

garded with some hope. The financial statement showed estimated receipts for 1903 of \$4,403,372, which, with cash on hand, will make \$5,818,883, while the estimated expenditure so far is \$4,537,428. The assets are \$7,824,208, and the liabilities \$5,884,946, leaving a surplus of \$1,939,262.

Lieut.-Col. Matheson, the financial critic of the Opposition, followed, and estimated a deficit last year of \$239,000 on ordinary revenue and expenditure, and that it would be larger this year. When he concluded the House witnessed the sudden collapse of the debate. Mr. Whitney deferred further discussion, and the House, going into supply, made considerable progress.

Local Improvement Law.

Colonel Gibson introduced a bill respecting local works and improvements. He explained that it consisted of the local improvement clauses of the municipal act. They were not embodied in the consolidated bill submitted to the House a few days ago. An effort had been made to rearrange and simplify the somewhat complicated provisions of the municipal act, and it had seemed to be advisable that they should be the subject of a separate bill, temporarily at least, which could go to the Municipal Committee in order that the views of representatives of municipalities might be heard. All would approve, of course, of any change in the construction of these clauses which would tend to simplify and make them more readily intelligible. There might be differences of opinion, however, regarding some of the clauses which dealt with principles, and he mentioned the fact that there was such a bill, that it would deal with these particular features of municipal law, and that questions regarding it would arise in which the city municipalities would be interested, in order that public attention might be drawn to the fact and that no one might hereafter say that important changes had been made without the public having their attention drawn to them. In the same manner he had found it desirable that there should be a bill specially dealing with the police village features of the municipal act, introducing the new feature of allowing incorporation as an actual incorporated municipality of areas heretofore created into police villages by the County Councils. Thus they would be corporate bodies, exercising certain powers set forth in the clauses.

The Premier's Budget.

Premier Ross, in rising to deliver his budget speech at ten minutes before 4, was received with loud applause. "Mr. Speaker," he said in opening, "when I made my financial statement last year I estimated the receipts for the year at \$4,075,872. The financial condition of the Province is more prosperous than then expected, so that our actual receipts amounted to \$4,292,021, or an excess over our expectations amounting to \$216,158, our revenue being drawn from minor sources, covering a large area. This increase, as I intimated in my opening remarks, suggests a condition of prosperity throughout the Province which is very gratifying. The estimated expenditure, not including statutory charges, was \$4,196,025, while the actual expenditure was \$4,064,663, or less than the estimate (not including statutory charges) by \$180,362. It has been the practice, although I think perhaps it would be well to change it before many years go by, not to include in the estimates submitted to the House charges created by statute. Of course they have to be met, and the House would to a certain extent be

misled in defining certain estimates of expenditure when the estimates are brought down, and on consulting the public accounts find that that estimate has been largely increased. For instance, besides the amount brought down in the estimates of last year, and in that respect we followed the practice of the previous year, we paid for drainage and tile debentures \$1,625, we paid for railway aid certificates \$126,177, we paid in annuities \$102,900, we paid for the university \$40,444, for common school lands \$9,193, or a total of \$279,340. That, with the estimated expenditure, brought the actual expenditure to \$4,345,003, or \$52,982 in excess of the actual revenue. The year closed with a bank balance of \$1,415,510—(applause)—a bank balance which has improved since the closing of the year, for today the cash in the bank to the credit of the Province was \$1,621,292. (Applause.) So that we have met the expenditure of the year, we have not drawn on our previous resources in the bank, except to a very small extent, and we are now well on to the middle of the year with over a million and a half to our credit.

Some Declines.

"In some of the departments of the revenue there was a decline as compared with 1901. For instance, taking the whole receipts of 1902 as compared with 1901, there was a shrinkage of \$177,899. That shrinkage mainly arose in connection with two items: first, the receipts from Crown lands, and secondly from succession duties. In Crown lands the shrinkage was entirely through the small amount paid to the treasury for bonus. The bonus paid or to be paid as the result of timber grants had already been paid the previous year. Taking the receipts from the Crown lands as a whole, however—and the main portion of this comes from dues on timber and lumber—the income was larger than for many years. The total shrinkage, however, as compared with 1901 was \$133,146. Then there was a shrinkage in succession duties. The year 1901 brought to the treasury the largest income from that source ever received, \$366,581. Last year the income was \$236,169, or less by \$130,412. Of course that is not a matter under human control, and we have got to accept the inevitable. During the current year the receipts from this source, as the estimates will show, are expected to be somewhat larger than the previous year. In these items there has been a decline in the revenue—not a very serious decline by any means. In some items there have been increases.

