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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 21st February, 1901

IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO,

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY



TORONTO:

PRINTED AND PUBLISHED BY L. K. CAMERON,
Printer to the King's Most Excellent Majesty.
1901.

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

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Publications

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FINANCIAL STATEMENT

OF

HON. GEO. W. ROSS,

PREMIER AND PROVINCIAL TREASURER.



LEGISLATIVE ASSEMBLY, TORONTO,

Thursday, 21st February, 1901.

MR. SPEAKER :—In moving that you leave the Chair, I propose first to examine briefly the financial results of the year that has just closed. From the Public Accounts it will be seen that our entire receipts for the year amounted to \$4,192,940.18 and that the expenditure amounted to \$4,003,729.37, leaving a balance on the year's transactions of \$189,210.81. This statement, I think, ought to be satisfactory to the House and to the country.

Estimated Receipts.

Our estimated receipts, according to my statement of last year, were \$4,183,487.28, and our actual receipts were \$4,192,940.18 or an excess of \$9,452.90 over our estimates. It will be seen from this statement that the Treasury Department was reasonably accurate in the preparation of the estimates laid upon the table. The estimated expenditure last year was \$3,848,151.08 and the actual expenditure \$3,748,159.41 or less by \$99,991.67. We kept within our estimates by nearly a hundred thousand.

We have been told over and over again that we were exceeding our income, that all sorts of calamities would overtake us unless we restrained our hand. It is most difficult to restrain an expanding and growing country, or to meet its necessities without an increased expenditure. This is true of the

Government at Ottawa ; it is true of the Government of Great Britain ; it is true of the Government of the United States ; it is true of all municipal government in this country.

Any minister, if he has regard to the wants of the people, will have calls to meet sometimes of an extraordinary character, and sometimes even of a normal character, which necessitate increased expenditure. Granting this, however, as honorable gentlemen will see for themselves, we are able to meet every charge made upon us during the last year and still we have a surplus of nearly \$200,000.00.

Estimates of Current Year.

With regard to the receipts and expenditures for the present year, the tables show what our intentions are. We estimate the receipts for the year at \$3,795,872.80 and the expenditure at \$3,782,406.78. Of course there will be Supplementary Estimates later which will probably more than exhaust our margin, although I expect to a smaller extent than last year. In our expenditures for last year, besides the ordinary calls upon the treasury, a considerable amount was required to meet railway liabilities. We not only met the ordinary expenditure of the country out of ordinary income but we paid all maturing railway liabilities, amounting to \$242,769.50 and still had a surplus of \$200,000, as already mentioned. It is gratifying to know the assurances the Government gave years ago that our obligations for railway scrip and annuities would be paid out of ordinary revenue have been realized. We met them during the last two years, at all events. I am not so sure that we can meet them this year, because I fear a falling off, although not a large one, in our revenue. Still we hope to meet the greater part of those liabilities as well as the general expenses out of ordinary revenue.

Perhaps it will be useful to the House if I should make a few comparisons of the estimates of this year with those of last year. Honorable gentlemen have already discovered, no doubt, that we have slightly increased our estimate for Civil Government. Last year our estimates for this service were \$269,590.00 ; this year we ask for \$280,870.00. This, however, is not really an increase ; it is rather a transfer of the Good Roads Department from Miscellaneous accounts to Civil Government. Then there are some small increases in salaries in the Civil Service, and some other

minor items which go to justify the Government in asking for that small increase under the head of Civil Government.

Legislation.

In Legislation there is a small decrease. Our estimate this year is \$132,700.00, last year it was \$133,600. That comes about in this way. Our printing account had fallen behind, and I succeeded, because I took a larger vote last year than usual, in paying off arrears on that account amounting to about \$10,000. We expect that the account will be smaller this year for two reasons. The volume of statutes will not be so large, and the returns asked for by honourable gentleman will not, we hope, be so abundant as in former years, and that will affect the cost of legislation. Also, owing to the legislation of last session, we do not expect as many bills asking that borrowing powers be given to municipalities, and that will cause a decrease in private bills account. Every report asked for, every bill, every page added to the statute book, adds to the cost of printing. I therefore hope that the cost of legislation will not be so large. For the Administration of Justice, we ask this year \$454,699.00, while last year our estimate was \$452,399.00. This increase is due partly to the opening up of new territories, necessitating the appointment of additional officers to enforce the law. The increased cost of the administration of justice on account of the increase of our population also makes this item a growing one. It grows from year to year and we cannot check it unless we can find some means of checking crime or invent some cheaper way of administering justice.

Education.

In the Department of Education we asked last year \$756,000.00, this year we ask \$775,000.00, an increase of about \$20,000.00, arising from several causes. The first of these causes is the increasing of the grant to district schools. Last year it was \$50,000.00; we propose asking this year for \$55,000.00. The settlements north of Port Arthur and in the Temiscaming country require schools, and we would be criminally negligent if we did not follow the children into the uttermost parts of the country with at least elementary schools. (Government applause.) The grant means that every district school

gets an amount of about \$100.00 and this will provide for about one hundred districts. Out of this grant will also be provided subsidies for poorer schools in other parts of the country. We ask a grant of \$10,000.00 for Technical Education and when the House is in Committee of Supply, the Minister of Education will be able to say something of its necessity and the use to which it will be applied. We have also found it necessary to employ two additional inspectors for Separate Schools. The estimates of last year included part of their pay, four months, I think. The estimates this year cover the whole of the twelve months. For the maintenance of public institutions we asked last year \$830,664.00. This year we ask \$839,256.00. The greater part of this increase arises from the establishment of an asylum for senile patients at Coburg.

Agriculture.

For Agriculture we ask \$202,842.00, or about \$10,000.00 less. This does not mean that our generosity towards agriculture has diminished but it means that the demands upon the Treasury for the investigation and extinction of the San José scale are not so great, the vote for that purpose being reduced from \$10,000.00 last year to \$5,000.00 this year. There are also one or two reductions in the administration of the Bureau of Statistics. For Hospitals and Charities we asked last year \$185,000.00, in round figures. This year we ask for \$192,500. This arises from the growing demands of the poor and afflicted for assistance. Hospitals are springing up everywhere, and I do not know that we have too many, but every additional one means an additional charge upon the Province, and so long as we are disposed to help those who are in necessity, so long will this amount go on increasing. For Repairs and Maintenance of Public Institutions and Buildings there is a decrease of \$3,000.00. For public Buildings the House voted last year \$200,711.00; this year we ask \$240,000.00, an increase of about \$40,000.00, which comes about in two ways. First, we propose to finish the buildings we started to enlarge and repair last year at Cobourg. The charge for the completion of these buildings is \$52,570, and the total cost, when completed, will be about \$100,000. We have

also to meet the last payment on the site, about \$5,000, and \$1,000 for a site for the residence of the Superintendent.

Agricultural College.

