

had not been in operation in 1871, and for which, therefore, no sum appeared in the Public Accounts for the year, cost in 1878 \$28,009. Taking the total of the expenditure for the maintenance for lunatics, deaf and dumb, blind, and other unfortunates whom he had mentioned, the increase of expenditure by the Province between 1871 and 1878 was \$195,225. Then there were the other institutions, such as the Central Prison, for which the expenditure in 1878 was \$86,110, the institution not being in operation in 1871. The Reformatory at Penetanguishene in 1871 cost \$21,710, and in 1878 \$27,569, an increase of \$5,859. In 1871 there were 150 inmates at a cost of \$158 per head; and in 1878 there were maintained 200, at a cost of \$147 50. He had thus made a comparison, and had shown that in every instance these institutions were being maintained at a less cost, proportionately, than under the former Government. In view of the figures he had given—and he challenged hon. gentlemen opposite to show that in any instance were they at fault—he wondered how they could come forward with the amendment which had been submitted. He recapitulated the totals of items he had quoted, giving the grand total increase of expenditure under all heads as \$713,335, and he was confident there was not one particular in which this could be condemned as extravagant or corrupt. (Cheers.) Other items in which the Opposition claimed the Government had shown want of economy were mere bagatelles as compared with the amounts upon the classes of expenditure they had named. These were the items which he had included in their resolution for the purpose of swelling the discrepancy which they claimed existed. The deduction had been attempted to be drawn that the Province was drifting rapidly toward direct taxation. He could not concur in the idea that such a result was at all to be apprehended in the near future. He was quite certain that even if the Conservative party were in power to-morrow—and he believed they were much more extravagant than their opponents—they would conduct the affairs of the Province so that not at least for 20 or 30 years would there be any fear of direct taxation being necessary. This Province was in a different position from almost any other country. In other places where the revenue was derived from customs duties the accumulation of a surplus was not aimed at, but wherever possible taxes were reduced, thus effecting a reduction of the receipts. In Ontario, however, the income was mainly of a fixed character, and there was not any likelihood of reduction. The only item which fluctuated was that from territorial revenue. Of course a reduction of revenue would be expected from Free Grant Lands, because the favourable position was such that nearly all the best lands had been disposed of. The free grant system had been adopted after the best lands of the Province had been taken up, because it was the best system under the circumstances. There had been a considerable reduction also in the receipts from Woods and Forests, principally owing to the depression which had so long affected the lumber trade. It was quite true that they had realised \$730,415 upon the sale of timber limits, but this did not really result in an increase of revenue, for it reduced the receipts correspondingly in subsequent years. They had incurred a very large expenditure in the erection of public buildings. They had made ample provision for the care of lunatics, the deaf and dumb, the blind, and also for the criminals of the Province. From the heavy expense in this direction which had been incurred there was every reason to suppose that in the near future there would be so little to provide for that there would be a reduction of \$100,000 upon payments to be made in this direction, and there was no reason why, with the present revenue, there should not be an annual surplus of \$100,000.

An Hon. MEMBER—How about the new Parliament buildings?

Mr. ROSS did not believe new Parliament buildings necessary, but if they should be required they had still a large surplus, part of which could be devoted to that purpose. Thus it would be seen there was no fear of direct taxation. The Government had been, he might say, lavish—they had been liberal in their expenditure in

erecting public buildings, etc. The Sandfield Macdonald Administration had found the surplus rapidly increasing on their hands, and deemed it wise to distribute it among the people for the purpose of encouraging railway enterprise, building public institutions, etc., and the present Government had followed the example set them in a hearty and energetic manner. Gentlemen opposite seemed to think the great purpose of a Government was to gather a surplus, and the Legislature which could leave the largest hoard behind it was the best. This was not his idea. He thought the expenditure should be liberal wherever this could be done without danger of spending more than the revenues would justify. With reference to the surplus, he would draw attention to one or two points. Exception had been taken to the \$1,500,000 set apart by the former Government for aid to railways being classed as a liability. It was surely as much a liability as the present Government's railway aid money which was not yet paid. The amount had been set apart by statute, and when Mr. Blake came into power it was found that nearly the whole million and a half had been pledged to particular railways as surely as if set apart by Order in Council. Exception had also been taken to the placing of the premium on Dominion bonds held by the Province as part of the assets. He could hardly understand the ground of this objection. To show the absurdity of it, he called attention to a discrepancy which had occurred in Senator Macpherson's pamphlet, and which mistake had been followed by the hon. member for London. In the last table of cash on deposit and invested in 1868 there was an amount of \$9,260 charged as an investment, which was really the accrued interest upon bonds, and which did not appear in the same account in the following years, the error having been discovered and corrected.

Mr. MEREDITH said he had made allowance for this in the figures he had quoted.

Mr. ROSS said he was bound to accept the hon. gentleman's correction, but the fact that the figures of the hon. gentleman were correct showed that the pamphlet had given them incorrectly, notwithstanding that members of the Opposition claimed that they were correct in every detail. In 1869 there were 5 per cent. bonds purchased at from 83 to 85 per cent., and in 1873 the same were credited at par, thus giving the Sandfield Macdonald Government the credit of the rise in value. If he were entitled to this credit, why not the present Government for a precisely similar increase. Hon. gentlemen opposite had taken exception to the amount charged for Common School lands being considered an asset, the funds being held in trust by the Dominion Government. They were trust funds, true, but they might with perfect correctness be credited as assets. Could it not be realized upon? Could the Dominion Government refuse to give us 5 per cent. for it?

Mr. LAUDER—You can borrow upon it.

Mr. ROSS—Then it must be to all intents and purposes an asset, and should be counted as such. He concluded by saying he had detained the House much longer than he had intended. These figures were not very interesting, but this was a question of figures, and it was necessary for him to enter into them to show that the Government's policy would show favourably in a fair comparison between the expenditures of 1871 and those of 1878. He believed he had shown that the hon. member for London had excluded the same class of items in 1871 that he had included in 1878—in fact, that he had actually cooked the figures. If hon. gentlemen on the other side voted for the amendment they would be endorsing figures which were absolutely wrong and voting in favour of a statement that was incorrect. (Cheers.)

Mr. MORRIS said it was not his intention to go more largely into figures than he could help. It was admitted on the other side that the expenditure had increased, and different excuses were offered for it. One was that the Sandfield Macdonald Government was responsible for certain policies. Another excuse was joint responsibility of Opposition for expenditures. A third excuse was that Opposition motions attacking expenditures were "buncombe"