

fortunates in the asylums. In the Province of Quebec, they have of late years adopted this principle, and they now charge one-half to the municipalities from which they come. In the Lower Provinces this has been the practice for years, and not only as regards a portion of the expenditure in the construction of the buildings. Then there is a third course which might be taken by the Government to meet this deficiency, and that is to draw upon the surplus that we have on hand. That is the course which the Government propose to take on this occasion. (Hear, hear). We do not consider that it would be advisable at the present time to shift any responsibility upon the municipalities so long as we have a reserve fund on hand from which we can take the excess of expenditure.

#### THE DOMINION ACCOUNTS.

Now, I regret, Mr. Speaker, that I have again to announce, as it has been officially announced in the Speech from the Throne, that no progress has been made in the settlement of the accounts with the Dominion. I can assure hon. gentlemen that it is from no lack of endeavour on my part that no progress has been made. Last year I informed the House that at the meeting held in Sept. 1884, at Ottawa, between the Finance Minister, the Treasurer of Quebec, and myself, we had arranged that as the allowance for interest upon the surplus debt, which had been assumed by the Dominion, would make a material difference in the accounts as formerly submitted, the Deputy Finance Minister should make a re-cast of the accounts with the modifications this would necessitate, leaving out the Indian claims, which we agreed should be put in a suspense account. That statement was promised by December of that year, but although I have repeatedly applied for it, and have done everything I possibly could to get it, I have never received it yet. No doubt some excuse might be made for the delays last year—the late period at which the House broke up; Sir Leonard Tilley's absence in England, and his illness after his return, etc.—but we cannot close our eyes to the fact that there seems to be a certain amount of inertia in regard to this matter that it is impossible to overcome. I have endeavoured, also, referring to the Land Improvement Fund, to get the consent of Quebec to the Land Improvement Fund on Crown Lands being credited to Ontario and allowed to us, as I mentioned last year. The Treasurer of Quebec stated that he did not wish to acquiesce until he had had an opportunity of consulting his Attorney-General. I have repeatedly urged for and endeavoured to get a definite statement from them as to the position Quebec would take in this matter, but have failed to obtain it. I may mention, however, that in the Treasurer's Budget Speech in March last he intimates that he will resist to the uttermost this amount being credited to Ontario. And I therefore regret to say that I think that the matter will have to be brought into the courts before we can effect a settlement. I am sorry for this, as the municipalities are pressing for payment. I have urged that the amount should be placed to the credit of Ontario in the accounts furnished to us, leaving Quebec to dispute it if they chose. Whether it will be placed in the re-cast when received I cannot say, but I hope that it will be. But I may say for the benefit of these municipalities, that so soon as the amount is paid to the Province, we will

#### PAY IT TO THE MUNICIPALITIES.

Until we know that it is going to be allowed us—until we are assured that it is an asset that we are going to receive—we cannot pay it over to the municipalities. I explained before, but in consequence of the number of communications which I have received, I will repeat, that there are two classes of lands that are subject to this fund. The one is school lands; the other Crown Lands. It is the school lands that we are now going to pay the interest on. It is the Crown Lands which are now a matter of dispute. The item of school lands has been credited to the Province, and as it is admitted to be a debt due us, we intend to pay it to the municipalities. But the Land Improvement Fund upon Crown Lands is a fund which is not allowed to us, and one which Quebec is evidently inclined to dispute and resist. Now, in these remarks which I have made in reference to these accounts, I do not wish to reflect upon the officials at Ottawa; in fact I believe that Mr. Courtney is desirous of getting rid of these accounts just as much as we are, and the circumstances which I have mentioned as having occurred may, perhaps, be

#### SOME EXCUSE FOR DELAY.

but I trust that these delays will not continue. I am satisfied that it is a source of great regret, not only to the Government, but to the Province, that we have not been able to get a settlement, nor to know what

our position is. This spirit has also been exhibited in regard to the Boundary question. We met with continual delay and procrastination. We know that this delay has involved the Province in a large amount of expense and inconvenience, and for eight years the progress of the country has been retarded. The amount which the disputed Boundary Question has involved the Province for actual expense for disbursements is \$75,000. Also in license matters the Dominion Government has involved us in large expenses. Although we have a decision of the Privy Council in regard to the Boundary awarded in 1878, yet it seems impossible to move the Dominion to accede to the decision and take such steps as to enable us to deal with freedom with the territory awarded. I notice in the Budget Speech of the Hon. Treasurer of Quebec, to which I have referred, that he makes a statement which I will read to the House. It is this:—

In view of the case going to the Privy Council I thought that inasmuch as the whole difficulty as to the license question arose from the Dominion Parliament interfering with Provincial Rights and that so far the judgment of the Provincial Courts, almost without exception, and of the Supreme Court, being in our favour, that we should not be obliged to pay out money to defend our rights in England. I represented this view of the question to Sir John A. Macdonald, and he agreed that the Dominion would pay all the costs incurred in carrying the license case to England, where we will take good care to be fully represented.

Although we have had no similar intimation that the expenses incurred by Ontario for this purpose will be paid by the Dominion, I cannot conceive it possible that re-payment will be allowed to Quebec without it being allowed to Ontario. I expect, therefore, as Quebec is to get the amount refunded, Ontario will also get that treatment. I am glad to see that the Dominion Government have recognized their liability to re-imburse Provinces for the expenditure on account of these disputes. Ontario will have a little bill to present in regard to the Boundary Award and the License question. The actual disbursements amount to \$100,000. In addition to that I think we have a good claim on the Dominion for loss sustained in consequence of the unwarranted contention of the Dominion in regard to the Boundary. In consequence of that, that northern country has been kept back, and its settlement retarded; and we have been deprived of the revenue from that territory.

Mr. MEREDITH—Ha, ha!

Hon. A. M. ROSS—Even now I am sorry to see that the hon. gentleman thinks it is a matter of mirth that the Dominion Government are retaining in their hands something like a hundred thousand dollars which rightfully belongs to Ontario. I think it is a matter which

DESERVES THE SERIOUS CONSIDERATION of the House, and I trust that if we present a claim to the Dominion we will have the assistance of hon. gentlemen opposite, to see that we get justice. If the Dominion Government have recognized their liability for the amount spent by Quebec in defending their rights, they cannot refuse to refund Ontario the amount we have incurred in standing up for our rights in these issues, and I say that I hope that we will have the influence of the hon. member for London in pressing these claims, and that having given us that influence, he will continue to give it to us. Mr. Speaker, I will not detain the House longer, I have now taken up more time than I expected, but I may say that the House may be congratulated upon the result of last year's operations. We have met all the expenditure under the Supply Bill out of the ordinary revenue of the Province, and taking even the expenditure outside of the Supply Bill, such as the \$35,000 paid to Quebec, &c., we have only been required to trench upon our surplus to something like the extent of \$40,000. This year we expect to trench upon that reserve to the extent of some \$400,000, and it is well that we have a reserve that we can have recourse to in such an emergency as this; but I think it is necessary to impress upon the House that we have arrived at a period when our expenditure is fully equal to, if not in excess of, our revenue. And it is therefore necessary that the House should scrutinize with the greatest care any demands made upon the Government, and not countenance such demands unless they are clearly in the public interest, for the public weal, and within the financial ability of the Province. That is one of the principles upon which my honourable leader the Attorney-General has conducted the affairs of the Province for the last thirteen years, and I think that the record he can point to during these thirteen years' Administration, if not perfect in every respect, is one that we can point to with a pardonable degree of pride and with the greatest gratification. I think, Sir, that even the Opposition will not dispute this. I have occupied more of the time of the House than I intended, Mr. Speaker, and