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be met out of present assets, but were expressly regarded as a charge on the receipts of future years. These railway aid certificates, as I have already said, call for a payment this year of the large sum of \$252,179; next year they drop to a sum only about half as much, namely, \$136,622. In 1897 they call for only \$110,000, in 1900 for \$61,000, while inside of the short space of thirteen years—a short time in the history of a Province—they drop to \$4,197 per year and remain at that figure until the last one is redeemed. Our opponents speak of them as though they were a crushing weight, while the truth is that we have rolled off through the payments we have already made the heaviest part of the burden. This burden is rapidly diminishing. In less than six years the payment will be \$140,000 less than the payment of this year. After nine more payments have been made, and these much reduced in amount, the yearly charge they impose is a trifling one.

Not Present Liabilities.

It has been pointed out that the Dominion Government does not treat as present liabilities, as part of her present debt, the large subsidies, similar to ours, granted to railways, and to be paid by way of annual instalments for definite periods. For example, let us refer to page 8 of the last Budget speech (1890) of Mr. Foster, Minister of Finance, in which, speaking of the Short Line Railway, he says that its subsidy is to run for nineteen years yet to come, and that its present value is \$2,679,529, a sum greatly in excess of all our railway certificates and annuities combined. The Dominion Government does not treat and has not treated this subsidy to the Short Line Railway as a present liability, as a part of the debt of the Dominion. If the accuracy of this statement is questioned, I am prepared to furnish most satisfactory proof of its absolute correctness. Moreover, this Dominion subsidy to which I have alluded is but one of many similarly treated. A glance at any recent volume of the Dominion Statutes will confirm what I say. While it would be worse than folly to adopt a policy of concealment as to our finances, it is certainly neither fair nor patriotic to pursue a line of argument concerning them which no one would think of resorting to in discussing the financial status of an individual or a commercial corporation. We could very reasonably present a much more favorable statement of assets, and one to which no sound objection could be taken. For example, at the sale in October last, we sold some timber limits, realising altogether \$346,256. Of this amount there has been paid as yet only \$110,729. The purchasers still owe the Province \$235,526, and they are paying interest on this sum. Here we have an asset unquestionably good to the amount of nearly a quarter of a million of dollars. No part of it is included in our statement of assets.

We have another asset eight or nine times as large as this to which no one can take exception, and which we do not include in the schedule of assets in the hands of hon. members. I allude to unpaid balances due to the Province on account of sales of lands. The collectable arrears on account of sales of Crown lands already effected, due to the Province, amounts to a very large sum, estimated by the Crown Lands Department to be at least \$2,750,000. That this estimate is not excessive is plain when we consider that the arrears on the 16th day of December, 1867, amounted to \$6,848,000, as is shown by a statement in the Crown Lands Department.

Mr. Meredith—You have wiped out two or three millions of that by agreement.

Mr. Harcourt—I will deal with that. The sales since Confederation amount to \$2,090,000; our collections have been \$4,650,000, and therefore the balance due the Province would strictly be about \$4,288,000. Inasmuch as considerable reductions have from time to time been made in the price of lands based on new valuations, and because of our own legislation, which remitted arrears due by settlers who had purchased in townships afterwards made free grants (say Muskoka District, the Counties of Frontenac, Renfrew and perhaps Peterborough), the estimate of the department is placed at the moderate sum of two and three-quarters of a million of dollars. We have collected of arrears \$2,560,000, and this tends again to show that the estimate of the department is not an excessive one. It has never been the policy of the Crown Lands Department or its practice to unduly press the settlers for payments of these arrears, since interest is running and the lands are considered to be worth the purchase money and interest.

A Question of Capital.

If a purely mercantile statement of assets and liabilities is asked for, let us have it by all means. It would show a result very satisfactory to the friends of this Government, and it would prove abundantly that instead of our over-estimating our assets we have taken the most moderate view of them possible. If hon. gentlemen opposite insist on capitalising against the Province all the maturing railway certificates and our four issues of annuities upon the ground that this is the business way of arriving at our financial status, then we must capitalise in our favor and place to our credit as assets the subsidy we get each year from the Dominion, our receipts from Crown lands and timber as well as our other receipts, and include also the value of our public buildings. This would add many millions to the value of our assets. If we capitalise payments to be made year by year out of our yearly receipts to railways during any period of time say up to 1903 and place the capitalised amount

