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sidered, and additional expense must be incurred. The total vote for the current year was \$134,100. He had now gone through the estimates; and in his endeavour to call the attention of the House to particular items, it was more with a view to direct their attention thereto than with a view to throw light thereon. His aim in drawing up the estimates and placing them and the comparisons he had before the country was with a view simply to place before the country a true and correct state of the facts of the case, nothing being concealed, and the whole truth being given with regard to every statement, whether it had been successful or not. He might say that he had never seen such complete information with regard to even the smallest item of expenditure placed before the country, and he would never have done it if he had not felt that it was these details which made up the great aggregate.

Mr. FERRIER called the attention of the hon. Treasurer to the fact that he had omitted any reference to the miscellaneous Land Improvement and Municipalities Fund estimates.

Hon. Mr. WOOD said with regard to the first item in the miscellaneous estimates—a sum of \$1,097 46 to reimburse John McLay for costs incurred by him *in re* Hammond—they were incurred in contesting certain questions which he did not think the House would refuse to reimburse Mr. McLay for. He was sorry that the vote of \$1,000 towards defraying the expenses of the Volunteers attending the Wimbledon Rifle Match was not larger. The vote of \$500 in aid of the Ontario Rifle Association would be agreed to, while the aid proposed to be given to the Ottawa and Saguenay sufferers needed no remark. The item for expenses of arbitration—\$1,500—was for assistance in making up returns, &c. He would make this further remark in reference to the arbitration: that in a matter requiring such protracted investigation, it appeared to him that there had been no undue expenditure. The amount involved was large, and involved grave consequences. The arbitrator for Ontario was paid, and the services of the Dominion arbitrator had also been paid, but Ontario would have a claim against Quebec for part of the expenses of the third arbitrator, and the Lower Province would of course have to pay its own arbitrator. With regard to the Municipalities Fund, the matter need not appear in the estimates at all, but he thought it better that all sums which had to be paid by the Government should come before the House. In the case of Land Improvements, the sum asked for was \$290,386, which would be distributed in the manner indicated. He did not think that there was anything else to which he need refer. The general position that the Province occupied was that there had been paid away—the Government not having in fact conducted the government in that parsimonious way in which they were sometimes charged with conducting it—nearly five millions of dollars, nearly a million of which had been expended on capital account; and while all that had been done, the Government had laid aside a considerable sum of money. The investments showed that in 1868, the sum of \$850,000 was invested, in

1869 the sum of.....	\$ 705,471 68
do. Special deposits.....	687,194 06
1870, do., do.....	852,980 25

Making a total of.... \$3,095,645 99

The Special Funds bearing interest, and which might be considered as surplus, were as follows:—

U.C. Grammar School Fund...	\$ 312,769 04
U.C. Building Fund, say.....	1,650,000 00
Part of Common School Fund,	
say.....	1,000 000 00
City of Hamilton Debentures...	80 000 00
Do Arrears of interest ...	40,000 00

\$3,082,769 04

Making a total at the end of the year of..... \$3,178,415 03

In addition to this there was deposited on 15th January, 1871..... \$ 500,000 00
And the Premiums on Stock and Debentures held by the Government amounting to... 70,000 00

Making..... \$570,000 00

gave a grand surplus amounting to not less than \$6,748,415. (Hear, hear) The question of course arose as to what should be done with this large surplus? Some no doubt would think, and perhaps wisely, that a large portion of the fund should be permanently invested, which would give, as he had stated in his former financial speech, with other revenues which were not fluctuating, at least two millions of dollars

annually for the public services of the country. He contended that on that sum all the needful services of the country could be performed, and \$500,000 expended annually on capital account for public works. Some hon. gentlemen claimed that a large portion of this surplus should be distributed for gravel roads, &c. He (Mr. Wood) on the contrary thought it should remain an invested fund, so that either by it the annual income might be increased, or a portion of the debt to the Dominion might be paid off; because in doing so they would be providing against the gradual increase in expenditure, which would necessarily be consequent on an increase in population, and as the wants of the country progressed. He was not at all afraid that the proposed Government aid to railways might not be given without entrenching at all upon the \$6,000,000 surplus to which he had adverted if it was properly managed with economy. He took the responsibility of saying that the whole encouragement proposed to be given to railways could be given with a proper investment of the surplus without entrenching one dollar upon its capital. (Hear.) With these observations, he begged to move that the hon. Speaker do leave the chair.

Mr. BLAKE wished to offer one or two remarks before the House went into committee. He regretted that the hon. Treasurer had not pointed out at greater length the present position of this province with the Dominion, and its position with reference to the public debt. In order to have been made acquainted with this information it was necessary that they should have heard from the hon. gentleman what was the present state of these special funds, and the proportion of public debt which the Province was called upon to pay, and that they should know how that important branch stood in his estimation. There was another subject on which he thought more information might reasonably have been vouchsafed to the House—he referred to that portion of the estimates respecting the increased sums proposed to be expended in public works. But the hon. gentleman had been content with giving the House the bare figures. This would no doubt have been interesting if they had not already read it, but as it was, the explanation was not very novel and did not add very much to the stock of information already in possession of the House. (Hear, hear and laughter) As the hon. gentleman had observed a degree of reticence with regard to this proposed expenditure, he (Mr. Blake) did not intend to discuss it at length, though he thought it would have been well if the hon. Treasurer had entered upon some explanation with regard to the subject. With regard to the pleasant contrast presented by the hon. gentleman as to the over-drafts and under-drafts, the Government had urged upon the House each session their claim to its praise, on account of this non-expenditure of money granted to them for public works, but he was unable to discern any just ground for laudation. It seemed rather an evidence of mismanagement and miscalculation.