Then we are endeavoring to enlarge the Agricultural College to meet the growing wants of the country. The school is full, more so than it ever was or should be, for the comfort of the students, many of whom are now required to board outside, to their great disadvantage. The Minister of Agriculture wants \$20,000 for a museum and laboratory. It is also proposed to convert the rooms now used for that purpose in the main building into dormitories for students. The Minister of Agriculture contends that if we are going to have agriculture practised as a science it must be taught as a science. Unless we send our students forth equipped with all the knowledge which science can give in botany and bacteriology their education will be incomplete and not up to the requirements of the age. So it is proposed to erect this building at a cost of \$33,100, and I am sure that this House will gladly vote that money (Government applause). We are able to decrease the expenditure on Public Works. Last year \$59,432.71 was asked ; this year we ask \$48,600. In the matter of Colonization Roads there is a slight reduction. We had hoped that we would have been able to reduce this more than we have succeeded in doing, although my honourable friends from the northern districts think that there is no part of the expenditure more urgent than that spent on the building of colonization roads. The Government would like, as soon as possible, to curtail this item, although it is not possible to do so now to any great extent. We have almost completed a railway from Port Arthur to the mouth of the Rainy River, and that large expenditure ought to bring a measure of relief to the people without so large an expenditure for colonization roads. The other railways projected ought also to relieve, to a certain extent, the demand for colonization roads, but we have not yet reached the point where we can seriously reduce this item of expenditure. We are therefore asking for \$119,325 as against \$136,300 last year for that purpose. The charges on Crown Lands were estimated at \$150,075 last year, but are increased to \$157,575 this year. On account of the exploration carried on in New Ontario, we dropped the expenditure on surveying from \$20,000

to \$10,000, and the Commissioner of Crown Lands wants a restoration of that amount so as to proceed with the surveys in the Temiscaming country, as well as the Rainy River and other parts of northern Ontario. That accounts for the increase. In Refunds we have reduced the amount from \$103,256 to \$23,422. The reduction is accounted for by the fact that we had a charge of over \$60,000 last year on account of a mortgage held by the University which we had endorsed, which is now paid off and disposed of.

Under Miscellaneous the charge last year was \$253,902 ; this year it is \$223,069, a falling off of \$30,000, making a total estimated expenditure of \$3,782,406. With the estimated expenditure on parallel lines compared with the actual expenditure of last year one can see that we kept very closely within the figures which I have given to the House.

Smaller Items.

Before passing away from the question of expenditure under the head of Miscellaneous, I think I might properly call the attention of the House to some of the items which go to swell the \$223,000 under that head. For instance, there is a grant of \$10,000 for the erection of a statue to Her late Majesty Queen Victoria. We ask for \$4,000 for the Assessment Commission. We ask for \$5,000 to dispose of some accounts still standing on the explorations of last year. I think that sum will settle all those accounts. We ask \$3,000 for cold storage and inspection of buildings. We are asking for \$4,000 for the equipment of the Winter Show at Guelph, one of the new ventures of the Agricultural Department and it costs a little money. Under the Drainage Act we are proposing to take \$4,000 towards meeting expenditures in the township of Elma, and nearly \$4,000 in allowances to several persons whose offices have been abolished and who will no longer be a charge upon the public revenues.

So much for the receipts and expenditures.

Assets and Liabilities.

How do we stand as to the surplus and as to our assets and liabilities, that much vexed question which has caused a great deal of debate in this House and no end of worry in the various constituencies of the Province? Have we improved our position

financially as a Province? Our assets last year were \$7,368,-917.20. On December 31st last they were \$7,535,400.90, or improved by \$166,483.70 (cheers).

Not only have we a margin upon current expenditure, but we have increased our assets by nearly \$200,000. I need not explain the various ways in which that increase has occurred. It has mainly occurred because we had a surplus on the year's expenditure. Our bank credit in hard cash at the close of 1899 was \$836,195.39. At the close of 1900 our cash credit at the bank was \$1,033,546.31. Honourable gentlemen opposite will surely admit that cash is a really bona fide asset (cheers). It is very gratifying to meet the House after nearly thirty years of continued Government and show cash assets of over a million dollars. What as to our liabilities? We have increased them in one direction, in the matter of railway indebtedness, by \$82,193.94, arising out of the certificates issued for forty miles of the Rainy River Railway, and for a grant towards the construction of a bridge at Cornwall; so that our liabilities in that respect have increased. In another respect our ascertained liabilities have decreased. We assumed our share of the debt on the account between Upper and Lower Canada for many years at \$2,000,000. The Arbitrators who had this matter in hand, after many years' examination have finally settled our debt to the Dominion at \$1,815,848.89.

Mr. MATHESON: Does that take into consideration the award against the Province of Quebec in connection with the Common School lands, and also the award paid last August?

Mr. Ross: I assume that it includes our indebtedness up to December, 1899.

Mr. MATHESON: Where are the details?

Mr. Ross: The statement in our hands shows all necessary details.

Mr. MATHESON: I understand there was \$300,000 awarded against the Province.

Mr. Ross: Our actual liability to the Dominion is \$1,815,848, and we can now balance our accounts more accurately. Last year we placed our liabilities at \$5,117,985.16, we now know them to be \$4,954,929.41. Our actual surplus of assets after deducting liabilities is \$2,580,471.49, so that we are starting the century

with a very comfortable bank account of \$1,000,000 in cash, and \$1,500,000, in securities as good as cash, and if we have to face a reduction in revenue this year, and I fear we may, though not a large one, we have a bank account to draw on until some other source of revenue may be obtained.

Mr. MATHESON : More taxation.

Mr. ROSS : No, more income (Government applause). Income from the development of the new country, (renewed Government applause) and I think we are on the way to make it in a proper and legitimate way. Although we have been accustomed to receive a little over \$1,000,000 from the Crown Lands Department, we are not likely to receive as much as this year. This is the only item in respect to which we anticipate a falling off. We hope for an increase in the supplementary revenues, and in succession duties, and for minor increases in other departments, perhaps from woods and forests. But, notwithstanding these increases there will probably be a small deficiency this year. If our northern country is developed and there is a demand for the produce of the lumber and pulp mills, and if settlers go into that country our revenue will be increased, and possibly, when we round up the year, our deficit will not be large. That is my expectation at all events.

Transactions Since Confederation.

It might be interesting to spend a few minutes in summing up the transactions of the Government since Confederation. Starting with a new century we will be in a better position to adapt ourselves to the new conditions of the country, if we rightly understand the efforts of the past. Briefly stated our receipts since Confederation were : \$108,808,724.14, and our expenditures, \$107,775,177.83, leaving a surplus to our credit on the 31st December last, in actual cash, of \$1,033,546.31. Adding the receipts and the expenditures together gives an aggregate of nearly 216 millions of dollars which have passed through the hands of the Government, in regard to which there has been no loss, no embezzlement, no scandal, or no evidence of financial mismanagement whatever. Whether this money was all expended in the most useful manner possible, it is not for me to say, still, it is gratifying that in connection with our great railway enterprises and our public works nothing has appeared to

show that the Government has not acted with prudence and with business like precision as well as with frugality and a deep regard for the public interests. This fact is alike creditable to the Government and the men in its employment. I doubt if any loan corporation in Canada or any banking institution can say after thirty-five years of business that all its investments and its expenditures were more wisely placed than ours, or that the moneys entrusted to its officers were more safely handled. Where municipalities have lost hundreds and thousands of dollars by defaulting officers the amounts we have lost are hardly worthy of mention. I stated last year that we submitted every account of the Treasury Department to a commission of experts, composed of Mr. B. E. Walker, Manager of the Bank of Commerce; Angus Kirkland, Manager of the Toronto Branch of the Bank of Montreal, and Mr. John Hoskin, K.C., President of the Toronto General Trust Co., one of the largest trust companies in Canada. This commission employed an expert accountant who was authorized to examine all the books of the Treasury Department, its receipts and expenditures and its bank balances, and I am glad to be able to say that the report showed that the bookkeeping of the Department was excellent, that the accounts were properly kept and that every balance-sheet submitted by the Treasury Department to the House admitted of verification to a cent. (Applause.) We may well congratulate ourselves, as a Government, on this condition of things after nearly thirty years of service.

Expenditure Since 1867.

