

# FLOTATION OF PROVINCIAL LOAN.

Mr. Harcourt Says it Was Not Well Managed.

## AGGRESSIVE CRITICISM.

Financial Administration of Former Government.

Generous Grants Towards the Spread of Scientific Education Urged—The Changed Attitude of the Government of the Day—Mr. McGarry to Continue the Debate.

The debate on the budget was resumed in the Legislature by Mr. Harcourt yesterday and adjournment was moved at 10 o'clock last night by Mr. McGarry. Mr. Harcourt, who commenced his address in the afternoon, proceeded after recess and concluded at 9.20, having occupied somewhat over three hours. He reviewed the financial administration of the former Government in a clear and interesting manner, and subjected the flotation of the Provincial bonds for the Temiskaming & Northern Ontario Railway loan to aggressive criticism. He argued that the flotation had been mismanaged to the detriment of the interests of the Province. A renewal of the loan on the terms which the Treasurer had said he could have secured for renewal would have been better pending an improvement of the market and the securing of Imperial legislation allowing the securities of the Province to be placed on the trustees list.

Mr. Harcourt urged generous grants towards the spread of scientific education, which was essential if Ontario was to advance in manufactures and agriculture. His comparison of the changed attitude of the Government compared with their expressed views when in Opposition on several important revenue measures was apt and convincing. Mr. Harcourt was heartily applauded by the Opposition members. Mr. McGarry will continue the debate, which may possibly be resumed to-day but may not go on again before Tuesday. He will be followed by Mr. Hislop for the Opposition.

### Legislative Library.

The report of the Librarian of the Legislature was laid on the table by Hon. Mr. Speaker. Shelving 1,130 feet long had been added, but half of this had been occupied by books on hand, about 500 feet of shelving a year being required. The books added during the year, numbering 2,842, weighed three tons, but nothing had yet been done towards strengthening the floors. The library now numbers 77,127 volumes.

### First Readings.

The following bills were introduced:—  
To confirm by-law 1,781 of the city of St. Catharines—Dr. Jessop.  
To amend the toll roads appropriation act—Mr. Brower.  
To permit William Walter Cope to practise as a solicitor—Mr. Hoyle, for Mr. Lucas.  
Respecting the South Renfrew Traction Company—Mr. McGarry.  
To amend the assessment act — Mr. Auld.

Respecting natural gas wells — Mr. Kohler.

To consolidate the floating debt of the town of Fort Frances—Mr. Kennedy.

To amend the assessment act — Mr. Fox.

To amend the municipal act—Mr. Racine.

Respecting the town of Fort William —Mr. Smellie.

### The Railway Measures.

The resolutions in connection with the new railway act and the Railway and Municipal Board were referred to the Committee of the Whole House, to be discussed when dealing with the bills on next Thursday, and the bills were read a second time and set down for the committee stage on that day.

### Mr. Harcourt on the Budget.

Mr. Harcourt, on resuming the debate on the budget, took exception to the statement of Hon. Mr. Matheson that the colleagues of the speaker had not entrusted him with putting through the succession duties and supplementary revenue acts. He was proceeding to quote from the records of the House to show that the Provincial Treasurer was mistaken, when Hon. Mr. Matheson said he had taken his impression from a Globe report, and if he was wrong he begged to withdraw his statement. Mr. Harcourt accepted the explanation, pointing out, however, that The Globe's reports as to the introduction of the succession duties act were not open to the construction placed upon them by the Treasurer. He also conclusively refuted the argument that he had not introduced and guided the supplementary revenues act through the House. Proceeding, Mr. Harcourt turned to the question of education, pleading first for the advancement of higher scientific education. The late Government had, he claimed, been true to that aim, in proof of which he quoted from measures brought in by the former Administration, and the

