

the duties assigned to the royal commission was to ascertain our financial standing, and to know whether our indebtedness or liabilities were greater than the assets were. I have met this. I wanted to settle this contentious question. I must confess I was somewhat weary myself in discussing the matter of the surplus, and I perhaps wearied the hon. gentlemen opposite, and perhaps I may say the hon. gentlemen opposite wearied me. (Laughter and applause.) It was a very monotonous discussion many a time, and my friends perhaps on both sides of the House wanted to know really where we stood.

A Million For Good Roads.

Secondly, we wanted to know whether it would appear from an examination of the receipts, extending over 30 years, that we could enter or embark upon large expenditure for the purpose of development. I am glad to be assured by the commission that our expenditures have been kept within our ordinary revenue, and from the increased revenue that is now in sight and that we expect to realize from the increased taxation last year—unless we increase the expenditure very, very much—we will have a buoyant revenue, and we can enlarge some of the undertakings for the development of the country. I shall be delighted if we can expend in the next ten years a million for good roads—that is, a hundred thousand dollars a year. I think the increase would stand that. I think the revenue would stand a reasonable ap-

propriation for cold storage and drainage works, which are beyond the reasonable capacity and strength of our municipalities. I think the revenue will stand something there. Take a river which runs sluggishly through a flat area, to the detriment of the health of the community and to the wasting of valuable land. To dredge and improve that river is beyond the capacity of the municipality. If our engineer reports that the deepening of the channel or the straightening of the channel is a work that will come within the provisions of the bill, which the hon. gentlemen will see later, then that is a work in which we hope to assist, and the same with many similar works in the Counties of Perth, Elgin, Kent, Essex—works which do not come within the present scope of the drainage act. I think these are Provincial works which add immensely to the wealth of the country, and that is one of the reasons why the royal commission was appointed.

Now, the report is in every respect satisfactory. And then another reason, as set forth in the commission itself, was to ascertain whether the methods of the department in its book-keeping were such as should command the confidence of the country.

Always Was a Surplus.

After a reference to several sources of revenue, Mr. Ross continued: Coming to one or two references made by the commission to what they found, let me read one or two statements. For instance, I find: "During the first seven years the receipts of the Province greatly exceeded its expenditures, reaching at the end of this term nearly

five million dollars. During the remaining twenty-five years there has always been considerable, and at times large, sums on hand or invested." So that we were never bankrupt; we had always a surplus. Hon. gentlemen say we had a surplus this year and that year, but some years we had nothing to our credit. The commissioners say that "during the remaining twenty-five years there has always been considerable, and at times large, sums on hand or invested. The interest earned for the Province by this unexpended money has aggregated \$3,334,347.32, or \$103,160 per annum, which is equivalent to four per cent. interest upon a continuous investment of over two and a half millions of dollars."

Mr. Ross then reviewed the position of the various funds of the Province held in trust by the Dominion. Referring to the \$2,848,289.52 fund, the availability of which is disputed, he quoted from Mr. Fielding's letter as follows:—"The advantages to the Province in permitting these moneys to remain to the credit of the Province in the Dominion, where they yield to the Province five per cent. interest, are so obvious that I do not suppose you are contemplating their withdrawal. . . . I do not think your Government have any unconditional right to demand this money from the Dominion. There are certain limitations provided by the statutes; but no doubt if you desired to obtain the money you could easily comply with these conditions."

Money Can Be Got.

That is the point. "You could easily comply with these conditions." (Applause.) That is, it is practically unconditional. It is conditioned on legislation of this House. I think the House would approve of any reasonable legislation. It is better for the money to remain in the hands of the Dominion than for us to invest it and get less money than it now bears.

Mr. Matheson—Do I understand it is necessary to get legislation from the Dominion Government?

Hon. Mr. Ross—The hon. gentleman has not read this letter carefully through. He goes on to quote section 2 of chapter 17 of the statutes of 1874. "Under this statute it appears to have been intended that the moneys at the credit of the Province should be withdrawn for the purpose of assisting Provincial public works. Considerable sums were so drawn by the Provinces of Nova Scotia, New Brunswick, British Columbia and Manitoba." They withdrew it because they wanted it.

"Looking at these several acts," Mr. Fielding adds, "I am of opinion that you would not have the right to draw these moneys for the ordinary purposes of government; but that Parliament intended that they might be withdrawn by a Provincial Government, with the previous sanction of the Legislature, for local improvements."

In a speech delivered by the Hon. Mr. Ross, the then Treasurer, he states he had the assurance of the then Minister of Finance, Mr. Foster, that the money could be withdrawn if he wanted it. It is fair, however, to say that we have searched seven files for a copy of that letter and have been un-