

there had been a vote in the estimates for the establishment of a reformatory in Oxford County. It was proposed now to change that, and instead of making it a reformatory—as they needed no reformatory in Oxford—(laughter.)

Mr. J. J. Foy—The hon. gentleman is speaking now of North Oxford. (Laughter.)

Mr. Ross—Yes.

"It was proposed to change our system of reformatories. For thirty years we had had a reformatory at Penetang which was gradually changed from a penal institution to a reformatory proper. Then the Mimico school for incorrigible boys and the Alexander school for girls and the Blantyre school for Roman Catholic boys were established, all drawing the material previously sent to Penetang, so that the attendance has been cut in half in a few years. Of the 160 at the Mimico school 20 or 30 can be placed in foster homes, the harder criminals can be placed in a separate class at the Central Prison, and the institution at Penetang will then be available as a home for aged and harmless lunatics, for 200 of whom there would be room. The institution in Oxford County will then be built for epileptics, who have long been in need of such a home. In 1894 there were 292 epileptics in Ontario; in 1899 there were 338, and now the number is 390. The Government would purchase 100 to 200 acres of land, would erect suitable buildings on the cottage plan, and give those able to work light employment in the open air. This would place Ontario at the head of all the political divisions on this continent in regard to accommodation for its insane or for its delinquents. There was no State in the Union with such a small delinquent population as we had. While we had only 400, Michigan, a State similar in population, had over 2,000. This was due in a large measure to the care we took of our dependent and neglected children.

To Explore for Coal.

Another item in the estimates was the small sum of \$3,000 for exploration for coal in new Ontario. He could not say if it would be successful. At the junction of the Moose and Pidgeon rivers the stratification of lignite suggested the possible presence of coal. The enormous economic value of that mineral rendered it a reasonable thing to ascertain if it was to be found. For many years the existence of coal in the Territories had been doubted, but it had been found in very large quantities. If coal was discovered in Ontario the existence of such large quantities of iron and limestone at the same time would make Ontario's condition for manufacturing almost perfect.

Another item was \$5,000 for the enforcement of the game law, which was still disregarded by many people. A vote of \$3,000 was also asked to be devoted to directing the stream of immigration towards old Ontario, which was so greatly in need of farm laborers, and which offered many inducements to men coming out from the old country. He expected there would be calls for the grants for country road systems. Wentworth had earned its first \$20,000, and Simcoe would before long earn its first grant. The Province would have to meet the calls under the act passed a few years ago. The beet sugar industry had been established since the act of last session, and about \$2,000,000 invested in it, and between \$300,000 and \$400,000 paid in wages in the four factories at Berlin, Dresden, Wallaceburg and Warton. There was a total output of 14,999,517 pounds manufactured, while the bounty earned was \$74,997, or \$2.42 less than the sum appropriated a year ago. There was cause for congratulation in the success already achieved under unfavorable climatic circumstances last year and a scarcity of labor, but it was believed that the prospects were considerably better for the future.

Railways in the North.

The construction of the Temiskaming & Northern Ontario Railway had been

undertaken. The entire length from North Bay to New Liskeard would be 110 miles. The track had been laid for 56 miles, and the cost would be about \$21,000 a mile. It was expected that before long rails would be laid to the arm of Lake Temagami, and that by the fall of 1904 trains would be running to New Liskeard. The chief difficulty had been the crossing of the height of land, 636 feet above Lake Nipissing, but ultimately a good location had been procured and the first 50 or 60 miles would be completed this year. Railways east and west were projected through the clay belt by the trans-Canada and the Grand Trunk Pacific, which would extend a distance of 560 miles. Should either one or both of these be constructed it would have an important bearing on the development of that part of new Ontario and on the value of the Temiskaming Railway. Some amendments to the bill respecting that road would be proposed to the House this session.

The McDougall Defalcations.

Mr. Ross then outlined the history of the Alfred McDougall defalcations, showing that they had commenced as early as 1896 and had been discovered only last summer, and had amounted in all, so far as ascertainable, to \$27,919. The Government held Mr. McDougall's life insurance policy for \$20,000 and were paying the premiums; also the bond for \$5,000. Since the occurrence departmental methods had been changed, so that duplicate copies of each will filed in the surrogate courts are required to be furnished to the Solicitor of the Treasury and to the Provincial Treasurer himself, thus obviating as far as possible any opportunity for fraud. The securing of guarantee bonds from public officials handling money had also been extended. In the case of officials receiving less than \$800 salary the Province paid the premium. For those receiving from \$800 to \$1,500 the Province paid one-half, and those receiving over \$1,500 paid the whole premium.

