

increase for a refund on certain mortgages the Government sold some years ago. The amount in the estimates is \$61,297.62. That came about in this way: When we sold the asylum land, I think in 1889 or 1890, we of course received a certain percentage of the purchase money down—I think it was about one-fourth. Mortgages were taken for the balance. With the exception of one or two of these mortgages, no payments have been made subsequent to the cash payments. We hold these mortgages, and instead of selling the annuities and meeting the expenditures for railway purposes, etc., it was thought advisable to sell these mortgages, and of course they could not be sold without being guaranteed. Otherwise they would be sold at a sacrifice. They were so sold. Some of them were taken by trust companies, some were sold to the university trustees. Those mortgages thus being endorsed were guaranteed by the Government, having to be discharged in the ordinary sense of the term. Sixty-one thousand dollars of a refund to these corporations for the amount of money advanced will relieve us of that obligation.

Mr. Matheson—Do I understand that this money is paid for equity of redemption or simply on account of guaranteeing the mortgages?

Hon. Mr. Ross—We received in all, first in payment of cash and afterward by the resale of these lands, nearly \$10,000 on account of these mortgages, so that we have that for these lands, and, of course, hon. gentlemen know how it arises that a man sells a piece of real estate at a very high figure and receives a payment down and takes his mortgage. If the estate comes back to himself again the mortgage does not catch, there is nobody to hold. That was our position. These lands were sold as high as \$31 a foot frontage when the 1889 boom was on. We received in cash and on the sale of lands subsequently about \$39,000, so that if we had not the money which we received for these mortgages we had the lands.

There are the other two items of a refund to which I might call attention. There is \$10,254.33 to the St. Anthony Lumber Company, arising from disputed claims of survey, and \$9,318.35 to the Ontario Lumber Company, compensation for timber on islands in the Georgian Bay reserved for park purposes, or \$81,000 of refunds, to which I would call the attention of the House.

Expenditures Within Income.

Further observation with regard to the increase in the estimates need not be made. The increase of this year's estimates over the estimates of 1899 is \$313,724.88, while the increase in the estimates over the expenditures of 1899 is \$249,448.11. As we discuss these matters in committee of the whole House I hope to be able to show that these increases in all cases are warranted—in fact in almost every case have been made largely for the purpose of development. Of course statutory increases will follow, and next year we hope to vote something for the improvement of the drainage of the country and for other

purposes. As we stand at this moment we are confident that we shall be able to meet the expenditure of the current year out of our ordinary revenue, and that we shall have in addition a very handsome surplus at the end of the year. It is altogether probable that our surplus at the end of the year will be at least \$200,000. Last year it was over \$400,000. So that we are not encroaching upon our estimated income by the expenditures which we propose.

The Province's Assets.

A word or two with regard to the assets of the Province. Now I am coming perhaps upon disputed ground. Where do we really stand as a Province? What are our assets, our liabilities? Hon. gentlemen will remember that I told them a royal commission was appointed for the purpose of ascertaining the financial position of the Province. A copy of the report of the commission has been left in the hands of the hon. members, and I have no doubt it has been carefully perused. It shows, taking the whole period since Confederation down to the present time, that we have kept within the ordinary receipts of the Province. The ordinary receipts since Confederation down to October 31 last, the time fixed in the commission as the terminal period for the examination of the accounts, were \$103,815,404.42, and the expenditures \$103,218,525.46, leaving a corresponding balance of \$596,878.96, so that we may find our expenditure throughout this long period. How do we stand? Let us look over these various items and see. I will trouble the House by calling attention to these somewhat in detail. We have in drainage debentures and other investments, with the security of several scores of municipalities at our backs, \$286,104.18. We have sums held by the Dominion on behalf of Ontario, bearing 5 per cent. interest, the sum of \$4,758,135.15.

Mr. Matheson—These items don't appear in the statement of receipts and expenditures.

Hon. Mr. Ross—They are debentures which we hold. I am not able to say offhand anything about these debentures, but they seem to be good, marketable securities.

Mr. Matheson—They were purchased during the past year.

Hon. Mr. Ross—They were purchased eight or ten years ago. They were not specified last year; they might have been included under other debentures. Then, on part of the common school fund we have \$1,488,482.48, making assets in the form of trust funds of \$6,246,617.63. Now, these assets, as I shall show later on, are believed to be good, realizable assets. That fact must be very satisfactory to hon. gentlemen opposite.

A Healthy Bank Account.

On current account we have \$374,766.43; on special account we have \$461,398.77, or bank balances amounting to \$836,165.39. That asset, of course, will not be disputed. Now, our trouble with hon. gentlemen opposite has been that they would not regard these as a bona fide asset, they would not consider them as properly stated in the financial balance-sheet. One of