

THE BUDGET.

Legislative Chamber, March 6.

THE TREASURER'S STATEMENT.

It was not quite 3.30 o'clock when the Treasurer began his statement, a few trifles of formal business having first been disposed of. He spoke until eight minutes to 6, and his deliverance was so deliberate and clear that every word of his excellent speech was heard in all parts of the chamber. His speech was as follows:—

It is my duty once more, Mr. Speaker, before moving that you do leave the chair in order that the House may go into Committee of Supply, to give some explanations, more or less minute, of the somewhat varied financial transactions of the Province for the year 1893. At the same time I propose, with the approval of the House, to speak in a general way of our revenues and expenditures of previous years, and, before closing, to make a hurried reference to our prospective revenues and expenditures. The whole subject, Mr. Speaker, has been so exhaustively dealt with from year to year, so frequently and so ably discussed from every point of view, that I cannot even hope to present it in any new light or to point out any object of interest hitherto unnoticed. I promise, Mr. Speaker, not to detain the House as long as I have done on one or two similar occasions. At the same time I hope that not a few hon. members, whether supporting or opposing the Government, will, as always heretofore, take part in the discussion and give to the House fully and unreservedly the benefit of their criticisms and suggestions. I invite, beforehand, exhaustive discussion, full inquiry and minute investigation. It has always been found convenient, and I will therefore follow the usual practice on this occasion, to speak in the first place of the receipts of the past year. Hon. members will notice, I am sure, with satisfaction that our total receipts for 1893 amounted to \$4,291,514. This amount includes, it will be seen, an item of \$200,000, representing Dominion bonds, which has regularly appeared in our schedule of assets, as one of our investments, during recent years. These bonds matured early in 1893, and the Dominion Government promptly paid them at date of maturity. Excluding these bonds, as well as all payments received during the year, to the amount of \$52,257 on account of the drainage debentures we hold representing loans made by us to the municipalities, our total receipts for 1893 were \$4,039,655. It has not been customary to take into consideration in our estimate of the year's receipts these payments made on account of drainage debentures. We are constantly loaning to the municipalities on the security of their debentures for drainage purposes, and we are constantly in receipt of payments made by the municipalities on account of these loans.

For example, we made fresh loans in 1893 to the amount of \$62,495, and we received \$52,257 on account of loans previously made. I estimated last session that our revenue for 1893 would amount to \$4,030,572. We actually received \$95,466 over and above this estimate. This, we will all concede, is a very satisfactory result. The first item of receipts, that of our subsidy and specific grant, remains, of course, at the same figure from year to year.

INTEREST RECEIPTS.

The next item, that of interest received from the Dominion, may require a brief explanation. If hon. members will refer to the schedule of receipts appended to my last financial statement they will observe in the column reserved for interest receipts that from 1863 to 1883 inclusive, a period of fifteen years, these receipts are stated to be exactly the same in amount each year, viz., \$136,696, or \$68,348 for each half year. This amount represents interest at the rate of 5 per cent. on the various items then held and still held by the Dominion in trust for Ontario. It was not until July, 1873, however, that a remittance was sent to us specifically as a half-year's interest. From July 1st, 1873, up to and including July 1st, 1888, the Dominion remitted to us each half year as interest on trust funds \$68,348. This amount is made up of three sums, viz., interest on Upper Canada building fund, \$33,809; interest on Upper Canada Grammar School fund, \$7,819; interest on Common School fund, \$26,719. The interest on the Common School fund was subject to variation, since the amount of it depended on our population relative to that of Quebec. Our share increases each decade, and the amount I have named is that which it yielded under the census of 1871. From 1873 to 1884, therefore, these payments of interest fix-

ed, and definite in number were specifically made to us half yearly as interest on what we call our trust funds. Prior to 1873 the payments, although the same in amount, were not specifically made as interest. They came in a lump sum with the subsidy. These interest receipts, as will be noticed, were increased in 1881. That is the year in which, by virtue of the Dominion act, 47 Vic., chap. 4, there was placed to the credit of Ontario the capitalized sum of \$2,848,289. I will remind the

House briefly why this credit was given to us, and how the amount was arrived at. At Confederation the Dominion assumed the debts of the late Province of Canada, to the amount of \$62,500,000. In other words, each of the Provinces by the terms of Confederation was allowed to enter the union, taking with it a certain amount of debt. It was provided further by statute that the excess of debt over this \$62,500,000 should be divided between Ontario and Quebec, that these Provinces should pay interest on this excess, and that this interest should be deducted half yearly from their subsidy and specific grant. It was ascertained that the debt actually amounted to \$73,006,088, and, therefore, deductions which increased every half-year, for the interest on our share of the excess, that is, on our share of \$9,733,691, as of date July 1st, 1867, were made each half-year from 1867 to 1873 from our subsidy. The amount so deducted each year from our subsidy as interest on the excess of debt was, by estimate (afterwards ascertained to be too high), \$291,666. In 1873 an act was passed relieving the Provinces of the excess of debt as then ascertained, \$10,506,088, so that on the 1st of July, 1873, for the first time we received our subsidy and specific grant in full and free from any deduction for interest on excess of debt. This act of 1873 readjusted and increased the subsidies payable under the B.N.A. act, but the increase dated only from the 1st of July, 1873. The act of 1884, to which I have alluded, was intended to allow the increase to date from July 1, 1867. It also deals with an increase to the subsidy, and its intent was to restore to us the payments which we would have received if the increase had dated from 1st of July, 1867, instead of from 1st of July, 1873. These payments, the act declares, shall be deemed "capital owing to the said Provinces respectively, bearing interest at 5 per cent. per annum, which interest shall be payable to them as part of their yearly subsidies." The capitalized sum of \$2,848,289 is made up of 12 of these half-yearly payments (from 1st of July, 1886, to 1st of January, 1873, inclusive), with simple interest added at 5 per cent. from the day on which each payment would have been made to the 1st of July, 1884. In 1884, then, for the first time, we received interest on a new fund, viz., on this sum of \$2,848,289, the interest amounting to \$71,217 each half year. This sum of \$71,217, as increased subsidy under the act of 1884, was paid to us along with the other specific payments of interest on the trust funds up to July 1, 1888. On 1st January, 1889, the Dominion Government, in order to carry out the agreement of October, 1888, to which I will more fully refer hereafter, remitted to us specifically the subsidy of \$598,436, and also a payment of \$130,000, "on account of pending settlement of accounts." Since January 1, 1889, the Dominion Government ceased making specific payments, and instead have each half year sent us round sums as payments on

account. We received in 1893 as interest on our investments \$79,897, and this is our largest receipt under this head for several years past. Of this amount the main items are \$18,272, which represents a year's interest on the drainage debentures we hold, and \$55,444, received from the banks as interest on sums specially deposited with them from time to time. In other words, our cash investments brought us in during 1893 \$217 a day by way of interest, while the interest paid us by the banks alone represents 4 per cent. on a capital investment of \$1,400,000. From the Crown Lands Department we received last year \$1,823,550. This is \$23,550 in excess of my estimate. From the woods and forests branch alone we received \$1,757,005. From our public institutions we received \$79,846, exclusive of all receipts from the Central Prison, to which I will make special reference. From these institutions, omitting the prison, we expected to receive \$78,700, so that our actual receipt is slightly in excess of our estimate. Detailed particulars of all the operations at the Central Prison for 1893 will be found in the report of the Inspector of Prisons. Hon. members will notice that, in addition to the details given in this report, there is appended for the first time to the public accounts of the year an abstract of the receipts and expenditures of the prison. The new binder twine industry, which commenced operations in March last, and other new and important features in connection with the prison industries, will