as a liability of the Province, then to be consistent we must claim as an asset the capitalised value of all our receipts for the same period of time. If we apply the same business rules in compiling our statement of assets as is applied to commercial corporations, then I repeat that the friends of the Government will have every reason to rejoice at the result. This absurd idea of capitalising these terminable railway annuities in order to show a heavy liability against the Province most completely demonstrates the strength of the position of the Government as to its management of our finances. Our opponents might as reasonably capitalise the yearly grants for educational purposes or for agriculture, and ask us to consider the amount so capitalised as a present liability of the Province. Our yearly revenue from liquor licenses, and it is permanent in nature and not terminable as are these railway obligations, amounts to about \$300,000. The friends of the Government might just as reasonably capitalise this revenue and claim the millions it would represent as an addition to our assets. Large commercial corporations in their schedules of assets include the value of their buildings. Our Canadian banks in their returns to the Government include as assets the value of their banking premises, two of them in the latest returns at figures each exceeding \$600,000. No one questions the propriety of their so doing. We spent during last Parliament alone over \$2,000,000 on public buildings, and, strange to say, those who insist on capitalising our railway certificates and regard them as a crushing load of debt are never heard to say one word of this large expenditure or of the valuable asset it represents.

Estimated Receipts for Current Year.

Let us now for a moment speak of our estimated receipts for the current year. We expect to receive as interest on capital held and debts by the Dominion to Ontario \$300,000, and as interest on investments \$55,000. Taken together I am estimating for \$8,596 less under these two heads than we actually received last year. In all probability the actual receipt this year will exceed my estimate. For casual revenue my estimate is \$50,000, being \$1,913 under the actual receipts of 1889. For revenue from Crown Lands Department our estimate is \$3,443 under the receipts of the previous year and well within the receipts of 1887 and 1888. Similarly, in placing the expected revenue for the current year from liquor licenses at \$310,000, I am keeping well within the actual receipts of last year. Our total estimated receipts for 1891 are \$3,298,822.

Estimated Expenditure For Year.

Our estimated expenditure for this year is \$3,491,027. The particulars of this expenditure will be discussed in detail in committee of the whole House. If we add supplementary estimates, say \$40,000, our total estimated expenditure will be \$3,531,027. This will leave a balance unprovided for under our estimates of \$232,204. At the same time our estimates of expenditure are calculated so liberally, and our estimates of receipts so closely, that at the end of the year it may be found, as has previously been the case in our history, that this deficiency is apparent and not real. For example, while an expenditure over the receipts in 1886 to the extent of \$241,000 was apparently to be anticipated, the result at the close of the year disclosed an actual surplus on the year's operations under the Supply Bill of \$70,000. The same state of things, with a variation in detail, happened the following year in 1887. During each of the last five years our actual receipts have largely exceeded our estimated receipts, while our actual expenditure has been very much less each year than our estimated expenditure.

In other words, at the close of 1886 we were better off than we expected to the extent of \$381,895, at the close of 1887 to the extent of \$556,144, at the close of 1888 to the extent of \$204,577, at the close of 1889 to the extent of \$345,726, at the close of 1890 to the extent of \$222,679.

Additional Expenditure.

Outside of the estimates in the hands of hon. members we will have an additional expenditure for railways and annuity certificates. These certificates we will, in all probability, replace by a new issue. A glance at the estimates at once suggests that the needs of the Province loudly call year by year for increased expenditure. We cannot afford to stand still. Standing still in practice means retrogression. Since the details of the estimates will be criticised in committee, a word or two now will suffice. We are asking for educational purposes \$24,576 more than we expended last year. Of this \$3,000 will go to kindergarten schools. Unless we gave them this aid some of the Public School grant would be diverted to kindergarten purposes. No one wants to see the Public School appropriation lessened by a single dollar. All practical educationists now concur in the belief that the best foundation for thorough educational development is that which the kindergarten gives. Seven years ago there was but one kindergarten in the Province, now all our larger places consider them to be indispensable. We ask \$1,000 to encourage school boards to establish night schools, and on all sides, whether we view them from a moral or educational standpoint, it is conceded that great good must result from their establishment. These are some of our new expenditures. We have eighteen more High Schools than we had in 1883 and the attendance at them has doubled in ten years. Our Public School teachers are