

been made to the Government for that purpose. If they cannot be done away with we can make it costly to take out a saloon license. Then they will stand:—

	Old Statutory Fee.	1884 Fee.	1886 Fee.
Saloons.			
Cities.....	\$100	\$160	\$300
Towns.....	80	110	250
Wholesale.			
Cities over 20,000...	\$150	\$225	\$300
Cities under 20,000, and towns.....	150	225	250
Vessels.			
Great Lakes.....	\$100	\$125	\$175
“ wine and beer only.....	50	62 50	87 50
Inland waters.....	60	85	100
“ beer and wine only.....	30	42 50	60

Now these amounts, I may say, are not so high as have been asked by those who have made representations to the Government in the interests of temperance, but they are as high as the Government felt that they were in a position to go at the present time. It must be borne in mind that out of the old statutory fee the municipality was entitled to two-thirds and the Government to one-third only, and the increases above the old figure will now all go to the Government. Now, Sir, I know that the complaint will be made that we are interfering with municipal rights, and that the effect will be to reduce the number of licenses, and consequently the revenue of the municipalities from that source. Now I think that if we refer to the same report to which I have already referred, we shall find that this assertion is

**NOT BORNE OUT BY THE FIGURES.**

We shall see that the operation of the rise, although it made an increase of revenue to the Government, made no reduction in the revenue of the municipalities. I will give the figures from the report:—In the year 1882-3, that is the year ending 30th April, 1883, the total revenue derived by municipalities from licenses was \$284,379; in 1883-4 it was \$287,246. In 1884-5, which is the year in which our increases took effect, the Municipal Revenue was still \$283,589, or only about \$1,000 less than it was in 1882-3, and that small reduction was not really due to the fact that we had raised the licenses, but that there was a reduced number issued; that notwithstanding that there were 236 less licenses issued under the operation of the Act of 1884, the municipalities still received within a few hundred dollars the amount of revenue they had before, so that shows that our Act of 1884 did not interfere to any extent with the Municipal Revenue, while, as I mentioned before, the

**MUNICIPALITIES HAVE STILL THE POWER**

of increasing the licenses. Now I may say that although it may be said that we have placed the city licenses at a pretty high figure, they are not now as high as they are in cities of the neighbouring Province of Quebec. In Montreal the licenses for shops and hotels range from \$200 to \$400, and every cent is taken by the Government, not a cent going to the municipality. There the licenses are in accordance with the assessed value of the properties, the minimum being \$200, and the maximum \$400, and as I said before, the whole is appropriated by the Provincial Government. Now it may be said that the fees are being placed so high that the municipalities will not have any opportunity of getting any additional revenue by making any increase in the fee beyond the minimum that we have fixed. But I think that from a statement which I have from the license branch, showing what licenses have been imposed by some of the municipalities already, we shall see that this

**INDUSTRY WILL BEAR A MUCH HIGHER TAX**

than the one we have imposed. We have fixed the cost of a license in cities under 20,000 inhabitants at a minimum of \$200. The city of Brantford has placed the cost of a license at \$250. The city of Belleville placed its licenses at the same figure. Then I may instance Chatham, which has made the hotel license \$350, and its shop licenses \$400. I merely give these to show that there is still a margin left, even in the opinion of the municipalities themselves, upon which increases can be made for the purposes of their revenue. I think, Sir, that considering that now the Government have taken into their own hands the administration of the license law, they may fairly expect to receive one-half of the revenue derived from licenses, and by the operation of this change the increase will just about give us that, hardly that; but as I showed that in 1884 the total revenue derived by municipalities was \$283,589, we only expected to receive as the Government \$200,000, so that we are not taking one-half of the revenue, but are leaving a good margin for the municipalities to secure a larger revenue than is collected by

the Government. Now, taking up again the statement of estimated receipts, which I have given in full. The \$49,841 under the head of Municipal Loan Fund is made up of two amounts that are due, one by the town of Cobourg and the other by the city of St. Catharines. I anticipate that during this year both of these amounts will be paid. The town of Cobourg have agreed to issue new debentures for the amount of \$40,000. These debentures if received in accordance with the understanding will be disposed of. And this, together with the amount due and which we expect to receive from St. Catharines, will wipe out altogether the item in connection with the Municipal Loan Fund. The item of \$2,000 due from the Agricultural and Arts Association will also be received this year. Our total estimated revenue is therefore \$2,720,975 22. Now from the statements in the hands of hon. gentlemen, it will be seen that our estimated expenditure this year is \$2,962,514. Apparently, therefore, taking the estimated receipts on the one hand, and the estimated expenditure on the other, there will be a deficiency of \$241,539. I may say that the estimates of expenditure are framed with the intention that they shall not be exceeded. We have taken liberal estimates, and I think that we shall find that the amount will not all be expended. At the same time it is our duty to make provisions for the estimates that we are asking the House to vote. Then, in addition to the expenditure under the Supply Bill, we have other expenditures which have to be provided for. We have the 40-year annuities falling due, amounting to \$27,400; we have the amount payable on account of the Land Improvement Fund to municipalities, about \$93,000, which we have announced we are going to pay this year. Adding these two sums to the Supply Bill, we have an approximate deficiency of \$361,139. Then I suppose there will be something in the supplementary estimates, so that for the information of the House we place our anticipated deficit this year at about \$400,000. But it must be borne in mind that the estimates this year contain some very

**EXCEPTIONAL EXPENDITURES.**

In the first place, under the head of public buildings, we are asking \$125,000 for new asylum buildings at Orillia, and I think I may safely say that for many years to come we shall not be called upon to make any further expenditure of this kind. An examination of the report of the Inspector of asylums, etc., will show that the expenditure we now ask will provide accommodation for many years to come. Then we have also an extraordinary expenditure of \$40,000 for consolidation of the statutes, an expenditure that will not occur for another ten years to come. We have also an expenditure in connection with the coming Colonial Exhibition in London, England, which will not occur again. We have also a large increase of expenditure in connection with administration of justice. I have referred to that before, and I may say now that the anticipation would be natural that the period of depression that we are now undergoing will soon pass away, and I think we may expect that in a few years we shall get back to the normal amount of the cost in connection with criminal justice, and that we shall effect a saving of perhaps \$40,000, so we will put that amount in as an exceptional expenditure this year. Then we have this \$93,000 to the Municipal Loan Fund, which will not occur again. Then there will be the cost of the new buildings at the Agricultural College, destroyed by fire; so that I think these figures that I have given will bring up the amount of the exceptional expenditure to \$401,000, or just about the amount of the deficiency that we anticipate. Now on a former occasion I pointed out to the House that it is impossible for the Government to meet the growing wants of the Province upon a stationary revenue. There are several means by which, when a deficiency occurs,

**THAT DEFICIENCY MAY BE MET.**

One may be to seek new sources of income open to us under the Confederation Act. Another might be to reduce the annual charge on revenue by withholding the grants which we now make to many deserving undertakings, or by transferring to the municipalities a portion of our expenditure in connection with public institutions. The hon. member for London, the leader of the Opposition, suggested that as one plan which he thought ought to be adopted. In a former debate he thought the Government should shift a part of the responsibility for the maintenance of lunatics, etc., upon the municipalities. There is no doubt that Ontario deals much more liberally in regard to this than any other country we know of. I have formerly referred to the practice both in Great Britain and the United States. They charge the municipalities with a large portion of the expense of the maintenance of these un-