

*Revenue.*

1868 and half of 1867.....	\$ 6,723 65
1869.....	5,866 75
1870.....	8,764 32
1871.....	14,045 30
1899.....	74,364 54
Revenue per patient from 1867 to 1871.....	6 88
Revenue per patient from 1872 to 1899.....	15 84

ECONOMICAL MANAGEMENT.

From the above tables it will be seen that during the last four years—from 1867 to 1871—the per capita cost of the inmates in our asylums was \$140.70.

The cost in 1899 was \$124.05, a decrease of \$16.65 per patient. The per capita cost from 1872 to 1899—that is, the average of 27 years—was \$132.66, so that our cost in 1899 is less than it was in the four years from 1867 to 1871, and is lower by about \$8.61 than the average cost between 1871 and 1899. Now, if reduction in cost means anything, it means that reasonable economy has been practised. Taking the annual per capita cost in ten New York asylums, we find in 1898 the amount expended was \$185.20 per capita, as against



\$124 in the Province of Ontario. In six Massachusetts asylums the average was \$175.24; in five Pennsylvania asylums the average was \$185.64.

### ASYLUM FARMS.

In connection with all our large Asylums, the Government has established farms, on which two kinds of labor are employed—one the labor of experienced farmers or superintendents, and the other the labor of able-bodied patients who are tractable and to whom outdoor exercise is congenial and profitable. It has been found from experience that exercise in the open air is conducive to the recovery of the patients, and there is no ethical reason why the State should not utilize such labor where it is beneficial to the patients, for the purpose of reducing the cost of maintenance. It is remarkable that in the management of the farms connected with our six largest Asylums, that this labor has been used at a profit and that the farms are in every instance more than self-sustaining. The table given below fully sustains this statement. The first column under the head of "Expenditure" includes all purchases on account of farming operations, wages of men and supplies of every kind. The second column, under the head of "Receipts," includes the produce from the farm and garden, either sold in the open market or used by the Asylum at a schedule of prices approved by the Government. The profits in the third column should prove to the satisfaction of the most sceptical that the farms in connection with the Asylums are well managed.

	Expenditure.	Receipts.	Profit.
Toronto .....	\$ 4,878 23	\$ 5,054 99	\$ 187 76
London .....	10,100 00	17,781 45	7,680 64
Kingston .....	4,904 08	7,433 93	2,529 85
Hamilton .....	7,363 79	15,695 27	8,332 48
Mimico.....	4,069 28	9,174 60	5,105 32
Brockville .....	3,876 99	4,422 45	545 46

### CENTRAL PRISON.

It is difficult to show by any statement of fact that the management of any institution is carried on in the most economical manner. A person disposed to be critical might



say that in the matter of salaries or supplies this or that item of expenditure was excessive, and although we believe that no such evidence can be produced with regard to any of our public institutions, for all practical purposes we think that a comparison with institutions of a similar character elsewhere is conclusive. Without arguing, therefore, as to the details of the expenditure in connection with the Central Prison, the following statement is submitted for the information of the House.

Cost of maintenance as compared with similar institutions, taken from latest available reports:—

Institution.	Average population.	Per capita cost.	
		Gross.	Net.
Central Prison, Toronto.....	388	\$161 34	\$114 95
Penitentiary, Kingston .....	615	318 21	203 59
“ St Vincent de Paul..	400	216 54	214 52
“ Dorchester .....	217	227 42	209 28
“ Manitoba.....	80	493 40	459 63
“ British Columbia.....	104	421 31	416 73
State Prison, Massachusetts .....	845	173 26	.....
“ New Jersey .....	1,000	170 69	.....
House of Correction, Cambridge, Mass.....	410	163 31	.....
Prison, Peterhead, Scotland .....	350	172 72	.....
“ Perth, Scotland .....	216	212 67	.....
12 Local Prisons, Scotland .....	157	359 73	.....

#### A SCHOOL, NOT A PRISON.

Then, if we take our own Reformatory for Boys at Penetanguishene, we find by comparison similar results. This institution has been severely criticized by the hon. member for South Lanark, (Mr. Matheson). I think he has found that the cost per capita now is more than it was twenty or thirty years ago. I think that cost is justifiable. When that institution was first opened it was not a reformatory, rather a gaol, perhaps, a house of correction, a place of confinement; very little money was spent in the education of the boys, or instruction in handicraft; so far as their education merely was concerned very little money was expended upon them. We have turned it into an industrial school, practically; we employ a



larger staff than ever before for the instruction of the boys, and every effort is made to educate them, so that when their terms expire they will be honest and useful citizens. The cost last year for 133 boys was \$218.44 per capita. Honorable gentlemen will see that this is nearly one hundred dollars more than the Central Prison, for the reason that it is not a prison and should not be a prison, but an industrial school. In the Massachusetts Reformatory for Boys the cost was \$240.53; in Wisconsin, \$302.36; in Minnesota, \$355.23, and in Pennsylvania, \$342.77. I need not give all the figures; we have covered a large area. In this statement the attempt has been made to ascertain over a large area what the average cost of similar institutions is, and the figures I have given will enable honorable gentlemen to understand our position relatively to the position of similar institutions abroad.

Then, the Mercer Reformatory, with a population of 106, cost \$214.16 per capita; the Reformatory for Women in Massachusetts cost \$215.43 per head, and the Industrial Home in Michigan \$323.16 per head.

