

for that time. He also charged the Educational Department with unnecessary extravagance. He closed by saying that it was not consistent with honest dealing that they should call on the Dominion Government for financial aid, thus causing the Dominion Government to increase taxation, and at the same time use "High Taxation" as a hand'le against them to secure the votes of the people in election campaign.

Mr. McLAUGHLIN moved the adjournment of the debate.

The House adjourned at 9:45.

NDAY. FEBRUARY 16, 1911

ONTARIO LEGISLATURE

Fifth Parliament—Second Session.

(By Our Own Reporters.)

Friday, Feb. 13.

The following is a reproduction of the part of Hon. A. M. Ross' financial statement referring to the Land Improvement Fund, in the report of which printed on Saturday the figures were given inaccurately:—

LAND IMPROVEMENT FUND.

The Land Improvement Fund was established by 16 Vic., chap. 39. By that Act one-quarter of the proceeds of sales of Common School lands were set apart for local improvements in the localities where the lands sold were situate. By the same Act one-fifth of the sales of Crown Lands were set apart for the same purpose. In 1861 by Order in Council, this Fund was put an end to so far as future sales were concerned, but the before mentioned proportions of collections on sales made between 1853 and 1861 were still to be credited to this Fund. Statements submitted by the Dominion, at the arbitration between Ontario and Quebec, showed that the one-quarter of the school lands so collected amounted to \$124,685 18, and the one-fifth of similar collections from Crown Lands to \$101,171. By the award the Land Improvement Fund was declared to be an asset of the Province of Ontario, but did not state what the amount of that Fund was. Whichever it was it belonged to Ontario. The Arbitrators having decided that Quebec was entitled to share in the proceeds of the Common School lands, it was necessary that they should take into account the claim that Ontario had for Land Improvement Fund in those lands, and they directed, that before making the division between Ontario and Quebec the sum of \$124,685 18 should be deducted from the Common School Fund and credited to the Land Improvement Fund, and it was only in this way that any direct reference was made to the \$124,685. They made no special reference to the \$101,171, they were not called upon to do so. They simply declared that the Land Improvement Fund was to be an asset of Ontario without declaring what that Fund was or what it consisted of further than that the \$124,685 was to be a portion of it. Those who made out the Dominion accounts had evidently been misled into supposing that this \$124,685 was the whole amount of the fund, and had overlooked the amount accrued from Crown Lands. But the same principles govern both. They were both provided for by the same Act, and the one is as much a liability of the late Province of Canada as the other, but the fact that the \$101,171 is not specifically given in the award may have led the Province of Quebec to dispute this item. At the meeting in October the Treasurer of Quebec refused to assent to that sum being placed to the credit of Ontario until he should have an opportunity of discussing the matter with his Attorney-General. The item is therefore still unsettled. But I have not the shadow of a doubt that when it comes to be discussed, Ontario will be able to maintain its claims on behalf of the municipalities to this \$101,171.