Surplus \$1,939,262.

The assets of the Province, Mr. Ross continued, were \$7,824,208, and the liabilities \$5,884,946, or a clear surplus of \$1,939,262, after all liabilities had been discharged. The money received from the Crown Lands Department, for instance, was all invested and could be accounted for. Though \$561,962 was paid on railway certificates, \$479,132 on public works and buildings and \$227,170 on charges on Crown lands, a total of \$1,268,165, there had been a revenue of \$1,338,890 from woods and forests.

Col. Matheson asked if the item concerning debt to the Dominion included the common school fund.

Mr. Ross replied that the Government had nearly closed all the disputes with the Dominion. The arbitrators were now making an examination of the common school fund matter, and when that was done, all the other questions being settled, we would know to a dollar what our liabilities to the Dominion were, and he understood that \$1,807,986 was as near as we could ascertain it.

Col. Matheson—That is only up to December, 1900.

Mr. Ross said the difference would be only a few thousand dollars. The last vexed question in dispute, was treaty No. 3. It had been held by Ontario that that did not properly come under the reference to the arbitrators, and there had been correspondence with the Dominion in consequence. As a result, a reference to the Exchequer Court had been agreed upon. Argument will take place, and if Ontario loses she will appeal to the Supreme Court or to the Privy Council.

Growing Responsibilities.

"I have perhaps kept the House too long," Mr. Ross said, in conclusion, "but I was anxious that we should fully, frankly and clearly understand our financial position, understand our sources of revenue, and of all things understand the demands that are made upon this large Province in the direction of the expansion of our educational system, our agriculture and the settlement of the vast domain which may in years

to come be the most valuable part of our heritage. As I said, perhaps, in making a former financial statement, we must be equal to the responsibilities of making the most of Ontario. Whatever can be done to give us skillful artisans must be done as far as our means will allow; whatever can be done by superior education or by a public school system to fit the masses for citizenship must be done generously and intelligently; nor should we fear carping criticism, or criticism of any kind, so long as we are convinced that the means we are using will reach the end desired.

Developing Latent Wealth.

"And then as to the development of the latent wealth of this country, which is pressing heavily upon us, and which will be regarded as of the first importance, whatever means may be necessary for that should be forthcoming. I believe the revenue of this year will be fully equal to the expenditure which I have proposed, and I believe the various directions in which that expenditure is proposed will help to make of Ontario a more comfortable Province to live in, will help to brighten our homes, will help to make transportation more agreeable and more delightful, and help to bring wealth out of the soil through the intelligence of those on whose behalf that money is expended, and that when we cross the height of land and open the great country beyond for settlement by railway and roads, will travel to that country as thrifty and enterprising a population as have been settled in the south, and in this view I am sure that I will have the support of hon. gentlemen on both sides of the House, that the Government will have the support of the whole country. Canadians are not a feeble folk. They are marching steadily to victory at a rate that is perhaps something phenomenal. We are keeping pace with the most rapid growth of the most favored portions of the United States, and all that is wanted is that at every stage what we have secured we will hold, and make that the starting place of further conquest, of further settlement. It is in this hope that I submit the estimates which I have the honor to bring before you." (Loud and long-continued applause.)

Col. Matheson on Sir Oliver.

Col. Matheson, who followed the Premier, said that he thought that on this, the first opportunity he had had, it was proper that he should express a tribute to the memory of our late Lieutenant-Governor. He had gone to his rest full of years and full of honors. His race was run. His race was well run, and the tribute which, as opponents, they would pay to Sir Oliver Mowat was that he was a man, firm of purpose, and no matter how they differed on points of policy, they felt that he was a worthy man and deserved worthily of this Province. He would acknowledge the courtesy with which Sir Oliver Mowat always treated his opponents, and the kindness of heart which he always showed them, as though they were his political friends. He had also to express on behalf of the House and of the Province the gratification which the people of this Province felt at the appointment which the Dominion Government had made of the Lieutenant-Governor of this Province. There was a feeling that the Dominion Government had made no mistake, and that a worthy man would preside over the destinies of this Province.

Last Year's Estimates.

In regard to the budget, the point which the people desired to know was whether our ordinary receipts would meet our ordinary expenditures. Last year he had said that he believed the expenditure for the year 1902 would be some \$200,000 or \$300,000 in excess of the estimated expenditure, and the returns which had been made before the House had borne out this statement. They had had receipts for the year 1902 of \$4,292,000, and of these part was certainly not ordinary receipts. They had a balance from the timber sales of 1901 of \$227,000. There had also been paid