generous grants to the branch of education with which he was dealing. In the matter of training the public school teachers of the Province splendid work had been accomplished, and in this respect Mr. Harcourt paid a high compliment to the measures framed by Hon. Geo. W. Ross, and the advanced policy carried out by that gentleman. He referred to the establishment of the Ontario Agricultural College as a result of the late Government's desire to bring scientific principles in education to bear in the spread of agricultural knowledge. The college was the first school to apply science to agriculture extensively, and the most successful of all schools in pursuing that grand aim. Mr. Harcourt combatted allegations to the effect that the majority of the teachers in the public schools were incompetent. All the teachers of the Province were trained, facilities having been provided for that by the late Administration, and the percentage of incompetents was no larger than in any other profession. Referring to the proposed new normal schools, he thought, after careful consideration, that there was no need for more than two, one of which should be located at Kingston, the other in the north or northwestern part of the Province. As to the model schools, he advocated grouping so that there should be one such school where there are now a dozen; making the term one year, and having a selected teaching staff, one of whom should be an expert in those sciences having regard to the work of agriculture. Mr. Harcourt praised the work of the lady teachers of the past and present, and criticized the attitude assumed by the new Government toward the educational policy of the former Administration. Mr. Harcourt believed the Dominion Government should do a great deal in the matter of technical education. He read from a letter written by himself while a Cabinet Minister, urging this view on the Premier of the Dominion, and suggested that further efforts should be made in this direction. Turning then to the floating of the Provincial bonds for the Temiskaming & Northern Ontario

Railway loan Mr. Harcourt declared it to be a bad investment. The case was not one in which comparison could be made, because Hon. Mr. Matheson was the first member of any Government of the Province who had direct Provincial securities to dispose of. The former Government had no legislation empowering them to put a direct issue on the market; they had only railway bonds guaranteed by the Government, a very different thing. If the Provincial Treasurer had been a prudent man he would have waited until the market was more favorable. "What," he said, "is one or two years waiting in consideration with the unexpired term of thirty-seven years. I understood my hon. friend to say he would have been able to bring about a renewal at three and a half. Why then did he not at once renew and keep on renewing until old-time prices came around again?" It was reported, however—but if his hon. friend said such was not the case he would gladly accept his word—that the Treasurer had committed himself to a forty-year bond issue before arriving in Britain.

Hon. Mr. Matheson—The hon. gentleman is quite mistaken. That is not true.

Mr. Harcourt accepted the explanation. Continuing, he read from a report on the question, prepared when he left the Treasury Department, for the benefit of his successor, in which he had suggested the securing of legislation for a direct Provincial issue of bonds. This had been done, but the full advantage had not been realized. Canada's 3 1-2's the other day realized in actual sales 102 3-8, and Toronto's 3 1-2's 102 and a fraction, in spite of the debts of both. He (Mr. Harcourt) had also made the suggestion that through the Dominion Parliament legislation should be secured from the Imperial Parliament which would permit of Ontario's securities being classed as trustee securities. The advantage of this would be obvious to all who considered the question. It would mean that the securities would bring as high a price on the London market as the bonds of the Canadian Government. The wise course, the correct course in the best interests of the Province, would have been to wait. Nothing had been gained by this haste; a large sum had been lost to the Province. It was most unfortunate that the 3 1-2 per cents. of the Province should be sold at 96 when those who took the loan were making 3.73 per cent. profit.

Hon. Mr. Matheson was lacking in his usual dialectical skill, thought the speaker, when he answered himself in saying that \$3,183,000 of court funds were invested at a low rate of interest. The thrifty people of Canada had the ability to absorb millions and millions of pounds sterling. The increase in deposits of \$60,000,000 was sufficient to cover the Temiskaming bonds ten times over, while the bank reserves had increased at the rate of three millions a year for the last ten years. In a short time the loan could easily have been subscribed from such sources.

The first year of the Provincial Treasurer's rule had shown a rapid increase in expenditure, and the public accounts did not display careful economy. Unless he made his plans better he would be swallowed up in a sea of deficits. Hon. Mr. Matheson had boasted a surplus of \$100,000. The former Government had left two millions in hard cash in the strong boxes of the Province.

Hon. Mr. Matheson—We've still got it.

Mr. Harcourt—I'll come to that later. He objected to the bookkeeping of the Government. In large type they placed the Temiskaming Railway as a liability, and in small type as an asset. Patriotism, he thought, would have reversed this. There was nothing more to the credit of the Province than the pluck and venturesome spirit with which this undertaking had been engaged in. The 20,000 acres a mile of land grants to the railway, with its million dollars' worth of white pine, would be sufficient to pay for the railway. The Niagara bonds were a liability, Mr. Harcourt admitted.