The following statement shows the estimated expenditure for 1900 under the usual headings:—

#### ESTIMATE OF EXPENDITURE, 1900.

Civil Government.....	\$263,440 00
Legislation.....	133,200 00
Administration of Justice.....	448,649 97
Education.....	750,048 05
Public Institutions Maintenance.....	829,092 00
Immigration.....	7,125 00
Agriculture.....	205,725 00
Hospitals and Charities.....	185,207 85
Maintenance and Repairs of Government and Departmental Buildings.....	82,040 00
Public Buildings:—	
(1) Repairs.....	16,984 00
(2) Capital Account.....	160,656 35
Public Works:—	
(1) Repairs.....	14,160 00
(2) Capital Account.....	32,822 71
Colonization and Mining Roads.....	123,250 00
Charges on Crown Lands.....	140,075 00
Refunds Account.....	103,256 68
Miscellaneous Expenditure.....	177,560 00
Unforeseen and Unprovided.....	50,000 00
Amount of Estimates.....	\$3,723,292 61



In dealing with the estimated expenditure for the year 1900, honourable gentlemen will observe that there is a slight increase in some items, as compared with the previous year. Under the heading "Civil Government" we expended last year \$253,073.03. This year the estimated expenditure is \$263,440. This increase is made up of small items, such as salaries and other items which we will have before us in detail when the Estimates are reached by the House. Under the head of "Legislation" it is also proposed to increase the estimate as compared with last year. I have acted on this principle in regard to the Estimates of the current year, namely, to increase the estimates where the expenditure of the previous year showed that we had not taken enough money for ordinary purposes. As honourable gentlemen who have examined the Public Accounts will notice, where there was an overdraft—considerable in some cases—in order to avoid that in future we have increased the estimate. That will account partly for the increased estimate for Legislation this year. Last year the estimate was \$105,200; this year it is \$133,200. Last year the sum was far from being sufficient. We have, therefore, increased it, in order that the estimate might approach more closely the requisite expenditure.

#### EDUCATION.

A word or two in regard to the increased expenditure on Education. Honourable gentlemen will see that we have increased the grant for Continuation Classes. Then we have on our hands a Normal School at London, which will add to the expenditure about \$10,000. Then, owing to the increase of our Public Schools, we must enlarge from time to time the expenditure for Inspection. The expenditure last year was insufficient. We also propose to improve the inspection of Separate Schools, for which we are asking about a thousand dollars additional, in the hope that before the year expires we will be able to make more generous provision for that branch of the public service. For instance, I find that we expended \$101,232 on the Inspection of Public Schools, (this includes the cost to



the Province and to the municipalities), and \$4,607 on Separate Schools ; that each Inspector of Public Schools had an average of 74 schools to inspect, whereas each Inspector of Separate Schools had 373 schools to inspect. The effect of that was that the supervision of Separate Schools was not as extensive and thorough as it should be, and we propose to increase the number of Separate School Inspectors, and for that reason we have slightly increased the estimate. For many years the Public School Inspectors have paid semi-annual visits to each school, but during this period the Separate School Inspector has been unable to pay more than one visit, and then his work was hurried and not thoroughly done. We hope to remedy that by the increased expenditure which we are making under the subject of Education.

#### COST OF PUBLIC INSTITUTIONS.

There is a small increase also in the maintenance of our public institutions. The expenditure this year is greater than last year ; the number of inmates is constantly increasing. In Agriculture, also, there is a small increase, as compared with last year. We are taking an appropriation of \$1,500 in order to increase the expenditure now made under "Dairy," or more particularly in butter and cheese making. Canadians have already got control of the British market, so far as cheese is concerned, and with additional instruction it is believed we will get a strong hold on the British market in the matter of butter as well, and with some additional instruction we are advised that that will be more easily obtained.

#### MORE ASYLUM ACCOMMODATION.

Then, by the addition of new hospitals to the statutory list, a larger vote is also required under that head. A vote is also required in connection with public buildings. It is proposed, for instance, to take the Cobourg building, which we have had for some time, and which we knew would be required, although we put off the immediate renovation of it for public purposes as long as we could find accommodation at the Brockville Asylum and elsewhere. We have reached the maximum at Brock-



ville and elsewhere, and it is proposed to take \$15,000 this year to improve the building at Cobourg with a view to making room for senile patients who require very little attendance. This will relieve our larger asylums of the pressure upon them, and provide immediate accommodation for those who are confined in our gaols. We hope to meet that demand with an expenditure of \$35,000 or \$40,000 and make it as convenient and comfortable as any of our larger institutions.

We also hope to transfer the Reformatory at Penetanguishene to Oxford within the next year or two. Thirty thousand dollars is being taken for that purpose—\$10,000 for the site and \$20,000 for the additional expenditure on the building. There is no employment that helps to make a man of a boy as well as agricultural employment. It gives him physical strength and it gives him that form of occupation which is most congenial to many boys, and is an excellent form of discipline. There is very little to attract the young boy at Penetanguishene. The land is not suited for agricultural development, and we believe the institution can be made more useful and can also be more economically managed at Oxford than at Penetanguishene. Some of the institutions erected a few years ago were built upon a rather extensive and expensive scale. The one at Oxford, while being equal to the best, we trust will be so arranged as to be conducted with greater economy than the one at Penetanguishene is capable of being conducted, and by the removal of the boys to the new site in the County of Oxford we will have addition accommodation at Penetanguishene for such patients as can safely be transferred to that place—of a class very much the same as those we hope to transfer to the town of Cobourg. That will relieve the congested asylums and will enable us to care for a large number of patients at a reduced cost.

