

ONTARIO LEGISLATURE.

THIRD PARLIAMENT—FOURTH SESSION.

LEGISLATIVE ASSEMBLY,
February 5.

The Speaker took the chair at three o'clock.

Prayers were read by Rev. Dr. Castle.

PETITIONS.

The following petitions were presented.

By Mr. McRae—From the Village Council of Fenelon Falls praying for certain amendments to the Municipal Act respecting the enforcement of statute labour.

By Mr. Bell—Three petitions for Orange Incorporation.

By Mr. Parkhill—Two petitions for the same.

REPORTS.

Mr. FRASER presented report No. 2 of the Committee on Private Bills, which was received.

Mr. FRASER presented the third report of the Committee on Railways, which was received.

INTRODUCTION OF BILLS.

The following Bills were introduced and read the first time:—

Respecting the taking of affidavits and affirmations—Mr. Currie.

To amend the Municipal Act—Mr. Robinson.

COLLECTORS' ROLLS.

Mr. McLAWS moved for an order of the House for a return from each city, town, incorporated village, and township showing the amount placed on the collectors' rolls for collection for the years 1871 and 1878. Carried.

THE CARDWELL INSPECTORSHIP.

Mr. FLESHER moved for an order of the House for copies of all correspondence and papers respecting the appointment or re-appointment of William Hughes as Inspector of Licenses for the Electoral District of Cardwell. Carried.

TORONTO UNIVERSITY.

Mr. LAUDER moved for an order for the minutes of the Senate of Toronto University, which was carried.

THE BUDGET.

Mr. WOOD on rising was received with loud cheers. He said:—Mr. Speaker, I have received intimation that the statement of receipts and expenditure, will be delivered to the House some time this afternoon, certainly before six o'clock. And although those statements of receipts and expenditures have always been pretty full, I am aware there has been a feeling on the part of the House generally that it would be much more desirable and perhaps more in the public interest if we could have the accounts in detail during the time the House is in session. I may state that the Government have come to the conclusion that, either with increased assistance or otherwise, they will make such arrangements as will have the effect that the Public Accounts will be brought down at the ensuing session of Parliament. Without taking up the time of the House with any preliminary remarks, I will simply state what the receipts were for the past year. On account of the subsidy we received \$1,116,872 80; on account of specific grant, \$80,000; on account of interest on specific funds, \$136,696 63; making a total of \$1,333,569 42. The territorial revenue has been as follows:—Special funds, clergy lands, \$28,988 73; Common School lands, \$55,905 53; Grammar School lands, \$9,487 22; Crown lands revenue, \$62,452 77; woods and forests, \$284,816 62; casual fees, &c., \$3,540 75; in all for territorial revenue, \$445,191 62. The revenue from public institutions has been as follows:—From the Asylum for the Insane at Toronto, \$26,510 84; at London, \$6,549 16; at Rockwood, \$1,605 20; at Hamilton, \$260 10; at Orillia, \$1,087 88; Central Prison, Toronto, \$20,031 85; Reformatory, Penetanguishene, \$1,162 23; Deaf and Dumb Institute, Belleville, \$617 59; School of Practical Science, \$175; making a total of public institutions' revenue of \$67,999 76. The interest on investments has been \$156,251 46; on account of education revenue, \$51,880 91; on account of the license fund, \$75,329 86; on account of law stamps, \$26,291 82; on account of fines, fees, and forfeitures, casual revenue, \$20,292 85; on account of Algoma taxes, \$581 04; Agricultural Farm at Mimico, \$5,138 46; Settlers' Homestead Fund, on account of repayment, \$521 91; drainage assessment, \$11,938 40; Municipal Loan Fund, \$10,288 82; Central Prison, insurance on buildings destroyed by fire, \$9,000; making a total of \$2,254,421 32. Mr. Speaker, we estimated last year to have received \$2,420,000, and the falling off is principally under two heads. One is the territorial revenue, owing to the depressed state of the lumber market, and also the inability on the part of locators to make the payments due upon lands; the other deficiency is owing partly to the fire at the Central Prison, and partly because of the low prices prevailing on account of woodenwares, &c., the receipts of that institution have not been what we expected them to be. The expenditure has been:—For Civil Government, \$158,721 64; for Legislation, \$126,463 88; for Administration of Justice, \$295,869 62; for Education, \$556,966 84; for Public Institutions, maintenance, \$482,496 76; for Immigration, \$91,975 09; for Agricultural, Arts, Literary, and Scientific Institutions, \$97,028 02; for Hospitals and Charities, \$70,673 19; Miscellaneous Expenditures, \$78,901 33; for Public Buildings, \$272,294 83; for Public Works, \$26,313 23; for Colonization Roads, \$85,612 48; for Charges on Crown Lands, \$70,509 14; for refunds, \$56,148 23; making a total of \$2,408,534 02. I may here refer, Mr. Speaker, to a subject that has been discussed of late, viz.: what constitutes a surplus, and what a deficit. I am aware that there has been some differences of opinion on the subject, and there has recently been started what may be called a novel theory, and that is, that a nation can have no capital account unless they borrow the money. At Ottawa, where public moneys are spent upon public buildings, upon railways and canals, they have a capital account, because the money is borrowed. In the Province of Ontario, however, one of the Provinces of that Dominion, expenditure for similar purposes is, according to this theory, not to be charged to capital