In order rightly to understand how the income of the Province has been applied, I propose summing up several of the larger items beginning with capital account. Under this heading the grants for transportation were the most important and were as follows :

Railway subsidies	\$9,204,490 07
Colonization roads	3,353,609 06
Locks, dams and slides	912,563 94
Bridges, piers, etc.	68,256 24
Total	<hr/> \$13,538,919 31

From the expenditure of this money we have aided the construction of 2,126 miles of railway, or a sufficient length of

railway to build four parallel lines from Windsor to Montreal. There have been built in Ontario in all, since 1867, over 5,256 miles of railway. The Province has, therefore, practically assisted in constructing nearly one-half the entire system of Ontario. Estimating the cost at \$20,000 a mile, we have been the means of expending \$40,000,000 of public, municipal and private capital for securing to the public of Ontario better railway facilities. I need not attempt to picture what Ontario would be were it not for this net-work of railways. There is scarcely a county that has not one or more railway connection; or a hamlet of any importance without a railway station. I think I may safely say that the rapid development of Ontario in the last thirty years is largely due to its enterprise in this respect. For instance, in 1871 the population of Ontario was 1,620,851; in 1901 the census commissioners will probably find at least 2,200,000 people in the Province. In 1871 we had 8,833,000 acres of cleared land; in 1899 there were 13,111,292 acres cleared. In 1871 we had only 6,537,438 acres in crop; in 1899 there were 8,753,926 acres in crop.

I need not delay the House in discussing the wisdom or unwisdom of railway subsidies. We may not be to blame for inaugurating the system (if blame there is) but we are certainly responsible for having promoted railway subsidies generously. The first Act for this purpose was passed during the Sandfield-MacDonald administration and nearly every year since our statute-book shows some project or other to which we have granted assistance. The Dominion Government under Sir John MacDonal and since his time has been equally generous. Railway subsidies have been given by the United States Government as well as by the Governments of individual States and even the British Government has gone so far as to guarantee (which practically amounts to the same thing) the bonds of cable schemes for commercial purposes.

Colonization Roads.

As the result of our expenditure on Colonization Roads we have secured the construction of 5,362 miles of highway through New Ontario, and we have repaired out of this money 12,000 miles. Under the modern conditions of settlement it is absolutely necessary that the settler should be afforded access to the

wild lands on which he intends to make his future home; hence the necessity for this large expenditure. As a result the population of New Ontario has increased from 15,728 in 1871 to 91,694 in 1891 and by the next census will probably show 120,000. We have located 4,145,043 acres of our Crown lands and sold 124,358 acres, enough to make at least eight counties as large as the average County in the Province. You can readily understand what the effect upon the settler must have been from the advantages thus afforded. Churches, schools and market-towns are easily accessible and in fact all the advantages which the settlements of older Ontario possess are with very slight modification at the disposal of a great majority of the settlers of these Northern districts.

It might be tedious if I entered into an extended consideration of the other items making up the capital expenditure of the Province since Confederation. I prefer leaving with you the following Table, to which consideration might be given at your leisure. Suffice it to say that since the 1st day of July, 1867, the Province of Ontario has expended on Railways, Public Buildings, etc., etc., as the following Table shows, the large sum of \$23,632,428.66, all of which with the exception of \$1,386,060.-66, were spent by the Liberal Party.

Capital Account.

Classified Statement setting forth the expenditure on Capital Account for Public Buildings, Public Works, Roads, Railways, etc.:—(a) The total of expenditure for 4 years and 6 months from 1st July, 1867, to 31st December, 1871; (b) the total of expenditure for 29 years from the 1st January, 1872, to 31st December, 1900; and (c) the grand total of expenditure from 1st July, 1867, to 31st December, 1900.

Name of Work.	Expenditure 1st July, 1867, to 31st Dec., 1871.	Expenditure 1st Jan., 1872, to 31st Dec., 1900.	Total Expenditure to 31st Dec., 1900.
	\$ c.	\$ c.	\$ c.
1. Asylums for the Insane, etc., at Toronto, Mimico, London, Hamilton, Kingston, Brockville, Orillia and Cobourg....	484,017 53	3,819,038 74	4,303,056 27
2. Penal Institutions, viz.:—Reformatory for Females, Reformatory for Boys, and Central Prison	23,006 70	1,264,158 56	1,287,165 26
3. Educational Institutions, viz.:—Institution for Deaf and Dumb, Institution for Blind, School of Science, Normal and Model Schools, Toronto, Ottawa and London	211,656 70	1,158,755 52	1,370,412 22
4. Agricultural Institutions, viz.: Agricultural College, Guelph, Dairy Schools, Kingston and Strathroy, Dairy Farms, Mimico and Algoma	47,350 00	513,114 56	560,464 56
5. Buildings for the Administration of Justice being Osgoode Hall and Court Rooms, Lock-ups, etc. in the Districts of Algoma, Thunder Bay, Muskoka, Parry Sound, Nipissing, Rainy River, etc	6,159 57	399,371 21	405,530 78
6. Parliament and Departmental Buildings and Government House	157,668 55	1,612,843 78	1,770,512 33
7. Works for the improvement of navigation such as locks, dams, slides, etc	122,760 37	789,803 57	912,563 94
8. Works for the improvement of transportation such as bridges, piers, roads, etc	26,597 73	41,658 51	68,256 24
9. Drainage works expenditures and advances to municipalities	116,632 58	249,948 86	366,581 44
10. Miscellaneous expenditure, viz.:—Brock's Monument, Niagara river fence and clearing of log houses, Township of Ryerson	3,682 00	26,084 46	29,766 46
11. Colonization and Mining Rds.	180,508 90	3,173,100 16	3,353,609 06
12. Aid to Railways		9,204,490 07	9,204,490 07
Grand total	1,380,060 66	22,252,368 00	23,632,428 66

J. P. EDWARDS,
Accountant for Public Works.

Maintenance.

It will be observed that besides Capital Account large expenditures have been incurred for the maintenance of asylums, educational buildings and other institutions for penal or educational purposes. The main items under the head of maintenance since confederation are as follows :—

Asylums	\$17,881,619 99
Education	17,235,653 58
Administration of Justice.	9,693,662 67
Agriculture	4,869,584 00
Hospitals and Charities	3,338,310 65

These are the larger expenditures for which provision has to be made from year to year and which if not a charge upon the Government would necessarily be a charge upon the municipalities. In fact they may be fairly considered as a Provincial Relief Fund from local taxation, and had the Government not been able to lift this burden from the shoulders of the taxpayer his resources would not be as free as they have been for personal or public purposes of utility. The annual municipal taxation of the whole Province is about \$12,000,000. The annual appropriation for Asylums, Education, Administration of Justice, Hospitals & Charities and Agriculture is about two millions and a half. If this amount were raised from the assessable property of the Province it would mean a tax of three mills on the dollar or would add one-fifth to the present rate of taxation, which is about fifteen mills on the dollar for the whole Province. This is a very important consideration for the taxpayers of Ontario.

Asylums in Ontario.

	1871.	1900.
Number of Asylums	2	7
“ Patients	1,054	5,137

Since 1872 we have admitted into our Asylums 18,662 persons.

I mention these figures that the House may see the magnitude of the work carried on in these institutions. Including Capital Account, our Asylums have cost since Confederation over \$22,000,000 of money or more than any other public service with which the Government is directly connected. It is rather sad to think that the demand for asylum accommodation is on the increase, although I believe not more rapidly than the natural increase of our population. The present accommodation is

ample, we trust, for a few years to come. As regards the cost of maintenance, I do not think the Government can be charged with extravagance.

The cost per patient in 1899 was \$124.05.

“ “ “ last year was \$122.19.

The cost of the asylums in the State of New York was \$165 per patient.

Education.