#### INCREASED AID TO ROADS.

Honourable gentlemen will also see that there is a considerable increase in Colonization Roads. Following out the policy which we enunciated some time ago, it is our intention to push the roads in the northern settlements where we believe coloni-



zation can be effectively carried out. There are two extremes in that northern district which will occupy our immediate attention. There is the western extreme, the Rainy River district, with over a million acres of fertile land. The settler must be got in. Our subsidy to the Ontario and Rainy River Railway will assist in this, but in an area extending 80 miles in length and 30 miles in width a railway will not supply accommodation sufficient to bring in the settler. It is our intention to make the railway a base line for the construction of colonization roads, and in that way give the settler easy access to all parts of that country.

Honourable gentlemen have been favoured with a very excellent address by the honourable member from Ottawa with regard to the resources of the Temiscamingue district in which there is a solid block of 800,000 acres which is already being colonized and settled. In the winter it is almost impossible for the settler to get to the front without taking a circuit of 140 miles to go a distance of 80 miles in a straight line. In the summer the Ottawa River furnishes admirable facilities, but it will not do to lock up the settler there, during the whole winter season from the 1st of November to the 1st of May. It will not do if we are going to encourage our young men to settle in that country, and so we hope to open up a road from North Bay to Lake Temiscamingue in order that the settlers can come out to the railway system and connect with the rest of the world.

#### AMOUNT DUE ON REFUNDS.

There has been also a considerable increase in the payments on account of Refunds. One or two of these items I shall refer to briefly. For instance, there is, first, an increase for a refund on certain mortgages sold by the Government some years ago. The amount in the Estimates is \$61,297.62. That came about in this way: When we sold the asylum land, I think in 1889 or 1890, we of course received a certain percentage of the purchase money down—I think it was about one-fourth. Mortgages were taken for the balance. With the exception of one or two of these mortgages, no payments have been made subsequent to the cash payments. We held these mort-



gages, and instead of selling annuities and meeting the expenditures for railway purposes, etc., it was thought advisable to sell these mortgages, and of course they could not be sold without being guaranteed. Otherwise they would have been sold at a sacrifice. They were therefore sold. Some of them were taken by Trust companies; some were sold to the University Trustees. Those mortgages being guaranteed by the Government, have to be discharged. Sixty-one thousand dollars of a refund to these corporations for the amount of money advanced will relieve us of that obligation.

Mr. MATHESON—Do I understand that this money is paid for the equity of redemption or simply on account of guaranteeing the mortgages?

Hon. Mr. ROSS—We received in all, first in payment of cash and afterward by the re-sale of these lands, nearly \$40,000 on account of these mortgages. Honourable gentlemen know that a piece of real estate is often sold at a very high figure with a payment down and a mortgage for the balance. If the estate comes back the mortgage cannot be realized upon; there is nobody to hold. That was our position. These lands were sold as high as \$31 a foot frontage when the boom was on. We received in cash and on the sale of lands subsequently about \$40,000, so that if we had not the money which we received for these mortgages we had the lands.

#### MINOR ITEMS.

I need not trouble the House with extended explanations with regard to minor items. For instance there is the sum of \$40,000 for the exploration of New Ontario, *i. e.*, for the district lying north of the Canada Pacific Railway. It is intended to send out a number of exploring parties, accompanied by a geologist and one or more other persons familiar with timber and agriculture, so as to cover, as near as may be, the whole country between the Quebec boundary and the district east of the Lake of the Woods. We think the time has come when we should ascertain with some accuracy the resources of that great country. If it is fit for settlement, then it must be settled. If its wealth consists of pulp-wood or pine this should



be known. If it has coal, as is reported, or if its mineral wealth is equal to the wealth of the other portions of New Ontario, facilities for developing that wealth should be afforded. We hope at the next Session of Parliament to lay before the House a full report of the resources of that country as the result of this expenditure.

#### PATRIOTIC FUND.

There is an item in the Estimates of \$10,000 towards the Patriotic Fund now being established on behalf of the families of our soldiers who have gone to South Africa in defence of the interests of the Empire. There is also an item of \$4,000 to pay the salaries of men in the public service who enlisted in one or other of the Contingents already gone forth. The Government thought where any person in the Service placed himself at the disposal of the Empire for such a noble purpose the least we could do was to preserve for him his situation during his absence and pay to his family or to those in whom he was interested, whatever salary would have come to him had he remained at home. The sum of \$4,000 represents this contribution.

#### EXPENDITURES WITHIN INCOME.

Further observation with regard to the increase in the Estimates need not be made. The increase of this year's Estimates over the Estimates of 1899 is \$313,724.88, while the increase in the Estimates over the expenditures of 1899 is \$249,448.11. As we discuss these matters in Committee of the Whole House I hope to be able to show that these increases in all cases are warranted—in fact in almost every case have been made largely for the purpose of development. Of course statutory increases will follow, and next year we hope to vote something for the improvement of the drainage of the country and for other purposes. As we stand at this moment we are confident that we shall be able to meet the expenditure of the current year out of our ordinary revenue, and that we shall have in addition a very handsome surplus at the end of the year. It is altogether probable that our



surplus at the end of the year will be at least \$200,000. Last year it was over \$400,000. So that we are not encroaching upon our estimated income by the expenditures which we propose.