Atty. Gen. MACDONALD—It is not as though we were imposing the taxes.

Mr. BLAKE asked if the hon. Attorney-General really thought this made any difference. It was quite true that the Government did not levy the taxes, but it was none the less true that the taxes had to be levied. They were all aware that the taxes were levied at Ottawa.

Atty. Gen. MACDONALD—What has that got to do with it?

Mr. BLAKE said that they all knew that the money came out of the pockets of the ratepayers; and this attempt on the part of the Government of the Province was just as improper as it would be if the people proposed to levy additional taxation. The hon. Treasurer had prepared a comparison of the year's estimates, and had prided himself on it. He (Mr. Blake) had taken up one of the items introduced into the comparison, in order to test it. He referred to the item well-known among economists as "contingencies." This item he found set down at \$21,883, in the expenditure for 1869, and estimated at \$15,541 for the current year. He felt somewhat amazed at the statement, and felt satisfied that this could not be so. On examination, he found that the statement was deliberately cooked, the contingencies for 1870 not including those of the Education office, which were included in those for the previous year with which the comparison was made. The total of the department's contingencies in 1870 was \$15,541, while the same items in 1869 amounted to \$42,539 being in point of fact \$27,000 less than it was last year. And yet this was this precious comparative statement.

Mr. WOOD said this matter was pointed out by himself in his financial speech.

Mr. BLAKE—Where?

Mr. WOOD—In my financial speech.

Mr. BLAKE—Why the hon. gentleman has scarcely finished his financial speech, and has not mentioned it.

Mr. WOOD—Does the hon. gentleman mean to say to say that I did not say that the educational contingencies were included in the calculation for one year and not in the other?

Mr. BLAKE—I mean to say, sir, that I never heard the hon. gentleman make any such statement, and I mean to say that he never made any such statement in my presence, and, so far as I am aware, not at all. With regard to the comparative statement, if the hon. gentleman had honestly included the educational contingencies in both years—

Mr. WOOD—Order.

Mr. BLAKE—Yes; if the hon. gentleman had honestly included the educational contingencies in both calculations the result would have been that the expenditure for 1870 would have been \$26,449, as against \$21,883 for 1869. (Hear.) Seeing the manner in which this item was cooked, he (Mr. Blake) did not consider it worth his while to waste his time considering such figures as were submitted in that comparative statement. The hon. Treasurer said that they ought to compare the estimates with the amounts expended; but he thought that the House ought rather to take the sums voted for a comparison. He agreed with the hon. gentleman's definition of the purposes of the unforeseen and unprovided fund, but he regretted that the hon. gentleman had not thought it right to carry them out. The fact was that instead of being able to confine himself within the limits of the 20,000 for unforeseen expenses to provide for over-drafts, he had been obliged to spend nearly \$50,000 in excess of what was voted, of which only \$8,000 came out of the unforeseen fund. It appeared that because the hon. Treasurer could not put it altogether to unforeseen expenses he made some fantastical distinctions, which, however, he did not think it right to make till about the end of October, when probably he found that if all the over-drafts were charged against this fund the fund itself would be overdrawn to the extent of some \$40,000. (Hear.) The fact was this—the unforeseen fund was a mere farce in the present way in which it was managed. He observed an increase in the expenditure of the Governor's House. So the country was not only put to a large expense to construct this building, but was obliged to pay large sums annually for maintaining it. In fact, the annual expenditures in connection with the Governor's house amounted to half as much as the united salaries of the Government. In the Model and Normal School, he noticed there was also an increase. The House was also entitled to some explanation respecting the proposed Technical School. There was the item, but no explanation accompanied it. In some of these particulars, it seemed to him more detailed explanations might have been given to the House. He noticed that there was nothing said respecting the great surplus policy of the Government, in brewing which they had been so long engaged. It seemed to him that they were like the man with the elephant—they had got it and did not know what to do with it.

Hon. Mr. WOOD made some explanations in reply to Mr. Blake's charge that the education contingencies had been cooked.

The House then went into Committee of Supply—Mr. Rykert in the chair.

On the item \$3 987, for the maintenance of the Government House,

Mr. BOYD objected to the increase of the items for gas and fuel.

Hon. Mr. WOOD said the amounts asked for—\$800 for gas, and \$1,300 for fuel were required to supply the Lieutenant-Governor's salary.

Mr. BLAKE said the increase was only what was to be expected when a house so unsuited to the salary of the Lieutenant-Governor was built at the expense of the country.

Mr. FERGUSON defended the item.

Mr. BOYD asked for explanations respecting the expenditure of \$200 for planting.

Hon. Mr. CARLING said that every care had been taken to keep down the expense while improving the grounds. The estimates for water and fuel had been based on the consumption of the past six months. The Government House was full value for the money that had been expended on it.