As will be seen from the table given above the total expenditure of Public, High and Separate Schools and for all other educational purposes was \$17,235,653.58. In 1871 the total vote for education was \$351,306.00. The estimates for the present year are \$775,122.06, or more than double the grant made thirty years ago. I do not mention this to leave the impression that we are too generous in our educational grants ; far from it. I only wish the present grant could be doubled as I know of no expenditure from which a better return can be obtained than an expenditure upon the education of the people. The educational policy of the Government has been, (1) to follow every child under 16 years of age, no matter where he goes within the Province, with the facilities for an elementary education. The people of Ontario must be well educated if they are to hold their place in the federation of which in many respects they are the most important part. In seeking for my own Province the first place in the federation of British North America, I do not desire to claim for it any other supremacy than that of intelligence, enterprise and public morality. Whether large or small, we must expect to take our rank from the possession of these elements rather than from our numerical strength, and it is through our schools, colleges and universities that these qualities can be most effectively developed. While the Government has been liberal in its educational grants, the people of the Province have also been liberal and have contributed in addition to the appropriations of this Legislature, in direct taxation, the sum of \$81,802,294 for Public, High and Separate Schools. Secondly, we are anxious that our School System should meet the wants of a growing and progressive people. Elementary schools alone will not serve this purpose ; Universities alone will not serve this purpose. There was a time in the history of England when her

School System practically consisted of her two great universities, Oxford and Cambridge. At the beginning of this century she had no elementary schools. I think it was in 1830 that £20,000 sterling was given by the British Government for educational purposes. Last year the Chancellor of the Exchequer asked for about £13,000,000 sterling. Who will say that the England of to-day is not better than the England of thirty years ago both in morality, enterprise and public spirit?

High Schools.

Secondly : The Government's policy of maintaining the efficiency of our High Schools. Our system must be symmetrical. We require few schools relatively for the professions and the work of higher education but those few are of the utmost importance to the country and must be maintained at a high standard of efficiency. Emerson said that the institutions of a country are but the "lengthened shadows of her great men," and without a generous report of the Secondary Schools and our Universities whatever talent our people possess will not be fully developed. It is also necessary that we should provide for the education of the afflicted classes, such as the blind and the deaf and dumb. This we are doing in a manner fully equal to the demands of the country. Not only are the teachers provided for the children, but they are also maintained free of charge and all their wants attended to in the most generous manner. With respect to scientific education the School of Practical Science in this city, the School of Mining and Agriculture at Kingston and School of Domestic Science at Hamilton constitute the measure of our activity up to the present moment. We purpose, however asking for an additional grant of \$10,000 for technical education. We cannot establish trade schools as in Germany or in the State of New York, but the boy who wishes to pursue a career whether in a factory or in a mill or any other profession affecting the industries of the country should have the same opportunity as the boy who desires to fit himself for one the learned professions. (applause). The competition at present in manufactures is so keen that unless the young Canadian is thoroughly trained in the science underlying the industry with which he is connected our manufacturers would be unable to produce as economically as the manufacturers of the United States the goods which they

offer to the world, and it needs no argument to show that the consequence to them in such cases would be disastrous. We are also devoting ourselves to the extension of the Free Library system and the Minister of Education proposes to extend the benefits of free reading to the mining camps and lumber woods of New Ontario. The results of our educational policy cannot be very well expressed statistically. The growth of our School System is well known to everybody. In 1871 we had 4,438 elementary schools with 5,306 teachers on the teaching staff; last year we had 5,654 elementary schools with 10,097 teachers on the teaching staff. The attendance at our High Schools has increased from 7,490 in 1871 to 22,460 in 1899. Our Libraries have grown from 43 to 418; the number of volumes from 30,720 to 918,022 during the same time.

Agriculture.

The next largest item of expenditure is on Agriculture amounting since Confederation to \$4,869,584 exclusive of the sums expended on Capital Account. In addition to the Agricultural College, we have three Dairy Schools costing annually \$74,494. The demands of the Agricultural College have been growing steadily for the last fifteen years. In 1874 there were 28 students in attendance; last year the attendance was 259. The staff has also increased from six teachers to twenty-one in the same time. Owing to the generosity of the trustees of the estate of the late Hart A. Massey the sum of \$40,000 has been placed at the disposal of the College for the erection of a library and convocation hall, both very much needed (Applause). It gives me great pleasure to acknowledge in this public way the generosity of the trustees and the public spirit which has actuated them in applying this money for the purposes of the College.

Practical Results.

The first cheese factory was established by a co-operative society in Ontario in 1864. For several years this industry grew very slowly. In later years, however, it has grown in leaps and bounds, owing, I am confident, to the splendid work carried on by our Dairies, Farmers' Institutes and the students of our Agricultural College. The following statement shows the growth of the cheese factories :—

	No.	Amount of cheese made.	Value of cheese made.
		lb.	\$
1882	471	25,562,431	2,767,085
1890	817	79,364,743	7,189,957
1895	1,164	109,230,340	8,607,389
1899.....	1,203	123,323,923	12,120,887

Creameries.

The Creamery is more modern than the Cheese factory, but promises equally satisfactory results, as the following statement shows :—

	No.	Creamery butter made.	Value.
		lb.	\$
1893	74	2,709,570	574,156
1899	323	9,113,964	1,746,362

This does not include dairy butter, *i.e.*, butter made in the farmers' homes.

Bacon.

The increase of our Bacon trade is another indication of the educational work carried on by the Department of Agriculture. In 1871 the exports of bacon amounted to \$1,912,062 ; last year they amounted to \$12,803,034. Of course these figures include the entire produce of the Dominion but in these the exports of Ontario bulk up very largely - perhaps more largely than those of any other Province. Time would fail to show the improvement in cattle and horses and the trade in poultry and eggs, the improvement in farming machinery and the added comforts to the farmers' home—all resulting from a better knowledge of the science of Agriculture and from increased interest in all that pertains to the success of this great industry.

Hospitals and Charities.

On Hospitals and Charities we have expended \$3,338,310.65. This in itself is a marvellous tribute of the generosity of the people of Ontario. There is no city in the Province now without

its Hospital and in the large centres there are several Orphanages, Houses of Refuge and all the necessary provision for the afflicted and the infirm, whether young or old. I know of no other country of the same extent that deals so generously with suffering humanity. I have no doubt that every member of this House will feel whatever his shortcomings as a member of Parliament have been that in this respect it has been a pleasure as well as a privilege to assist in relieving distress and providing for the care of those whose career in life has been overwhelmed with suffering or beclouded with misfortune. Last year we administered relief to no fewer than 41,367 persons in the various institutions to which I have referred.

Administration of Justice.

The total expenditure on the Administration of Justice was \$9,693,662 67, exclusive of capital account. It apparently takes a lot of money to keep the people of Ontario straight. (laughter). Still, justice must be administered and the law enforced for the protection of society. In the Northern districts we have to provide not only for the erection of lock-ups and gaols but also for the maintenance of Police Magistrates and Stipendary Magistrates—expenses which are borne largely in the older Counties by the Municipalities.

General Summary.

By a reference to the Table of Receipts and Expenditures which follows, I think it may be fairly assumed that out of the \$107,000,000 expended since 1867, at least \$90,000,000 were returned to the people in relief of taxation; that is to say, had it not been for the liberality of the Government in providing for railways, in building and maintaining public institutions and in contributing to agriculture, education, the administration of justice and other matters of public utility, the people of Ontario would have had to find, through the medium of the collector of taxes, \$90,000,000 of money of which they have been relieved through the contributions of the Government.

Receipts and Expenditure Since 1867.

RECEIPTS FROM 1ST JULY, 1867, TO 31ST DECEMBER, 1900.