account, because we have not borrowed the money, but have taken it from the accumulated surplus of the Province, but is to be charged against the ordinary expenses of the year in order to show a deficit. I have no hesitation in saying that this theory is not only novel but ridiculous. I may be allowed to refer for a few moments to that proposition. In the adjustment of the Municipal Loan Fund indebtedness it became necessary to distribute some \$3,000,000 of the surplus money. And from the time of the passing of that Act every successive Treasurer has treated that as a liability to the Province not chargeable to the current expenditure of the year, but chargeable against the accumulated surplus of the Province. Every financial statement that has been made bears the same construction, viz: that the distribution of the surplus is a liability. One can hardly understand how any person claiming to be an accountant should take the ground that the distribution of \$3,000,000 of our surplus should be charged against the ordinary expenses of the year with a view of showing a deficit. (Hear, hear.) I will now refer to the Railway Aid Fund. By turning to page 12 of the Statutes of 1870-1, chap. 2, section 1, the following words will be found, "For the purpose aforesaid \$1,500,000 shall be set apart from and out of the Consolidated Revenue Fund of this Province and form a fund to be designated and known as the Railway Fund." In the Statutes of 1871-2, page 46, chap. 24, section 1, these words will be found: "The sum of \$400,000 shall be set apart from and out of the Consolidated Revenue Fund of this Province, and shall be added to and form part of the fund designated and known as the Railway Fund, established under the Act in aid of railways." Now, here are two separate Acts setting apart a sum of money from the Consolidated Revenue Fund, to be known as funds for a certain designated purpose, and still there are those who claim that the payment upon those railway funds shall be charged against the ordinary expenses of the year, with a view of showing a deficit. The untenableness of that position does not require to be expatiated upon; it only needs to be stated to show its absurdity. Now with reference to the assets and liabilities I had hoped to have been able to lay before this House a statement of the final adjustment of the accounts between the Province of Ontario and the Dominion of Canada, and between the Province of Ontario and the Province of Quebec, and with that object in view I made several applications to the late Dominion Government. It had been decided that after the general elections this matter would be gone into, but the defeat of the Mackenzie Administration and the accession to power of the present Government have prevented that arrangement from being carried out, as it was found that it was impossible for the present Finance Minister to take up this subject or to find time to go into the question until after this session of Parliament. Now, there are several unsettled accounts between us and the Dominion of Canada, as for instance the interest on the Upper Canada Building Fund. We claim a certain portion of that fund, some \$600,000, and have done so for a great number of years, and have claimed interest at 6 per cent, they only allowing us 5 per cent. Then, Sir, we have what is known as the Land Improvement Fund, the Crown Land Suspense Account, the Crown Land Department Account, the Quebec Turnpike Trust, the claim which the Dominion Government have against us for the maintenance of lunatics at Rockwood, and also our claim against them for the timber dues collected on what was formerly part of Keewatin Territory, but which is now joined to Ontario by the effect of the late award.

Mr. MEREDITH—What do you estimate that at?

Mr. WOOD—I do not know, but I do know that there are several owners of large limits there, and whatever dues have been received by the Dominion Government under this arbitration we are entitled to.

Mr. SCOTT—Would there be a claim for lands sold there.

Mr. WOOD—One would suppose, now that that section of the country has been decided to be ours, any emoluments that may have been derived by the Dominion Government would belong to us. We certainly intend to press our full claim. But, Mr. Speaker, the settlement of those accounts will not materially affect our financial position. It is quite impossible to say what may be the result of a settlement between us and the Dominion Government. We know pretty well now how we stand with the Province of Quebec, but a settlement of the uncertain claims and unsettled accounts with the Dominion Government may show that they are indebted to us, or it may turn out that we owe them a small sum, though certainly not a large one. I will therefore give what I believe to be a full statement of our liabilities, and such assets as are not distributed, and such other assets as have been determined by the award of the arbitrators to be ours. Before giving that statement I may say that we have sold \$145,900 of bonds known as 5 per cent. bonds, receiving for them 105 and 105½, and consequently they do not appear in the statement of the assets which I am about to give. We have Dominion 6 per cents in stock and bond \$850,000, Dominion 5 per cent. debentures \$250,100, or at par value \$1,217,153 33, making a total of \$2,179,010 99; Drainage—5 per cent. debentures amounting on 31st Dec., 1878, to \$195,503 37; Drainage—municipal rent charges for work completed and under construction \$346,315 45, overdue interest on account of same \$11,022; Drainage—5 per cent. tile drainage debentures, amounting on 31st December, 1878, to \$700; making a total on account of drainage of \$553,540 82, or a total of investments of \$2,732,551 81. We now come to the Trust Funds, which are held by the Dominion Government, they paying us interest. The first is the Upper Canada Grammar School Fund, being on account of 250,000 acres of land set aside in cap. 10 of 2 Victoria, \$312,769 04; the Upper Canada Building Fund, \$1,472,391 41; the Land Improvement Fund, being one-fourth of the collections on account of Common School lands sold between 14th March, 1853, and 6th June, 1861, as per award, \$124,685 18; the Common School Fund proceeds realized up to 1st July, 1867, after deducting Land Improvement Fund, \$1,520,959 24, the portion belonging to Ontario, as per population of 1871, being \$876,573. I may explain, in connection with this Common School Fund, that whereas it was formerly divided in a rough way by giving four-ninths to Quebec and five-ninths to Ontario, the award decides that the division of the fund and the interest thereon shall be in accordance with the last census, so that every ten years, the last census being taken, the amount we receive may vary for better or worse. Our position was better in 1871 than in 1861, as we had increased in population more rapidly during that