### THE PROVINCE'S ASSETS.

A word or two with regard to the assets of the Province. Now I am entering perhaps upon disputed ground. Where do we really stand as a Province? What are our assets and liabilities? Hon. gentlemen will remember that I told them that a Royal Commission was appointed for the purpose of ascertaining the financial position of the Province. A copy of the Report of the Commission has been placed in the hands of hon. Members, and have no doubt it has been carefully perused. It shows taking the whole period since Confederation down to the present time, that we have kept within the ordinary receipts of the Province. The ordinary receipts since Confederation down to October 31st last, the time fixed in the Commission as the terminal period for the examination of the accounts were \$103,815,404.42 and the expenditures \$103,218,525.46, leaving a balance of \$596,878.96. So much for thirty years of good financial management.

### ASSETS AND LIABILITIES.

The next point in the Report of the Commissioners to which I would call attention is the statement contained on pages 20 and 21, setting forth the assets and liabilities of the Province. The assets of the Province, briefly summarized, consisted of the following items on the 31st October, 1899 :—

1.....	Total of actual cash on hand.	\$597,526 38
2 .....	Funds held by the Dominion in behalf of Ontario upon which interest at a rate of five per cent. per annum has been settled as payable to the Province half yearly :	
	U. C. Grammar School Fund.	\$ 312,769 04
	U. C. Building Fund .....	1,472,391 41
	Land Improvement Fund....	124,685 18
	Fund created under Act of 1884 .....	2,848,289 52
		<hr/> 4,758,135 15



3. ....	Common School Fund held by the Dominion on behalf of the Provinces of Ontario and Quebec, upon which interest at the rate of five per cent. per annum is payable, divisible as between the Provinces in ratio of the last decennial census, 2,521,371.10 ; upon basis of 1891 census, Ontario's share being .....	\$1,479,656 10
		<hr/>
		\$6,835,317 63
	Direct investments :	
4. Municipal debentures.	{ Drainage debentures.....	\$118,019 30
	{ Tile Debenture coupons.....	120,732 17
	{ Municipal drainage assess- ments .....	37,196 47
	{ Sault Ste. Marie debentures.	29,152 65
		<hr/>
		305,100 59
	Total Assets .....	<hr/>
		\$7,140,418 22

The liabilities of the Province, on the 31st October, 1899 are as follows :

Balance of account current with the Dominion from Confederation to date, including Common School Fund and other transfers ; capitalization of the bounty of the Crown under tribal treaties assumed by the Dominion, the capital having been apportioned to the Provinces under various awards, with interest upon said account current, and including interest as between Ontario and Quebec not finally adjusted.....	\$2,000,000 00
Common School Fund collections by Ontario from 1st January, 1898, payable to the Dominion in trust for both Provinces.....	\$12,576 12
Less Ontario's share upon basis of last census.....	7,308 24
	<hr/>
	5,267 88
Present value upon basis of $3\frac{1}{2}$ per cent. per annum of :	
Annuity re-payments. ....	\$1,937,231 90
Railway certificates.....	1,180,483 00
	<hr/>
	3,117,714 90
Liability to other Crown Trusts in connection with certain land sales, the mortgages for which were taken over by these trusts upon the guarantee of the Consolidated Revenue Fund.....	59 562 15
	<hr/>
	\$5,182,544 93

Since the balance sheet of the Province was made up by the Royal Commission on the 31st of October, 1899, the assets



have been materially increased by payments received from the Crown Lands and other sources. The actual cash on hand on the 31st of October was found by the Royal Commission to be \$597,526.38. On the 31st December 1899, the actual cash on hand in our Banks was \$836,195.39. This would make our total asset with a few other minor items \$7,368,917.20. (See appendix).

Bringing the liabilities also down to the same date we find that they amounted to \$5,117,985.16, leaving a surplus of assets, after deducting all liabilities of \$2,250,932.04.

One of the objects in appointing the Royal Commission was to ascertain our financial standing, and to know whether our liabilities were greater than the assets. I wanted to settle this contentious question. I must confess I was somewhat weary myself in discussing the matter of the surplus, and I perhaps wearied the honourable gentlemen opposite, and perhaps I may say the honourable gentlemen opposite wearied me. (Laughter and applause). It was a very monotonous discussion many a time, and my friends perhaps on both sides of the House wanted to know really where we stood.

#### A MILLION FOR GOOD ROADS.

Secondly, we wanted to know whether it would appear from an examination of the receipts, extending over 30 years, that we could embark upon large expenditure for the purpose of development. I am glad to be assured by the Commission that our expenditures have kept within our ordinary revenue, and from the increased revenue that is now in sight and that we expect to realize from the increased taxation last year—unless we increase the expenditure very, very much—we will have a buoyant revenue, and we can undertake new schemes for the development of the country. I shall be delighted if we can expend in the next ten years a million for good roads—that is, a hundred thousand dollars a year. I think the revenue would also stand that. I think the revenue would stand a reasonable appropriation for cold storage and drainage works, which are beyond the reasonable capacity and strength of our municipalities. I think the revenue will stand some-



thing there. Take a river which runs sluggishly through a flat area, to the detriment of the health of the community and to the wasting of valuable land. To dredge and improve that river is beyond the capacity of the municipality. If our engineer reports that the deepening of the channel or the straightening of the channel is a work that will come within the provisions of the Bill which the honourable gentlemen will see later, then that is a work in which we hope to assist. I think these are Provincial works which add immensely to the wealth of the country, and that is one of the reasons why the Royal Commission was appointed.