From Dominion Government.....	\$48,827,992 29
-------------------------------	-----------------

Grammar School Lands.....	\$182,805 81	
Common School Lands.....	1,348,246 06	
Clergy Lands.....	1,181,574 55	
Railway Lands.....	39,539 92	
Crown Lands	3,331,046 29	
Sundry receipts	536,720 62	
Rentals.....	538,938 89	
Woods and Forests	26,241,118 40	
Mining Licenses since 1897.....	17,120 55	
<hr/>		
Crown Lands Department returns..	\$33,417,111 09	
Municipal Loan Fund.	2,373,393 30	
Toronto Asylum land.....	\$301,122 61	
New Parliament Building		
land	174,210 04	
Agricultural Hall.	101,250 00	
Mimico and other land		
sales	114,266 21	
<hr/>		690,848 86
Algoma Land Taxes.....	156,583 07	
Fisheries for the years 1899 and 1900.....	66,384 64	
<hr/>		36,704,320 96
Territorial Revenue		
Revenue from Prisons and Asylums.	2,486,999 25	
Revenue from Educational Institutions....	1,462,835 99	
From Underwriters' property burned.....	73,115 10	
From sale of Provincial Statutes.....	48,128 94	
From Ontario Gazette.	288,307 37	
Interest upon investments.....	3,625,382 77	
Annuities sold	2,066,529 27	
Swamp drainage assessments	265,736 50	
Drainage debentures redeemed	1,065,108 42	
<hr/>		11,382,143 61
Earnings and repayments ...		
Liquor Licenses	6,004,774 96	
Law Stamps.....	2,322,744 63	
Succession duties since 1892.....	1,473,020 44	
Charter and Secretarial fees... ..	343,797 96	
Official surplus fees since 1880.....	256,521 28	
Marriage Licenses to 1873.....	214,540 96	
Marriage licenses since 1874.....	75,584 27	
Private Bills	132,067 25	
Fines and Forfeitures	133,714 78	
Insurance Company fees since 1876.....	198,523 16	
Loan Company fees since 1897.....	39,268 80	
Supplementary Revenue Act, 62 & 63 Vic.	446,834 38	
<hr/>		11,641,392 87
Licenses, stamps and fees		

Casual receipts unclassified	252,366 56
	<hr/>
	\$108,808,216 29
	<hr/>

EXPENDITURES FROM 1ST JULY, 1867, TO 31ST DECEMBER, 1900.

Dominion of Canada.....		\$2,826,458 92
Civil Government	6,234,832 47	
Gratuities.....	365,603 13	
Legislation	4,188,633 35	
Statute Consolidation	230,665 73	
Elections and voters' lists since 1874.....	713,460 12	
N. W. Boundary and Arbitrations to 1885.....	76,631 11	
Administration of Justice.....	10,380,741 96	
Scott Act years 1882 to 1890.....	45,445 81	
	<hr/>	
Governmental Services.....		22,236,013 68
Aid to Railways.....	7,000,841 76	
Colonization Roads	3,389,537 81	
Municipal Drainage	1,201,266 54	
Swamp Drainage.....	366,581 44	
River, lake and bridge works.....	1,099,772 61	
National Parks since 1885	80,827 35	
	<hr/>	
Public Works other than buildings..		13,138,827 51
Public Buildings—construction outlay....	9,750,887 99	
Repair and maintenance since 1884 ..	1,212,610 71	
Fire premiums 1872 to 1887.....	136,141 86	
Maintenance of Public Institutions.....	18,593,109 80	
Yearly Grants to Hospitals and Charities..	3,500,080 65	
Miscellaneous Grants	372,080 33	
Loan to Toronto Hospital in 1869.....	4,000 00	
	<hr/>	33,568,911 34
Education.....	18,672,772 31	
Toronto University, fire grant.	160,000 00	
	<hr/>	18,832,772 31
Crown lands surveys, ranging, improve- ments, agencies and compensations....	3,412,343 60	
Crown Lands Refunds.....	578,618 34	
Province of Quebec as interest upon collec- tions of Common School Land Sales, on account.....	250,000 00	
Miscellaneous refunds	95,847 09	
Surplus Distribution to Municipalities under Acts of 1859 and 1873..	3,388,777 47	
Municipalities Fund — Distribution of Clergy Lands under 50 Vic. cap. 5....	930,896 22	

Land Improvement Fund—Distribution of portions of certain Crown Land Sales between 1853 and 1861			624,995 06	
Charges upon revenue				9,281 477 78
Agriculture and Arts.....			4,438,086 27	
Factory Act since 1887.....			64,961 90	
Colonial Exhibition in 1886.....			10,073 29	
Columbian Exhibition in 1893.....			95,492 97	
Immigration.....			1,040,697 29	
				5,649,311 72
Unforeseen and unprovided for.....			291,182 36	
Expenditures unclassified.....			844,764 36	
Annuity repayments.....			1,104,950 00	
				2,240,896 72
Total of Expenditures.....				\$107,774,669 98
Cash on hand 31st December, 1900.....				1,033,546 31
				<u>\$108,808,216 29</u>

New Features of Administration.

It might be interesting to spend a few minutes in considering some of the new features introduced by the Government in the administration of public affairs, since we assumed office in 1872. Honourable gentlemen opposite claim that we have been in power long enough and that it is time for a change. The best proof that the time for change has not yet arrived is that in all of the years in which we have held office the Government has been progressive and advanced, that no public interest has been allowed to suffer because of our neglect. In some cases we have even been in advance of public opinion with regard to the reforms projected. In other instances we have acted when public opinion seemed to have fully ripened for the adoption of the new projects.

New Features of the Agricultural Department Since 1871.

- (1) Agriculture College, Guelph.
- (2) Three Dairy Schools.
- (3) Farmers' Institutes.
- (4) Cheese Factories.
- (5) Creameries.
- (6) Fruit Growers' Association and Fruit Stations.
- (7) Entomological Society.

- (8) Beekeepers' Association.
- (9) Travelling Dairies.
- (10) Cattle, Sheep and Swine Breeders' Association.
- (11) Winter Show at Guelph.
- (12) Cold Storage.
- (13) Good Roads.
- (14) Literature and Bulletins.

By looking over the above list it will be seen at a glance how progressive the Agricultural Department has been. Although the Agricultural College was really projected by the Sandfield-MacDonald Administration, its establishment and development may be fairly credited to the Liberal party. The various Societies above mentioned receive as a contribution for promoting their efficiency, an annual grant of \$22,000. In addition to the work done by these Societies the Agricultural Department sent out in 1900, 196,000 Reports covering all the work done by organizations aided by the Government and an edition of 132,000 Bulletins dealing with the question of good roads, cold storage, insect pests and other topics interesting to the agricultural classes. As a proof that the people of Ontario have reached a high degree of advancement in agriculture we have the fact that at the World's Fair at Chicago, at the World's Fair at Paris last year, and at other exhibitions where the skill of the agriculturalists of Ontario entered into competition with the agriculturalists of other countries, our Province maintained a very high standing. Need I ask the leader of the Opposition if in all that long list of new features entered upon by the Department of Agriculture there is one for which he can claim credit? Is it not the fact that in every instance they originated on the Government side of the House?

New Features in Education.

Briefly these are as follows :—

- (1) Normal College.
- (2) Art Schools.
- (3) Two new Normal Schools.
- (4) Inspection of Separate Schools.
- (5) Literary Societies.
- (6) Historical Societies.
- (7) Kindergarten Schools.

- (8) Model Schools.
- (9) Free Libraries.
- (10) Technical Education.
- (11) School of Practical Science.
- (12) Chair of Political Economy in the University.
- (13) Admission of Women to the University.
- (14) Federation of the University with Victoria College.
- (15) College of Domestic Science.

The Laboring Classes.

The interests of the laboring classes have not been overlooked as the following important measures have been adopted :—

- (1) Bureau of labor.
- (2) Bureau of Statistics.
- (3) Inspection of Factories, Bake-shops, etc.

But in addition to these we have passed measures distinctly affecting the laboring classes, some for their protection against arbitrary capitalists, others for giving them compensation in the case of accidents. Laborers in our factories, in our bake-shops, laborers on our railways, and young women in stores, have all shared such protection as it was possible for the Government to give them by legislation.

Crown Lands Department.

In the Crown Lands Department the following important measures have received the approval of the Government and many of them have been in operation for several years :—

- (1) The system of fire ranging for the protection of our forests.
- (2) Forest Reserves for protecting the pine lands from waste.
- (3) The Department of Forestry.
- (4) Public Parks.
- (5) The manufacture of saw-logs in the Province.
- (6) The prevention of the export of hemlock.
- (7) The prevention of the export of pulp wood.
- (8) The Bureau of Mines.
- (9) The system of Mining Roads.

