

1887.....	\$650,744
1888.....	721,602
1889.....	728,909
1890.....	769,915
1891.....	820,516

being an increase of \$169,772 in five short years.

The yearly reports clearly show that the per capita cost of maintenance is noticeably less than that in similar institutions in the United States. To speak in general terms of increased expenditures without any reference to their nature or necessity is misleading and unfair.

From time to time new services have been demanded of the Province, and it has assumed new functions.

The Legislature, urged on by public opinion, has imposed new and heavy obligations on the Province, and thus we have been compelled to bear burdens which hitherto had fallen on the municipalities or private individuals. We all know that each session new grants are persistently and earnestly asked for, and that it is at times difficult to resist pressure in this direction.

Considerations such as these explain increased expenditures and compel every candid man not only to justify them but also to frankly admit that the business affairs of the Province have been always conducted in a most economical manner.

In leaving this branch of my subject I will remind the House that these increased grants to education, hospitals and asylums, public institutions and agriculture are substantially grants to the municipalities in relief of their local taxation. The widely beneficial results of this very liberal measure of Provincial aid are manifest. It has been a powerful factor in building up our school system, in originating and promoting better methods of agriculture, and in providing humane and intelligent treatment for the sick, the blind and the insane.

At the commencement of the year we had at our credit in the banks \$44,792. We received from all sources during the year \$4,140,089. Our total expenditure was \$4,165,063, and at the end of the year we had on hand in the banks \$19,818. When it is remembered that we expended \$620,591 in public buildings alone, thus adding that large sum to our permanent capital investments, that we gave \$100,000 to the university, that we spent \$98,312 on colonisation roads, that we loaned \$62,887 to some municipalities for purposes of drainage and advanced \$47,111 to other municipalities on account of land improvement fund, that \$311,000 went for railway aid, that our receipts exceeded our estimate, and that we expended less than the House authorised us to expend, it will be admitted that the general result is exceedingly satisfactory.

A YEAR'S TRANSACTIONS.

A fair summary of the year's transactions may be given in a few words. Our ordinary receipts were \$3,327,070. Add to this cash on hand at the beginning of the year, viz., \$44,729, and we have \$3,371,862. Our ordinary expenditure, in which I do not include the \$37,500 given to county houses of refuge, was \$3,391,231. Therefore our ordinary expenditure exceeded our ordinary receipts by the very small sum of \$19,369. But we must remember that of this so-called ordinary expenditure a sum not less than \$12,243 was spent on public buildings, and that no less than \$160,586 was spent during the year on new buildings at Mimico and Orillia. Treating this Mimico and Orillia expenditure as capital and not as ordinary expenditure—and this is what is done by other Governments—we had a surplus on the year's transactions of \$141,217. Our railway expenditure is rapidly decreasing; our expenditure on public buildings will be much less in the future than it has been in the past; we have almost completed our new Parliament buildings; our controllable expenditures are kept down to the lowest possible figure; and therefore I say that we can all take a very cheerful view of our financial outlook. No British colony, no other Province, can present a balance sheet one-half as favorable. A word as to the assets of the Province. These are so well known and have been the subject of such frequent debate that they require but little explanation. We still have the Dominion 6 per cent. bonds to the amount of \$300,000. These mature in March, 1893. We have added during the year nearly \$7,000 to our drainage investments, which now aggregate \$524,155. The trust funds, the nature and origin of which

have been so often explained, remain unchanged in amount, and the common school fund, the particulars of which we are all familiar with, is slightly increased because of the fact that it is this year divided on the basis of the recent census. The amount of the balance of unpaid subsidy and other credits, as appears in the schedule in our hands, viz., \$1,590,519, remains as it was last year. All told these assets amount to \$5,303,077. From this sum we deduct certain small balances due to the municipalities on account of the land improvement fund, as also Quebec's share of our collections on account of common school lands for two years past, in all \$17,560. We had in hand bank balances to the amount of \$19,818, so that our surplus at the end of the year, after deducting all liabilities now payable, amounted to \$5,285,515. The reality of this surplus can be no longer seriously questioned. It was at one time contended that, while we could expect to receive interest from these trust funds, we could never get possession of them or control them.

They have always yielded a rich return by way of interest, and there was no good reason why we should ask to have them handed over to us. And yet the suggestion came from the Finance Minister at Ottawa two years ago that the requisite legislation should be had in order that the Dominion might hand them, or an important part of them, over to us, so that this contention can no longer be maintained.

On one occasion when this question was under discussion in this House, when we were claiming that these assets were real and tangible, my hon. friend who leads the Opposition said, "Why don't you get a check for this?"

A few weeks ago, acting for once, at least, on his suggestion, we asked for and promptly received a check for \$500,000 of it. It should be, and doubtless is, a source of great satisfaction to all of us, regardless of mere party considerations, to know that the Province has this large surplus upon which we can readily and at any time draw in cases of emergency.

THE QUESTION OF ASSETS.

Were I to follow, in presenting a statement of the assets of the Province, the practice of large financial corporations such as banks and insurance companies, a practice to which no business man ever takes exception, then our assets would be more than double the sum I have named. Our large financial corporations include in their assets not only the buildings they own, but even their office furniture. Our schools, colleges, asylums and other public buildings are indispensable and as necessary to the Province as are the offices they occupy to commercial corporations. In connection with our public buildings we have more than 2,000 acres of land, some of it, especially that which is situate in this city, very valuable. A careful valuation of this land alone, recently made at my request, shows it to be worth more than a million and a quarter of dollars. Our public buildings have cost more than six and a half millions of dollars. The unpaid balances due to the Province on sales of Crown lands amount, as I stated last year, to upwards of four and a quarter millions of dollars. If we were then to present a strictly commercial statement we could reasonably claim that we have assets, and they are as good as those of any commercial corporation on the continent, to the amount of at least millions of dollars, and that our surplus is twice as large as we have ever claimed it to be. If we look about us, a glance at the finances of the sister Provinces will give us additional cause for thankfulness that we have persistently adhered to a policy of rigid economy. The Treasurer of more than one of these Provinces each year laments his inability to see a way of escape from the "gloomy groove of annual deficits." The large and constantly increasing debt of Quebec is from an Ontario point of view alarming, and all parties there seem to take it for granted that sooner or later the Federal Government must come to the rescue. Prince Edward Island has drawn upon capital account and is still behind. Nova Scotia and New Brunswick have incurred large debts, and they are once more agitating for better terms. Nova Scotia urgently asks the Dominion to relieve her of liabilities to the amount of a million and a half of dollars. New Brunswick, with a population of only 321,294, had at the close of last year a bonded debt of \$2,342,000. And where, sir, we may well ask, is this to end? I do not forget that these three smaller Provinces with an aggregate population of only 880,905, or two-fifths that of Ontario alone, maintain separate Legislatures, each of them having a second chamber, and that because of this the administrative work is trebled, and the expenditures on education, administration of justice and public works is very much larger than would otherwise be necessary. At the same time we may well, nay, we must insist, that any settlement of these difficulties as concerns the future—I do not speak of existing obligations, whether by means of increased annual grants to each of the Provinces, having strict regard to population, or otherwise—should be a comprehensive settlement, arrived at after a careful study of the whole situation, altered as it is in so many regards since Confederation; that it should be an absolutely final settlement, made so by Imperial enactment; that not another dollar of the Federal treasury should thereafter be spent in "special grants" or "better terms," and that it should be in all regards fair, we ask no more, to our own Pro-