#### CHARACTER OF OUR ASSETS.

I do not propose to discuss in detail the character of our assets. The point at issue between the Government and the Opposition for many years has been, were the assets available for the immediate necessities of the Treasury. In regard to the cash in the bank, there never has been any real dispute although honorable gentlemen even disputed our bank account. I presume, however, that in the present instance, they will admit the statement made by the Treasury Department that our cash balance amounts to nearly \$900,000. With regard to the trust funds, the Government always held that inasmuch as they yielded interest at the rate of five per cent. they were even better than a cash balance in the bank, as we only realize on our bank account at the rate of three per cent. The battle, however, raged most vehemently around the item of \$2,848,000 placed to the credit of the Province by the Dominion Act of 1884. This was held not to be a realizable fund but rather a part of the Dominion subsidy of the same class as the subsidy granted the Provinces at the time of Confederation, and inasmuch as it was not convertible into cash, it therefore could not be considered as an asset, notwithstanding that the Dominion Government paid interest on it at the rate of five per cent. per annum. On the other hand, the Government held that under certain Acts of the Dominion, this sum might be properly withdrawn and used for the payment of outstanding liabilities, or for any purpose of a fair



character which would be approved by Parliament. Referring to this sum, the Commissioners (on page 22) remark as follows:—

“The fourth fund, \$2,848,289.52, also held exclusively for the benefit of Ontario, was created under a Dominion statute in 1884. It is practically a refund to Ontario of various amounts retained as interest by the Dominion upon an assumed excess debt of the late Province of Canada, with interest upon said retentions to 1884, capitalized.

It might occur to those unacquainted with the manner of fixing the present value of semi-annual payments of interest where the principal sum does not become payable at a fixed date, or never becomes payable, that such an asset is not as available for the purposes of the Province as if the principal sum could be obtained and the interest payments be terminated. If any hold such a view we venture to say that it is quite unsound with reference to the obligations of the Dominion Government to the Province of Ontario. It is quite clear that the semi-annual payments can be hypothecated and the present money value be thus obtained, and we have shewn that if the Dominion Government cannot force the Province to take the principal sum, the asset is enormously increased in value because of the high rate of interest fixed by statute. But in order to set at rest such a view the Commissioners requested the Provincial Treasurer to communicate with the Minister of Finance in order to ascertain whether the Dominion would pay the sum of \$2,848,289.52, being the fund created under the Act of 1884, provided the Province requested it to do so. We subjoin the correspondence, which leaves no doubt that if the Province should desire to forego the privilege of receiving five per cent. per annum in interest on this amount the Dominion will be quite willing to repay the principal.”

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“TORONTO, Dec. 29th, 1899.

“MY DEAR SIR,—The Government of Ontario have appointed a Royal Commission for the purpose of enquiring into and reporting on the financial affairs of the Province. For the pur-



pose of assisting the Commission in the prosecution of their enquiry, I am desirous of ascertaining how your Department regard the sum of money (\$2,848,000) which has been placed to the credit of the Province by Chap. 4 of the Statutes of 1884.

"Although we have not called on the Dominion for payment of this money, we have assumed in our accounts that it belongs to the Province, and that if we had desired to use it for Provincial purposes we would have been free to do so.

"Kindly let me know the view which your Department takes of this question.

"Yours truly,

"G. W. ROSS."

"Hon. W. S. FIELDING, M.P.,

"Minister of Finance,

"Ottawa."

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"OTTAWA, January 12th, 1900.

"MY DEAR MR. ROSS,—I have the honor to acknowledge the receipt of your letter of the 29th ultimo on the subject of certain moneys placed to the credit of your Province in the accounts with the Dominion.

"The advantages to the Province in permitting these moneys to remain to the credit of the Province in the Dominion, where they yield to the Province five per cent. interest, are so obvious that I do not suppose you are contemplating their withdrawal. As a pure matter of finance between the Dominion and the Province, it would of course be profitable to the Dominion to pay you the money, as we could easily raise it at much lower rates.

"I do not think your Government have any unconditional right to demand this money from the Dominion. There are certain limitations provided by the statutes; but no doubt if you desired to obtain the money, you could easily comply with these conditions.

"In the earlier history of Confederation it appears to have been contemplated that the moneys placed to the credit of the



Provinces in what was called the Debt Account should remain in that account, and the annual interest be paid to supplement the allowances for the support of the Provincial Governments. I find, however, that in 1874 there was a change of policy in this respect. Section 2 of Chap. 17 of the Statutes of that year provides as follows :

“ The Governor-in-Council may in his discretion advance from time to time to any Province of Canada such sums as may be required for local improvements in the Province, and not exceeding in the whole the amount by which the debt of the Province for which Canada is responsible then falls short of the debt with which the Province was allowed to enter the Union, such advances to be deemed additions to the debt of the Province, with permission to the Province to repay them to Canada, on such notice, in such sums and on such other conditions as the Dominion Government and that of the Province may agree upon, any amount so paid being deducted from the debt of the Province in calculating the subsidy payable to it

“ Under this statute it appears to have been intended that the moneys at the credit of the Provinces could be withdrawn for the purpose of assisting in the construction of Provincial public works. Considerable sums were so drawn by the Provinces of Nova Scotia, New Brunswick, British Columbia and Manitoba.