As our pine lands are one of our most valuable assets, the Government attaches the greatest importance to the preservation of our white pine, particularly from destruction by fire, or from waste by our lumbermen. In some cases the forest reserve consists of land that has once been cut over and that if properly

supervised would, in the course of a few years, be re-forested, and thus become very valuable. In the neighborhood of Lake Temagimi we have set apart some 1,400,000 acres of virgin pine and in the northern part of some of our eastern counties we have withdrawn from timber License about 45,000 acres of land, which, in the course of a few years, will be perhaps as valuable as it was before the lumbermen first entered upon it. The estimate of the Bureau of Forestry at Washington, is that an acre of pine increases in value at the rate of fifty cents per annum. At that rate our forest reserve at Lake Temagimi will increase in value \$5,000,000 every ten years. For Park purposes we have set apart the Algonquin Park, containing 1,090,000 acres; Rondeau Park, containing 5,000 acres, and the Victoria Park at Niagara Falls.

Measures for Public Health and Morality

With a view to protect the public health, we established a Provincial Board of Health, which we found invaluable in dealing with typhoid fever, the outbreak of smallpox and other epidemic diseases. We believe the establishment of that Board of Health has saved many valuable lives by improving the sanitary condition of towns and cities, as well as rural districts. For the protection of public morals, we have established a Provincial Detective Service in connection with the Attorney-General's Department and also Frontier Police at Niagara Falls and Windsor.

Measures for Protecting Public Finances.

- (1) The appointment of a Provincial Auditor to supervise the accounts of the Treasury Department.
- (2) The appointment of a Municipal Auditor.
- (3) The audit of Insurance and Loan Companies' books.
- (4) The audit of Division Court Clerks' books.
- (5) The audit of Legal offices.
- (6) The audit of Registry offices.

I need not dwell upon the value of the foregoing to the people of the Province as a whole or to those who have particularly to do with the various offices above mentioned. Reports show that about a quarter of a million of money was lost through the defalcation of municipal treasurers. Last year the Municipal Auditor reports that there have been no losses and that transac-

tions only to the extent of about \$6,000 have been in question. These losses were not always due to dishonesty. Bad bookkeeping is sometimes as serious a matter as the bad intentions of the officer concerned.

New Features of the Department of Justice.

(1) In the Department of Justice the Judicature Act has been passed, which has greatly cheapened and simplified the proceedings in our Courts.

Then we have introduced the following additional measures :

- (2) The Land Titles office, introducing the Torrens' system.
- (3) The appointment of a Drainage Referee which greatly reduces the cost of litigation.
- (4) Shorthand reporters to the Courts.
- (5) County Law Libraries for Judges.
- (6) A weekly Court at London and Ottawa to facilitate procedure in the High Court.

New Features With Regard to Charities.

(1) We have established a department for the care of neglected and dependent children and have found shelter and homes for 1318 children between the ages of two and twelve years during the last four years.

(2) We have contributed to the establishment of Houses of Refuge, 19 of which have been established, which furnished shelter last year to 1500 aged men and women.

These are the tangible and concrete features of our administration. Behind it all there is a great body of legislation which any Honourable gentleman can examine for himself by referring to the Consolidated Statutes. There is no field which the Legislature can legitimately enter, nor is there any Measure affecting the municipality or the individual or the great corporations of the Province with which we have power to deal that has not received consideration.

The Work of Last Year.

Last Session the Legislature placed \$40,000 at our disposal for the exploration of New Ontario. In order to fulfil our promise made when the money was granted, ten exploring parties were sent out, to each of which was assigned 100 miles square. The report of their work will be laid upon the Table of the

House in the course of a few days. Referring to the agricultural resources of the country, Mr. Niven thus speaks of the land.

“ We find in the district of Algoma north of the height of land a tract of fine agricultural country, covering an area as great as the twenty-three western counties of Old Ontario, being all that west of a line drawn north from Niagara and passing through Toronto to Midland. This almost unbroken section of good farming land is as great in extent as the States of Delaware, Connecticut and Massachusetts combined, as large as New Hampshire and New Jersey together, and over one-third the size of the State of New York. Our explorers have found an area of good agricultural land as large as the half of Old Ontario, which they say in their report is capable of sustaining a population in the neighborhood of one million souls.”

Extent of Agricultural Lands.

What is the extent of the agricultural land in acres? In the Nipissing district there are 1,920,000 acres of agricultural land, beyond the height of land, and an equal area on this side. In Algoma there are 11,200,000 acres; in Thunder Bay 2,500,000 acres, in Rainy River 384,000 not including the Rainy River valley, which contains about 750,000 acres; or in all 16,064,000 acres, or more than the whole area of Ontario last year under crop.

What do they find in pine? In Nipissing there are 3,000,000,000 feet of standing pine, board measure, which at \$3 per thousand is worth \$9,000,000. That is rather a nice preserve. I hope our lumbering friends will not turn their longing eyes in that direction for some time to come.

Of pulp wood the surveyors report in all 288,000,000 cords, which if made into pulp to-morrow at 40c. a cord would be worth \$115,200,000. In Nipissing there are 20,000,000 cords, in Algoma 100,000,000 cords, in Thunder Bay 150,000,000 cords and in Rainy River 18,000,000 cords, a total of 288,000,000 cords.

Mining Development.

Last year we aided in the development of our mining industry. Dr. Mond, the well-known metallurgist, is spending \$800,000.

The Canadian Copper Company added to the capital account \$250,000. Smelting works have been opened at Midland and I had the pleasure with some of the hon. gentlemen of seeing the first run. The Hamilton works have been very active, and the Deseronto works more active than ever, and before the year closes there will probably be an additional smelting works at Collingwood. We have not retarded the mining industry. Our policy has aided it in Ontario. I believe the centre of gravity of the whole mining industry of the world will be transferred to this continent in a very short time. The United States provides more iron and steel now than Great Britain, and in a large iron works in Glasgow the steel manufactured from American ore is being made into manufactured goods instead of using steel from the native ore or from their own pig iron. And if the mining wealth of this country is as great as it appears to be, when the centre of gravity is finally adjusted, those who live may possibly find it on the northern side of the boundry between Canada and the United States (cheers). The indications are that way. We thought the nickel industry was confined to Sudbury. Now there is very good nickel in the valley of the Magnetawan, and if not more valuable mines they are perhaps as good.

If we can turn the tide of immigration, and the only way we can turn it is by turning the attention of the miners and capitalists of the Old Country and the United States to the mineral wealth in the northern districts, cities and towns will spring up in what are now our forests and there would be a great demand on the market of older Ontario. Mr. Clergue stated at the recent banquet at the Sault that he bought last year \$1,000,000 of goods in Ontario alone, for the laborers and those connected with his great enterprises.

Beet Root Sugar.

What are our schemes for the present year? A Bill was brought down to-day by the Minister of Agriculture, for the encouragement of the beet sugar industry. (Government applause.) I hope it will meet with favor. The reason for its introduction and the advantages to the country, which it is believed will result from it, can be fully discussed on the second reading of the Bill. Before the session closes we hope to bring down a measure for the improvement of our highways. An

expenditure of \$1,000,000, covering a period of ten years, is proposed in that direction. I will not foreshadow what our programme will be. I will just indicate measures which may be a charge upon the revenue. I am in hopes that we may find some way of bringing down a measure to assist in the abolition of toll roads. (Applause.) I think a moderate encouragement to township and county councils would bring about the desired end. We have almost free markets, I would like if we had free highways. Industry must not be hampered. Farmers must not be obstructed on their way from the farms to the markets. There must be freedom of intercourse between all parts of this country and if we can devise some measure for the abolition of toll roads we shall bring it down in time to receive the consideration of the House. (Government applause.)

Dressed Beef.

