

appropriations, expenditure, revenue, surplus, and expenditure on the capital account for each of these years. The surplus for each year from 1866 to the present time were as follows:—1868, \$1,076,323; 1869, \$1,180,510; 1870, \$920,023; 1871, \$516,312; 1872, \$1,212,791; 1873, \$591,303. With regard to the last statement, he had not included the cash in hand, but had merely taken the actual revenue without reference to the cash in hand, which properly represented the receipts of the preceding year. The return showed how much had been invested each of these years in permanent improvements, or, in other words, expended on capital account. The total amount for these six years for this purpose was \$2,040,113. Last year they expended on capital account \$554,359, while the similar expenditure for the two preceding years was, 1871, \$430,620; 1872, \$266,764. When his predecessor, Mr. Alexander Mackenzie, made his financial statement in the year 1872, he had a tabular statement prepared which would be found annexed to that statement, and from which it would appear that the amount expended up to that time, including the amount of the appropriations for 1872 on capital account, was \$1,569,221. The amount expended under this head, together with the amount expended during 1873, made a gross total of upwards of \$2,000,000. Then to proceed to his fourth head: he would call the attention of hon. members to what could fairly be considered the financial position of the Province as it was on 1st January, 1874. They had the following assets or resources:—Firstly, invested funds in Dominion securities, \$2,747,805; deposits at interest in banking institutions, \$1,646,729; invested in drainage debentures, \$53,949; cash in hand, \$277,948; making in this shape of investment, \$456,431. In addition to that there was the reduced Municipal Loan Fund. He might give the total debt as it appeared in the reduced schedules, the gross amount of which was \$1,830,132. From that had to be deducted the amount allowed to the four municipalities, Lanark, Renfrew, Elizabeth Town, and Brockville, by the Canada Central Railway agreement, namely, \$556,292. The nominal indebtedness to the municipalities was, \$1,273,840; and if fifteen per cent. were taken off in order to arrive at what might be approximately the true value of the change, the result would be \$1,082,764. They had resources equivalent to cash of \$5,819,196. The benefit they were entitled to in the premium on Dominion stock and Canada debentures, would bring up the value of their securities to a quarter of a million of dollars, and this would make the gross total \$6,059,196. Against that amount there were certain payments to be made, either directly or in respect of certain funds which had been established. The first fund was the Railway Aid Fund, of which there was a balance unpaid amounting to \$1,100,572. The balance due on the Railway Subsidy Fund, 1872-3, was \$1,300,572. Then there was the payment or payments to be made to the Municipalities under the distribution scheme, having regard to the amounts as they appeared in the revised schedules, which amounted to \$3,115,736. So they had as directly chargeable against the \$6,059,196 he had already referred to, payments to be made amounting to \$4,416,308, leaving a surplus or difference of \$1,632,887. They had, however, in addition to that, and he brought these sums together in order that the question might be thoroughly understood they had, in addition to that, the original assets belonging to this Province of \$2,699,467. He gave hon. gentlemen details of these assets in his financial statement last year, but he would repeat them again in case they should have escaped the attention of hon. gentlemen. These amounts were just a good in every respect as if they were Dominion securities. With regard to the U. G. Grammar School Fund there was no dispute at all. The Government admitted it held these funds for the Ontario Government, and paid them interest at the rate of 5 per cent. The only question was as to the division to be made between Quebec and Ontario. At present Ontario got interest on five-ninths, while Quebec received interest on four-ninths of the fund. He, in his calculations, had based them on five-ninths of the fund. In the Upper Canada Grammar School Fund we had \$312,769 04; in the Upper Canada Building Fund, \$1,472,391 41; and in the Common School Fund, \$914,463. The amount of principal which the Dominion Government held on behalf of this Province was \$2,699,467. That was the amount which this Government could have from the Dominion at any time, but it was

the desire of the three Governments of the Dominion, Quebec and Ontario, that these funds should not be disturbed until such time as all questions pending between them should be settled definitely. During the recess, some endeavours had been made to arrive at a settlement with Quebec with regard to some matters in dispute between the two Provinces. Some progress had been made, and some of the heads which may form a basis of agreement had been discussed. No settlement had been arrived at, but there was a perfect *entente cordiale* between the two Governments, and a perfect absence of that jealousy on the part of Quebec which had caused her to look upon this Province with some degree of suspicion. The questions really at issue were very few, and could no doubt be easily settled when an opportunity was given to the Governments to meet. The arrangement of 1873, by which the Dominion Government assumed the whole Provincial debt, would remove many subjects of contention between the two Provinces, and especially those which were the chief matters of difference. In addition to those special funds, he also had a right to refer to another estate—namely, the value of the rent charges in connection with drainage. There were \$200,000 set apart under Mr. Carling's Act to aid drainage operations, these operations being undertaken by the Government at the request of the municipalities; and upon their being completed, the municipalities affected by these operations became liable in the shape of rent charges to pay the interest upon the amount expended. That amount had been entirely expended during this year, and they should now be equal to the interest on the entire amount expended. This year \$200,000 had been set aside by the Act of his honourable friend, the Commissioner of Public Works. There were further liabilities undertaken which were not at present demandable, and which could always be met by annual revenue. We had further some questions settled with Lower Canada in connection with the Common School Fund and Common School Lands. These were all the assets, and he thought the financial position of the Province could easily be ascertained from the statement. He had now to introduce to honourable members the estimates for the year. The amounts under the different heads would appear in the order in which the estimates and expenditures for the Province had been brought before the House. They did not present any particular point of difference from those of 1873, which they followed in the main; but he had endeavoured to arrange the heads in more correct order than they had formerly appeared. In other words, he assumed to place the amounts in one column which were required for current expenditure, having regard to the different heads, such as civil government, administration of justice, education, and so on, in respect of which special provision was made each year; and he had also endeavoured to discriminate between expenditure upon capital and expenditure upon current account, as far as was possible. The expenditure on capital account was actually an addition to its realized resources. There were, he noticed, three items which were not necessarily items of even expenditure for the current or capital account. The refund account was for the purpose of keeping account of certain monies to which, in brief, we were not entitled, but which came into the hands of the Government, and which had to be paid out again afterwards. He noticed all expenditure of that character under the head of Refund Account.

Mr. CAMERON—Do you pay any interest on refunds?

Hon. Mr. CROOKS—No; it has not been the custom of the Government to pay interest on these refunds.

Mr. CAMERON—Then you make a little of the transaction.