“ By chap. 4 of the Act of 1885 the section above quoted was re-enacted with a further limitation placed upon the action of the Provincial Governments by requiring the passage of a provincial statute as a basis for an application to the Dominion Government for payment of these moneys.

“ I think that practically the Act of 1884 operates as an extension of the Acts relating to the Debt Account, and that, therefore, the moneys credited to Ontario by the Act stand in the same position as a balance of debt account favorable to a Province under the B.N.A. Act. This was the view apparently taken by this Department in 1884, and since continued, as appears by the Public Accounts.

“ Looking at these several Acts, I am of opinion that you would not have the right to draw these moneys for the ordin-



any purposes of government; but that Parliament intended that they might be withdrawn by a Provincial Government, with the previous sanction of the Legislature, for local improvements. I have no reason to doubt that if, instead of raising the moneys for your public works by the issue of securities, you had seen fit to make application, under the Acts above cited, for a portion of these moneys from the Dominion, the Government of the day would have recognized this as a proper use of the moneys, and would have authorized the payment of the sum required.

“If you desired now to withdraw, subject to the above conditions, any moneys standing to the credit of the Province, there would not be any objection to your so doing.

Yours faithfully,

“The Honourable G. W. Ross,      W. S. FIELDING,  
Premier of Ontario, Toronto.      Minister of Finance.”

Mr. Fielding's letter is conclusive. Let me repeat in the most impressive manner I can the last clause: “IF YOU DESIRED NOW TO WITHDRAW, SUBJECT TO THE ABOVE CONDITIONS, ANY MONEYS STANDING TO THE CREDIT OF THE PROVINCE, THERE WOULD NOT BE ANY OBJECTION TO YOUR SO DOING.”

It will be observed that Mr. Fielding's letter deals especially with the sum of \$2,848,000 granted under the Act of 1884. I think, however, his letter might well be construed to mean more than a reference to that sum. Observe the statement—“Any moneys standing to the credit of the Province”—practically all our trust funds standing to the credit of the Province. Would the inference not then be perfectly legitimate that not only could the sum of \$2,848,000 be drawn upon but also all other moneys standing to the credit of the Province?

#### PAYMENT OF THIS FUND CONDITIONAL.

It may be said, however, that these moneys cannot be withdrawn without legislation.

Mr. MATHESON.—Do I understand it is necessary to get legislation from the Dominion Government?



Hon. Mr. Ross.—I did not say so. I think the withdrawal of the funds would be conditional on the legislation of the Dominion Government as well as the Provincial Government. Mr. Fielding says, "I am of opinion you would not have the right to withdraw these moneys for the ordinary purposes of government; but that Parliament intended that they might be withdrawn by a Provincial Government, with the previous sanction of the Legislature, for local improvements." No doubt this House would grant the necessary legislation, if good reasons were assigned, and the Dominion Government having already allowed the Provinces of Nova Scotia, New Brunswick, British Columbia and Manitoba to withdraw part of the moneys placed at their credit, could not refuse Ontario.

If we wanted to take up all our annuities and pay them off, the Legislature could apply to the Dominion Government, through the Minister of Finance, and get this money for that purpose.

#### VINDICATED.

Mr. MATHESON here insisted that the opinion of the Minister of Justice would first have to be secured. A former Minister had given as his opinion that this could not be done.

MR. ROSS,—I would like to get documentary proof of this statement, as I have no doubt the opinion of the Minister of Justice was obtained by Mr. Fielding before the question was answered. Certainly, had I such a question to answer myself, I would obtain the opinion of the Attorney-General's Department. It ought to be gratifying to Hon. Gentlemen opposite, even although it has destroyed a good deal of their campaign literature, to find all doubts upon the validity of the assets of the Province dispelled. Certainly so far as the Government is concerned I am glad, not from a party standpoint merely, that the validity of our assets has been maintained by the Commission, but I am glad to know we have seven million dollars in substantial assets in this good old Province of Ontario. The Province ought to congratulate itself, and I am sure every business man will congratulate the country on its financial position.



Now where does this leave us? Precisely where we always said we stood, viz., with assets about \$2,000,000 in excess of our liabilities. This was the statement I made at Whitby three months before the Commission made its Report and a similar statement has been made by my colleagues from time to time in the House and in the country. Even the least avaricious man would not despise a credit balance of \$2,250,000. But I might go further and might hold that our surplus is really \$5,000,000. Our railway annuities, although a debt in a certain sense of the term, do not really become a debt until we are called upon to pay them. If we had issued debentures payable in twenty years, the interest only being payable in the meantime, there could be no dispute as to the nature of such an obligation. It would be as distinctly a debt as a mortgage upon a farm. But we have not issued debentures; we have simply undertaken to pay certain demands for railway purposes out of revenue from year to year, as such demands are made, precisely the same way as we pay the grants for education or the salaries of the public service. However, I am willing to give the Opposition the benefit of their contention that our railway obligations are a debt, and I hope they will be equally fair with me and give me the benefit of my contention that after all these obligations are discharged, there is still a margin of \$2,250,000.

Mr. MATHESON.—I wish to draw attention to the fact that the Commissioners did not subtract the liabilities from the assets. They give a statement of the assets, but they do not subtract the liabilities from them.