We also hope to bring down a measure for the encouragement of trade in dressed beef, not for the simple purpose of finding a market for our surplus beef, but to offer encouragement to our farmers to raise that kind of cattle most marketable and which will bring them the largest profit. That is the purpose it will serve. They do not raise the cattle they should raise, and they can raise the best. If we had a market at Toronto, or some other centre in Ontario, for one or two thousand bullocks per week they would raise them and thereby win a most profitable market. The exportation of cattle to Great Britain is costly as to transportation and not so profitable as raising cattle for dressed beef. We should also get the offal in this country which is of considerable value and would give employment to the people of this country. We know as a matter of fact that Chicago men supply many of our hotels with beef from the Armours and Swifts. I do not say that we should outrun them or divide the market with them at once, but we can produce dressed meat as good as the best from Chicago. (Applause).

Remounts.

I hope also to get the support of the House in addressing a petition to the Imperial Government to establish a remount station in Ontario for the purpose of raising horses for the British service, a

very valuable industry. Horses are as easily raised as cattle, and a memorial addressed to the Imperial Government would doubtless have some effect. That is the best we can do in this direction. I had hoped that the Minister of Agriculture would have secured the abolition of that obnoxious test on cattle going into the United States, for tuberculosis. It is hurtful to the cattle and the trade of the country. If it cannot be brought about at an early date, we will have a memorial on that point. Ontario is large enough to make itself felt. If the Dominion Government have the power, let them use it; that is what we will say to them. We also hope that the quarantine on cattle going to England may be removed. There is no more tuberculosis among our cattle, at least not enough perhaps to warrant the British Government in insisting on quarantine. Then we have the proposed expenditures for technical education, which I have dealt with to some extent. We may be able also to deal with the University question. It is a large question, involving the expenditure of money and careful thought.

Railway Control in New Ontario.

The only subject of importance now remaining to be considered is the opening up of agricultural lands to the west of Lake Tamiscamingue. Some years ago several railway charters were approved by this House for the opening up of this territory, but so far nothing has been done. Some of these charters carry subsidies in money and in land. The question which we are now required to consider is, whether the system of subsidizing railways should prevail, or is there any other way whereby the Government can retain its control of railway freights without undertaking any greater burdens than our finances would warrant? The construction of a railway into this country would cost us from \$15,000 to \$17,000 per mile, or in the neighborhood of \$1,750,000. In the case of a few railways more recently subsidized the Government has retained control over rates for settlers and settlers' effects, but this in my opinion is not sufficient in the present case. Looking at the map of the Tamiscamingue country it is evident from its geographical position that unless some effort is made to connect it with the railway system of Ontario, its entire trade will be diverted towards Montreal. The Canadian Pacific has

already constructed a branch on the east side of the Ottawa River as far as Kippewa. From that point during summer transportation is easy by water ; in winter settlers are obliged to find their way across country a distance of at least 80 miles in order to reach the railway and in that way make their connections either with Toronto or eastern cities. It is necessary, therefore, that some means shall be adopted for the construction of a railway from North Bay to Temiscamingue, a distance of 106 miles. Shall we subsidize that road, or would it be wiser—and I am not speaking in a political sense—to ascertain immediately the cost of constructing such a road and afterwards build it ourselves, and while retaining entire control over transportation rates, lease it to the Grand Trunk in order to establish permanent connection with the trade centres of the old Province? It is possible that we could lease it for the interest on the cost of construction. If not immediately, at all events the trade would in a short time be sufficient to warrant us in expecting this. The advantage to the people of Ontario would be that they would have the markets of that new country. We have already by the Rainy River Railway the markets as far as the mouth of the Rainy River. We cannot and should not let the markets of Northern Ontario get out of our hands. The supplies of every description required by the settlers, and they are considerable, must come from Ontario by such a road or they will certainly enter that country by way of the Canadian Pacific in direct connection with Montreal and eastern cities. Do not let it be supposed that I have any objection to trade either with Ottawa or with Montreal *per se* : in building up these cities we are building up the Dominion ; but where our money is invested it is of the utmost importance that we should so arrange our railway system as to secure to ourselves the full benefit of such investments. It is of the utmost importance that the great commercial centres of Ontario should not be cut off from the advantages which, now more than ever, we believe, can be reaped from the development of our great North Land. If the pine of that country and the pulp should find their way to the markets on Ontario Railways, the sons of Ontario should have facilities on Ontario Railways to enter this land. The effect upon all our industries,

our factories, our packing houses, and every form of trade, wholesale as well as retail, would be felt at once, and in building up this trade in the older parts of Ontario, we are only to a certain extent, compensating ourselves for these expenditures. I think this House should have the courage to take up this enterprise. The pine alone is worth five times the cost of the road if it were sold to-morrow. Do not let me be understood as committing myself to the principle of ownership of railways; I do not think there is anything objectionable in the principle where it is practicable, and if the road were extended to James' Bay, a further distance of about two hundred and forty miles, then we would have a great highway to a northern seaport the advantages of which we are unable yet to realize, but what is equally important we would have a highway into the Saskatchewan Valley and the great prairies lying between the Hudson Bay and the Rocky Mountains on the west. If it be true, as is alleged by some, that the shortest way to the Klondike is through the Hudson Bay then our line would command the commerce of that country, bye and bye. My note to the people of Ontario is to see that this great patrimony does not pass out of their hands. We are standing at the very gateway of that country, with its vast but undeveloped resources. We should remove every obstacle in the way of trade that is ours naturally and no corporation or other railway interested should be allowed to intercept by discriminating rates or excessive charges, the benefits which would accrue to us if we retained the control which such a railway would give us.

Conclusion.

Mr. Speaker, I have endeavored without feeling or exaggeration to present the resume of our financial condition since Confederation. Whether this House will regard it from a business or political aspect, I think the record of the Government in both respects entitles it to the confidence of the country. The more our political institutions are understood and the more the financial affairs of the country are laid open to the understanding and investigation of the whole people, the more confidence those in whose behalf we administer the affairs of this country, will have in that form of Government which

under the British Constitution has been worked out in this Dominion, so far with such success. All I can say is that if the country continues its confidence in us as a Government our only hope and desire is that we shall be worthy of that confidence, and that none of the resources of the Province committed to our care shall be wasted or its future imperiled either by parsimony on the one hand or by extravagance on the other. (Loud Applause.)

ASSETS AND LIABILITIES OF THE PROVINCE OF ONTARIO,
DECEMBER 31st, 1900.

ASSETS.

1.—DIRECT INVESTMENTS :—

Drainage debentures	91,585 41	
Tile debenture coupons	106,240 03	
Municipal drainage assessments	27,845 66	
Sault Ste. Marie debentures	25,572 50	
		251,243 60

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	
		\$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, divis-
ible as between the Provinces
in ratio of last decennial
census 2,543,216 27

Upon basis of 1891 census, Ontario's share being	1,492,475 84	6,250,610 99
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3.—BANK BALANCES :—

Current Accounts	209,147 54	
Special Accounts	824,398 77	
		1,033,546 31
		\$7,535,400 90

*On the basis fixed by the Royal Commission with respect to the Assets and Liabilities of the Province, adjusted to 31st December, 1900.

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, as finally adjusted		\$1,815,848 89
2.—RAILWAY CERTIFICATES—PRESENT VALUE.	1,274,847 96	
ANNUITIES “ “	1,860,222 10	
		3,135,070 06
3.—Common School Fund Collections by Ontario, from 1st January, 1900, payable to the Dominion, in trust for both Provinces.	9,706 91	
Less Ontario's share upon basis of last census	5,696 45	
		4,010 46
Total		4,954,929 41
Surplus of Assets after deducting Liabilities		\$2,580,471 49

RECEIPTS AND EXPENDITURE, 1900.

RECEIPTS.