General Increase in Business.

"For instance, in the Provincial Secretary's Department the revenue has increased from \$88,157 to \$108,184, or an increase of over \$20,000. This arose very largely from the number of charters issued by that department, and the constant stream of charters which pass through that department indicates an extensive growing wealth in the country, although I think this remark was contradicted by the member for South Lanark (Colonel Matheson). It indicates perhaps a change in the mode of doing business from the individuals and partnerships of thirty years ago to the joint stock company, limited. As an indication of that I may say that in 1902 520 charters were issued by that department, representing a capital of \$145,356,000. Thirty-four companies increased their capital by \$7,000,000. I think that last item may be considered as an essential evidence of the growth of the business of the country. Seventy-one extra Provincial companies applied for licenses, showing that companies chartered outside the Province are seeking the markets of Ontario. Up to date, this year already, 187 charters have been granted, representing a capital of \$64,940,000, and twenty companies have increased their capital by \$2,000,000, and sixteen extra Provincial companies have applied for the privilege of doing business in Ontario. It is impossible for one to accurately say what this means. It may mean a large accumulation of wealth outside seeking investment here. It certainly does

mean a certain amount of confidence in the business of the country and in its future, and in regard to that, if these deductions are correct they are certainly a credit to every person in the Province."

Mr. Ross, continuing, said there had been an increase in the revenue from public institutions, the amount having grown from \$97,735 to \$122,855, an increase of over \$25,000. That arose from the fact that a greater number of patients were now paying for their maintenance, and there was perhaps a more rigid supervision of the paying capabilities of the patients. There was an increase of \$8,469 under the supplementary revenue act and of \$4,253 in fisheries owing to extension of the area licensed.

The Estimates.

The Premier then pointed to some of the increases of actual expenditure in 1902, as compared with 1901, such as education \$22,715, public institutions maintenance \$31,234, agriculture \$24,480, hospitals and charities \$23,240, colonization roads \$57,444, Crown lands \$46,061. Those lines were mentioned because they were all in the nature of expansion, opening up and developing some industry. Hon. gentlemen might point to that as an evidence of extravagance of the Government. Expenditure was no proof of extravagance. The question was in what direction the expenditure was applied. Here he warned hon. members that the supplementary estimates would still further increase this year's expenditure. There was an increase this year of \$10,283 for civil government. That was only equivalent to an increase of 3 1-2 per cent. in the salaries, which, he thought, was less than was the increase in other walks of life. The estimated expenditure for 1903 was \$4,537,428, and the estimated receipts \$4,403,372. He wanted no misunderstanding; our estimated revenue was not quite equal to our estimated expenditure. There were some large items for public buildings and public works, which might not, however, be expended this year. For convenience, items amounting to \$26,070 had been transferred from miscellaneous to other departments. An increase of \$6,250 in legislation was largely occasioned by indemnity and mileage to six new members, while administration of justice cost \$4,627 more, made up of small items, chiefly in new districts.

Educational Estimates.

The estimates for education had increased from \$876,568 to \$922,241, an increase of \$45,673. This was not large, considering the calls which came to the department. There was an increase of \$7,906 from public and separate schools; new schools were being opened in the newer districts constantly, each calling for a \$100 grant. There was an increase of \$6,800 for maintenance of high schools, there being new ones at Rat Portage, Sault Ste. Marie and North Bay. The Government desired that the outlying districts should have equal facilities for superior education with the children of the central districts. There was an increase under high schools from \$1,200 to \$2,500 for military instruction, a very desirable form of physical training. Another increase was \$5,600 on the School of Practical Science, the growth of which had been a phenomenon of the last twenty years. It had flourished in the face of the keen competition of McGill and of the Mining School at Kingston. In 1895 the attendance was 101, in 1902 it was 335, and the graduates had found employment on the largest engineering undertakings of this country and in the United States. The school filled a most important place since the rush to the learned professions had been diverted. It was proposed to vote this year \$224,000 for the construction and equipment of a new science building, which he thought would be as perfect in details, in arrangement and appliances for the study of civil engineering as any school of the kind upon the continent. It was proposed to expand the mining department, and a separate building for that purpose was being erected. The expenditure of the school this year would