

1877 a sum of \$432,927, and it was chiefly in that particular that expenditures proposed for 1877 exceeded those for 1876. If hon. members would examine the different heads of service it would be found that no great difference existed in regard to any Department. The estimates for 1877 showed an increase of \$4,000 under the head of Civil Government, a similar decrease for Legislation, as compared with last year's appropriation. Under the head of Education there was an increase, the particular causes of which would be explained when the items were before the Committee. Public institutions showed an increase of \$4,000, and the items of immigration, hospitals, and charities, and miscellaneous showed reductions, and for agriculture and arts the amount was almost identical. When they came to the items involving expenditure on capital account, they found a considerable increase in the Public Works Department. He did not propose to enter upon any minute estimate of the receipts for the present year, these receipts being chiefly fixed. It was not his duty, and he hoped it might never be the duty of any subsequent Treasurer, to propose anything in the shape of a budget scheme. The Treasurer's duty in this Province was simply to lay information before the House as to the transactions for one year, and to make provision for the coming year. But the funds for that purpose had hitherto been more than ample, and they had been able to raise the surplus to an amount equal to \$5,000,000 out of their receipts. The resources out of which the receipts for 1877 would be derived were the old sources from which in past years they had derived a large portion of their income. The only item subject to much fluctuation from one year to another was that arising from Crown Lands, or rather that part of the Crown Lands revenue involved in the Woods and Forests branch. From the estimates furnished to him for 1877 by that Department he found, however, that they might rely upon upwards of \$540,000 as the receipts for 1877, and he was confident that estimate had been accurately and carefully framed. Although it presented a smaller estimate than the Department furnished for 1876 the difference was not so great as to fill them with any sort of alarm that the Woods and Forests branch would in future years be unable to return to the Consolidated Revenue Fund a very considerable amount of money annually. The estimate for 1876 from the Crown Lands Department had been \$588,000, as against \$540,000 now estimated. There were a number of different items which came in and would probably swell the estimated amount. But it was not a matter of very much importance, excepting when they came to consider the necessities of the Province for current expenditure, as compared with the ordinary annual revenue. It would never be desirable to find that the current expenditure for any one year would exhaust the current revenue for that year. It would be almost desirable that a considerable margin should be left between the amount required to meet the current exigencies of the public service and the revenue, which was, as he had stated, fixed, and from which they could not expect to gain more than from \$2,300,000 to \$2,500,000 each year. His next statement was one to which he could also refer with considerable satisfaction, the more especially as he was a member of Mr. Blake's Government which undertook to deal with the formidable question of how properly, in the interests of the country, to distribute that very large sum of money which had been set apart by Mr. Sandfield Macdonald for railway purposes. Mr. Blake's Government undertook not only to deal with that large sum of \$1,500,000, except the small amount which had been paid out to the extension of the Northern Railway to Orillia and Meaford, but it added to the sum, without recognizing, however, any other principle than that the Province should aid to a very limited extent the efforts which were put forward by localities in order to obtain greater railway facilities. Mr. Blake, in the principle he laid down, merely had reference to the one great question—as to how far additional railway facilities were regarded by any particular locality. He had not assumed to lay down a general scheme under which certain railways should be allowed to be constructed and certain other railways should be prevented from being constructed, but he simply recognized the duty of the Province to offer that moderate aid which, supplemented by local efforts, would result in the construction of the different railways. It would have been quite open for the Government of the day to have settled upon a plan under which

this Province might have been mapped out as to the areas to be traversed by new railways, and the question as to how far these new railways might or might not be competitive to existing railways would then have had to be considered. But the policy of that Administration was not to undertake any such comprehensive scheme as to supply to the Province the deficiencies in railway accommodation which no doubt existed. They simply desired to follow the ordinary policy which had been pursued ever since Ontario had been managing its own affairs, of aiding from Provincial funds those railways which, from a Provincial point of view, were entitled to assistance, and of supplementing as far as possible those local views which the several localities best expressed by their own contribution. It could not be said that the principle on which the Railway Fund had been distributed was such as to call into existence a single mile of railway in the Province. From the very small Provincial contribution it would have been impossible for any railway projector to have entered upon the construction of a single mile. The highest amount authorized by the statute was \$4,000 a mile, while the largest amount provided for by the Orders in Council introduced by Mr. Blake did not exceed \$3,000 per mile. There was no doubt the progress of one town and the general well-being of large areas of the Province had been very much retarded by existing lines in consequence of the principle of discriminating in their rates against one locality not so favourably situated for railway purposes as another. No critic could properly characterize the action of the Government as being indiscreet or unwise. The origin of local railways had been mainly the action of existing railways themselves in the matter of discriminating rates, which had almost crushed out the interests of one locality, while another with better railway facilities was making rapid strides toward progress. Without going into details, he might mention the general result of the Provincial action in regard to railways. Twenty-two railways had received grants of aid from the Ontario Legislature. Of that number eleven had completed the total mileage aided and received the Provincial grants. Four had completed portions of their roads, and received the grant for such portions. Six were now in course of construction, and only one had now not made a commencement. If they took those railways which were brought under the attention of the Legislature in 1872, they found ten roads had received grants under Orders in Council; that of those, seven had fully completed their works and received the Provincial grants, while two had received aid for the respective portions completed, and only one remained which had not entered upon the work of construction. During the year 1876 railway works had progressed. If ever there had been a wise policy demanding expenditure of public moneys it had been the railway policy, which, on an expenditure of three million dollars, had resulted in the investment of more than ten times that amount—\$33,000,000. He had in previous statements alluded to information which he had received from the Engineer of the Public Works Department as to railway construction since 1867. A large portion of the mileage referred to had not received Government aid; such as the Great Western Air Line, the main line of the Canada Southern Railway, and portions of the Toronto, Grey, and Bruce, and Toronto and Nipissing Railways. The total expenditure on railways had been \$33,067,935 from all sources between 1867 and 1876. During 1876, 165 miles of railway were completed at a cost of \$2,979,064; in 1875, 186 miles were completed, at a cost of \$3,806,163; and in 1874, 92 miles, at a cost of \$2,049,572; and from 1867 to 1873, inclusive, 1,018 miles were completed at a cost of \$24,233,136. In the first place, therefore, this statement showed the very wise policy of the different Governments which had advanced Provincial funds in aid of railway enterprises, proving that thirty-three million dollars were raised from other sources for the purpose of railway construction, while the Province was called upon to contribute only one-tenth of the amount. Another illustration of the fact that the increase in our railway system had had its origin in local wants was the fact that the municipalities had voluntarily added to their debt a sum nearly equal to seven million dollars. There were times when works of a permanent character could be advantageously undertaken, when the means for constructing the works were readily obtainable, when securities were convertible in the market, and when, although prices might be high, yet if those undertakings were entered upon at the proper financial