	\$	c.	\$	c.
Balance in Banks Jan. 1st, 1900, Current				
account...	374,796	62		
Special “ ...	461,398	77		
			836,195	39
Subsidy	1,116,872	80		
Specific grant	80,000	00		
			1,196,872	80
Interest on Capital held, and Debts due by the Dominion to Ontario...	\$242,414	48		
Interest on Investments	39,509	14		
			281,923	62
Crown Lands Department:—				
Crown Lands	\$68,861	43		
Rent <i>re</i> Crown Lands	69,714	41		
Railway Lands	152	10		
Clergy Lands.	4,271	30		
Common School Lands	13,512	45		
Grammar School Lands	2,407	45		
University Lands	2,708	14		
Woods and Forests	1,276,376	48		
Mining Licenses	6,800	55		
Assay fees	1,496	40		

Miscellaneous	1,649 07	
		1,447,949 78
Algoma Taxes		2,596 09
Law Stamps		55,410 27
Licenses		354,045 30
Education Department		53,208 23
Secretary's Department		76,889 96
Fisheries Department		35,443 85
Supplementary Revenue Act (62 and 63 Vic.)		229,774 44
Succession Duties		226,676 51

Public Institutions Revenue :—

Toronto Lunatic Asylum	40,018 00	
Mimico "	4,982 78	
London "	13,315 33	
Hamilton "	12,029 14	
Kingston "	4,022 80	
Brockville "	4,453 48	
Orillia "	3,130 03	
Reformatory for Females	1,990 66	
" Boys	387 00	
Blind Institute	549 36	
Deaf and Dumb Institute	325 00	
		85,203 58

Casual Revenue :—

Fines, etc.	5,295 08	
Insurance Companies' Fees	19,926 22	
Loan Companies—fees	8,325 00	
Public Officers' Surplus Fees	16,830 53	
Fees—Local Masters of Titles	4,533 20	
Shooting Licenses	10,997 32	
Circus Licenses	2,840 65	
Official Gazette	10,555 90	
Private Bills	7,327 36	
Statutes, etc	981 33	
County of York Land Titles' Office Expenditure	1,105 98	
City of Toronto Land Titles' Office Expenditure	1,022 96	
Refunds	202 09	
Incidentals	2 80	
Removal of Patients to Asylums ..	4,294 96	
Chinese Immigrants' tax	4,137 50	
Escheated Estates	7,694 09	
		106,072 97
Drainage Works Assessment		6,541 01

4,158,608 41

HON. G. W. ROSS.

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Drainage Debentures	24,042 13	
“ (Tile)	9,781 79	
Public Buildings Cap. Account (Refunds) ...	507 85	
Total Receipts		4,192,940 18
Stationery Account, Excess of Distribution over Purchase		8,140 11
		<u>5,037,275 68</u>

EXPENDITURE.

	\$	c.	\$	c.
Civil Government	265,347	53		
Legislation	142,773	45		
Administration of Justice	427,854	72		
Education	758,466	26		
Public Institutions Maintenance	828,201	34		
Immigration	6,257	46		
Agriculture	209,168	66		
Hospitals and Charities	184,898	52		
Repairs and Maintenance	89,040	34		
Public Buildings	163,631	10		
Public Works	25,944	01		
Colonization Roads	133,926	10		
Mining Roads	9,919	41		
Charges Crown Lands	162,861	27		
Refunds	105,860	54		
Miscellaneous	234,008	70		
	<u>3,748,159</u>	<u>41</u>		
Drainage Debentures Purchased	3,395	67		
“ “ (Tile) do	2,600	00		
Railway Aid Certificates	139,869	50		
Annuity “	102,900	00		
Common School Lands	6,804	79		
	<u>4,003,729</u>	<u>37</u>		
Total Expenditure				
Balance in Banks Dec. 31st, 1900:				
Current Account	209,147	54		
Special “	824,398	77		
	<u>1,033,546</u>	<u>31</u>		
				<u>5,037,275 68</u>

C. H. SPROULE,

Provincial Auditor.

ESTIMATED RECEIPTS, 1901, INCLUDING CASH BALANCES ON
HAND 31st DECEMBER, 1900.

Subsidy	\$1,196,872 80
Interest on capital held, and debts due by the Dominion to Ontario	\$240,000 00
Interest on Investments	50,000 00
	<hr/> 290,000 00

CROWN LANDS DEPARTMENT :—

Crown Lands	\$150,000 00
Clergy Lands	4,000 00
Common School Lands	13,000 00
Grammar School Lands	3,000 00
Woods and Forests	850,000 00
	<hr/> 1,020,000 00

PUBLIC INSTITUTIONS :—

Toronto Lunatic Asylum	\$40,000 00
London “	13,000 00
Kingston “	4,000 00
Hamilton “	12,000 00
Mimico “	5,000 00
Brockville “	4,500 00
Orillia “	3,500 00
Reformatory for Females	2,000 00
“ Boys	500 00
	<hr/> 84,500 00

Education Department	55,000 00
Provincial Secretary's Department	75,000 00
Casual Revenue	110,000 00
Succession Duties	250,000 00
Supplementary Revenue Tax (62 and 63 Vic.)	230,000 00
Tavern and Brewers' Licenses	375,000 00
Law Stamps	60,000 00
Algoma Taxes	2,500 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	3,795,872 80
Cash Balances 31st December, 1900	1,033,546 31
	<hr/>
Total	\$4,829,419 11

ESTIMATED EXPENDITURE, 1901.

Civil Government.....	\$280,870 00
Legislation.....	132,700 00
Administration of Justice.....	454,699 72
Education.....	775,122 06
Public Institutions Maintenance.....	839,256 00
Immigration.....	4,825 00
Agriculture.....	202,842 00
Hospitals and Charities.....	192,531 83
Repairs and Maintenance.....	86,945 00
Public Buildings.....	240,623 00
Public Works	48,600 00
Colonization Roads.....	119,325 00
Charges Crown Lands.....	157,575 00
Refunds.....	23,422 92
Miscellaneous.....	223,069 25
	<hr/>
	\$3,782,406 78

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>Frd.</i>	1,274,417 23	2,058,000 00
1901	87,044 49	102,900 00	1921	62,003 92	102,900 00
1902	70,886 89	102,900 00	1922	62,003 92	102,900 00
1903	62,419 21	102,900 00	1923	62,003 92	102,900 00
1904	62,003 92	102,900 00	1924	62,003 92	96,200 00
1905	62,003 92	102,900 00	1925	62,003 92	82,500 00
1906	62,003 92	102,900 00	1926	62,003 92	69,350 00
1907	62,003 92	102,900 00	1927	62,003 92	56,950 00
1908	62,003 92	102,900 00	1928	62,003 92	50,700 00
1909	62,003 92	102,900 00	1929	62,003 92	50,700 00
1910	62,003 92	102,900 00	1930	61,304 32	50,700 00
1911	62,003 92	102,900 00	1931	57,806 32	43,700 00
1912	62,003 92	102,900 00	1932	50,810 32	32,700 00
1913	62,003 92	102,900 00	1933	48,011 92	28,700 00
1914	62,003 92	102,900 00	1934	45,913 12	28,700 00
1915	62,003 92	102,900 00	1935	34,019 92	24,700 00
1916	62,003 90	102,900 00	1936	27,981 39	16,700 00
1917	62,003 92	102,900 00	1937	17,351 18	9,200 00
1918	62,003 92	102,900 00	1938	13,853 18	2,850 00
1919	62,003 92	102,900 00	1939	9,013 73
1920	62,003 92	102,900 00	1940	5,130 40
<i>Frd.</i>	1,274,417 23	2,058,000 00	<i>Totl</i>	2,203,648 31	3,011,050 00

NOTE.—Present value of Railway Certificates (interest $1\frac{3}{4}$ p. c. half yearly), \$1,274,847.96.
do Annuities do $1\frac{3}{4}$ do 1,860,222.10.

C. H. SPROULE,
Provincial Auditor.