The PREMIER.—They make the statement that we have liabilities of five millions and assets of seven millions; cannot we subtract, can't the honorable gentleman subtract? (Laughter and Ministerial applause) I have never had a boy pass through my hands at school who could not subtract, and I will teach the honorable gentleman to subtract. (Renewed laughter.)

Mr. MATHESON.—You cannot use trust school funds to pay your railway liabilities, however.

The PREMIER.—We do not do that. Something the honorable gentleman can do is multiply. My predecessor under-



stood his weakness. He (the honorable gentleman opposite) can—I should not say exaggerate—but he can enlarge statements with wonderful facility, and after he has them double their size, then he can multiply them after that. (Ministerial applause.) Of this surplus of over two millions, \$836,195.39 is in cash. I think I have clearly shown, with the assistance of this Report, where we stand financially, and while assuring the House and assuring the country that our expenditures will be moderate, and, as is said in the Speech from the Throne, that the moneys voted will be applied with due regard to economy as well as efficiency, I am glad to know that we have undertaken some expenditures which we were forbidden to take with a smaller revenue some years ago. (Ministerial applause.)

#### BOOKKEEPING COMMENDED.

Besides ascertaining our true financial position, the Commission was instructed to examine the books of the Treasury Department and report whether the methods of bookkeeping set forth the transactions clearly and with reasonable detail. On that point the Commissioners say:—  
“THIS INQUIRY HAS BEEN DIRECTLY REPORTED UPON IN CONNECTION WITH SECTION 1 OF THE ORDER-IN-COUNCIL, WHERE WE HAVE SHOWN THAT THE METHODS OF BOOKKEEPING ARE EXCELLENT, AND EXHIBIT IN AS FULL DETAIL AS IN AN ORDINARY FINANCIAL INSTITUTION ALL THE FINANCIAL TRANSACTIONS OF THE PROVINCE.”

We are under the imputation that we were holding money back. Some newspapers said:—“If the Government were dismissed and the Opposition could go in and examine the books of the Treasury they would find something that would astonish the whole country.”

#### NO STARTLING DISCOVERIES.

The whole country would stand aghast if they could only get at something, some mysterious Ethiopian who had hidden himself away somewhere, and was to be brought out. (Ministerial applause.) Well, the Commission has gone through all the books, and, as I said the other day, their accountant



was a Conservative. They have examined our Bank clearances, our debentures, our trust funds, have corresponded with the Dominion Government, and have put upon record their opinion, and that opinion, I am glad to say, vindicates every contention we have made in the last thirty years. In regard to bookkeeping, they almost go out of their way to compliment the Provincial Auditor. They reassure us as to the value of our assets, our bank balances, as to the details of public transactions. In fact, in every respect I think this report will be accepted by the country as conclusive that the Treasury Department has been conducted with reasonable care and that nothing has been found to discredit the Government.

We have done, then, with the transactions of the Government for the last thirty years, and I can assure honorable gentlemen that as far as possible our record for the next twenty or thirty years, more or less, will be on precisely the same lines. (Ministerial cheers.) We cannot improve upon it. The work has been most excellent.

#### CAUSE FOR CONFIDENCE.

We are starting the closing year of the century with a record that makes us feel that we are entitled to more, indeed, of the confidence of the country than perhaps we had received owing to the representations, or misrepresentations, made with regard to us by some honorable gentlemen in this House and out of it. I assure honorable gentlemen that I do not believe the supplementary estimates will be very large, although I am not able to say now positively whether they will be or not. The expectation is they will not be very large, and I hope that when the financial policy of the Province is discussed, and when our Public Accounts are examined from cover to cover, as I trust they will be, it will be found that the Government in its financial transactions has endeavored honestly and frankly to disclose to the country its true financial position, and to discharge its trust in the management of the three or four million dollars that come to its hands each year, as becomes an honest and faithful trustee. (Loud Ministerial cheers.)



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

Year.	Railway Aid Certificates.	Annuities.	Year.	Railway Aid Certificates.	Annuities.
	\$ c.	\$ c.		\$ c.	c.
			<i>Forward</i> ...	1,154,031 21	2,058,000 00
1900.....	109,988 30	102,900 00	1920 .....	53,142 32	102,900 00
1901 .....	78,182 89	102,900 00	1921... ..	53,142 32	102,900 00
1902 .....	62,025 29	102,900 00	1922.....	53,142 32	102,900 00
1903.....	53,557 61	102,900 00	1923.....	53,142 32	102,900 00
1904.....	53,142 32	102,900 00	1924 .....	53,142 32	96,200 00
1905.....	53,142 32	102,900 00	1925.....	53,142 32	82,500 00
1906... ..	53,142 32	102,900 00	1926.....	53,142 32	69,350 00
1907.....	53,142 32	102,900 00	1927.....	53,142 32	56,950 00
1908.....	53,142 32	102,900 90	1928 .....	53,142 32	50,700 00
1909.....	53,142 32	102,900 00	1929.....	53,142 32	50,700 00
1910.....	53,142 32	102,900 00	1930.....	52,442 72	50,700 00
1911.....	53,142 32	102,900 00	1931.....	48,944 72	43,700 00
1912.....	53,142 32	102,900 00	1932.....	41,948 72	32,700 00
1913.....	53,142 32	102,900 00	1933 .....	39,150 32	28,700 00
1914 .....	53,142 32	102,900 00	1934.....	37,051 52	28,700 00
1915.....	53,142 32	102,900 00	1935 .....	25,158 32	24,700 00
1916.....	53,142 32	102,900 00	1936 .....	19,119 79	16,700 00
1917.....	53,142 32	102,900 00	1937.....	8,489 58	9,200 00
1918.....	53,142 32	102,900 00	1938 .. ..	4,991 58	2,850 00
1919.....	53,142 32	102,900 00	1939.....	152 13	... ..
<i>Forward</i> ...	1,154,031 21	2,058,000 00	<i>Totals</i> .....	1,962,903 81	3,113,950 00

NOTE.—Present value of Railway Certificates (interest  $1\frac{3}{4}$  per cent. half yearly)..... \$1,156,831 18  
 Present value of Annuity Certificates (interest  $1\frac{3}{4}$  per cent. half yearly)..... 1,897,044 94  
 Total present value of outstanding Certificates.... \$3,053,876 12



ASSETS AND LIABILITIES OF THE PROVINCE OF ONTARIO,  
DECEMBER, 31st, 1899.

ASSETS.

1.—DIRECT INVESTMENTS :—

Drainage debentures.....	\$112,231 87	
Tile debenture coupons.....	113,421 82	
Municipal drainage assessments.....	34,877 99	
Sault Ste. Marie debentures.....	25,572 50	
	<hr/>	\$286,104 18

2.—FUNDS HELD BY THE DOMINION IN BEHALF OF  
ONTARIO, UPON WHICH INTEREST AT THE  
RATE OF FIVE PER CENT. PER ANNUM  
HAS BEEN SETTLED AS PAYABLE TO THE  
PROVINCE HALF-YEARLY .—

U.C. Grammar School Fund!	\$312,769 04	
U.C. Building Fund.....	1,472,391 41	
Land Improvement Fund....	124,685 18	
Fund Created under Act of 1884	2,848,289 52	
	<hr/>	\$4,758,135 15

Common School Fund held by  
the Dominion on behalf of  
the Province of Ontario  
and Quebec upon which  
interest at the rate of five  
per cent. per annum is  
payable, divisible as be-  
tween the Provinces in  
ratio of last decennial  
census ..... \$2,536,411 48

Upon basis of 1891 census, Ontario's share being.....	1,488,482 48	
	<hr/>	6,246,617 63

3.—BANK BALANCES :—

Current Accounts.....	\$374,796 62	
Special Accounts.....	461,398 77	
	<hr/>	836,195 39
		<hr/>
		\$7,368,917 20



## LIABILITIES.

1.—Balance of Account Current with the Dominion from Confederation to date, including Common School Fund and other Transfers, capitalization of the Bounty of the Crown under tribal treaties assumed by the Dominion, the capital having been apportioned to the Provinces under various awards with interest upon the said account current, and including interest as between Ontario and Quebec not finally adjusted.....		\$2,000,000 00
2.—RAILWAY CERTIFICATES—PRESENT VALUE .....	\$1,156,831 18	
ANNUITIES “ “ .....	1,897,044 94	
	<hr/>	3,053,876 12
3.—Liability to other Crown trusts in connection with certain land sales, the mortgages for which were taken over by these trusts upon the guarantee of the Consolidated Revenue Fund		61,297 62
4.—Common School Fund Collections by Ontario, from 1st January, 1899, payable to the Dominion, in trust for both Provinces .....		\$6,804 79
Less Ontario's share upon basis of last census		3,993 37
	<hr/>	2,811 42
Total .....		<hr/> \$5,117,985 16
Surplus of Assets after deducting Liabilities.....		<hr/> \$2,250,932 04



ESTIMATED RECEIPTS, 1900, INCLUDING CASH BALANCES ON  
HAND 31st DECEMBER, 1899.

Subsidy.....		\$1,196,872 80
Interest on Capital held, and debts due by the Dominion to Ontario .....	\$272,414 48	
Interest on Investments.....	30,000 00	
	<hr/>	\$302,414 48

## CROWN LANDS DEPARTMENT :—

Crown Lands.....	\$185,000 00	
Clergy Lands .....	3,000 00	
Common School Lands .....	10,000 00	
Grammar School Lands.....	2,000 00	
Woods and Forests .....	1,300,000 00	
	<hr/>	\$1,500,000 00

## PUBLIC INSTITUTIONS :—

Toronto Lunatic Asylum.....	\$40,000 00	
London “ .....	13,000 00	
Kingston “ .....	4,000 00	
Hamilton “ .....	12,000 00	
Mimico “ .....	4,000 00	
Brockville “ .....	3,800 00	
Orillia “ .....	3,500 00	
Reformatory for Females.....	1,700 00	
“ Boys .....	700 00	
Central Prison.....	20,000 00	
	<hr/>	102,700 00

Education Department .....	50,000 00	
Casual Revenue .....	150,000 00	
Succession Duties .....	175,000 00	
Provincial Tax (62 Vic. Cap. 8) .....	220,000 00	
Tavern and Brewers' Licenses.....	375,000 00	
Law Stamps .....	60,000 00	
Algoma Taxes.....	4,500 00	
Fisheries .....	35,000 00	
Assessments, Drainage Works .....	5,000 00	
“ Insurance Companies .....	3,000 00	
“ Removal of Patients .....	4,000 00	
	<hr/>	

Total Estimated Receipts.....	\$4,183,487 28	
Cash Balances 31st December, 1899. ....	836,195 39	
	<hr/>	
Total.....	\$5,019,682 67	



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