

ONTARIO'S SPREAD POSITION.

Financial Statement of Hon. R. Harcourt.

Legislative Assembly, Toronto, Dec. 14, 1897.

M. Speaker.—Owing to the unusually early date of the commencement of the session, and to the fact that the accounts in the hands of hon. members cover only ten months of the present year, instead of the full calendar year as heretofore, my statement this afternoon must necessarily differ considerably from those I have previously had the honor to deliver, both as to its subject matter and arrangement.

At the very earliest hour possible the accounts for the balance of the year, viz., for the months of November and December, will be presented to the House in the usual form, and hon. members will then, as always heretofore, have the fullest opportunity to examine them in detail, and to object to them in committee, if need be, to a select committee.

It must be apparent to everyone that much valuable time will in this way be saved, that the business of the session will be greatly facilitated and expedited by bringing down now, as we have done, the full accounts of the year up to the end of October last, and that the convenience of hon. members will thus be best suited.

RECEIPTS, TEN MONTHS ENDED 31st OCTOBER, 1897.

Table with 2 columns: Description and Amount. Includes Subsidy, Specific grant, Interest on capital held, etc.

Crown Lands Department—

Table with 2 columns: Description and Amount. Includes Crown lands, Rent to Crown lands, Railway lands, etc.

Casual Revenue—

Table with 2 columns: Description and Amount. Includes Provincial Registrar's Department, Registrar-General's branch, etc.

EXPENDITURE, TEN MONTHS ENDED 31st OCTOBER, 1897.

Table with 2 columns: Description and Amount. Includes Civil government, Administration of justice, Education, etc.

Our total receipts for the ten months of 1897 to the end of October amount, as hon. gentlemen will notice, to \$3,686,138.

It exceeds our estimate, by \$477,000. In making my statement, however, last February, I expressly informed the House that I was confident that the actual result would exceed the estimate. We have received already during ten months of this year a considerably larger sum than we have received any one year since 1863. It is gratifying to know that we have received during the first ten months of this year \$303,467 more than we received for all of last year.

The main source of increase, it will be noticed, is in the receipt from Crown lands. For the period of ten months which I am now considering our total receipts from the Crown Lands Department amounted to \$1,390,178, the largest receipt of any year since 1863.

Last year we received \$925,292. The average yearly receipt from this department for twenty-six years has been \$978,264. For the sale of Crown lands we received this year \$84,405, from rents, mining leases, and notices to quit, \$154,735, and from woods and forests \$1,132,387. From mining leases we received last year \$46,004, and during the year 1894, \$1,065,665. We received up to the end of

meantime, these railway obligations will decrease considerably.

Next year these obligations will be \$28,000 less than those we have met this year, in 1896 there will be another drop of \$14,000, the following year a drop of \$6,000, and four years from now they will, as compared with this year, be diminished to the amount of nearly \$80,000. In 1884, the year of our first sale, the purchaser's investment brought him an interest yield of about 4 1/2 per cent. The purchaser this year will receive less than 3 1/2 per cent. on his investment.

It must always be remembered that the issue and sale of these annuities does not add one dollar to our existing obligations. When we sell annuities we merely postpone the railway obligations which mature during the year in which the sale takes place. We have had nine sales of annuities since 1884. We have had five sales during the last two Parliaments. We have not sold them every year. We did not sell them, for example, in 1893 or 1894, or in 1890, 1888 or 1890. We put out for railway aid since 1884 \$1,074,284, more than we have received from our nine sales of annuities.

During these two Parliaments, moreover, that is from 1890 to 1897 inclusive, we have paid out for railway aid and to retire annuities \$1,069,732 more than we have received from the five sales of annuities referred to.

SUCCESSION DUTIES.

I estimated that we would receive from succession duties during the year \$175,000. Up to the end of October we had received \$82,546. Only fifty estates out of three or four thousand came within the act. I will before the session closes be able to give the exact number of estates which were administered during the year. In 25 of our counties not a single estate paid duty this year. The County of York, including Toronto, paid half of the total sum we received.

Since 1892, when our act was passed, we have received \$744,376. The Government claims and is entitled to much credit for this large receipt. All economists agree that this is as just and equitable a means of raising revenue as has ever been devised. It fully conforms with the foundation principle that all taxation should have regard to the ability to pay on the part of the taxpayer. Under our act only large estates (and we have but few of them in our young country) are dutiable. But one estate out of every fifty is reached by its provisions. Direct heirs very rarely pay anything. Collateral and remote heirs pay only a few dollars. No estate less than \$10,000 pays any duty under our act. Our child, father, mother or grandchild, nor our son-in-law nor daughter-in-law is called upon to pay anything unless the estate exceeds \$100,000 in value.

INTEREST RECEIPTS.

We received as interest this year on our trust funds and investments \$224,647. Of this amount \$212,414 was remitted to us by the Dominion Government as the interest due on the funds it holds in trust for us. The balance, \$12,233, represents interest on our drainage debentures and interest received from the banks on our deposits.

The plain fact, Mr. Speaker, that we have thus received this year \$212,414 from the Dominion Government, and if we expect an additional sum before the year closes, is a conclusive proof that the Dominion holds in trust for us a large capital fund of several millions of dollars on which it regularly pays us interest. I will take occasion later on to refer to this question.

LICENSE RECEIPTS.

We received altogether this year from liquor licenses \$280,157. It is made up as follows:— Revenue from city municipalities, \$116,162 12; Revenue from municipalities other than cities, \$154,995 00. Total, \$271,157 12. Licenses, 1897, 18,000 00.

Total revenue for 1897, including brewers' and distillers' licenses, \$280,157 12. The revenue from liquor licenses (not including brewers' and distillers) shows a net increase of \$2,984 over last year, the revenue from the cities having increased by \$3,540 and that from other municipalities decreased by \$536.

The fee for a brewer's license is \$250. Since last session the Privy Council confirmed our right to exact a license fee from brewers and distillers. The following table shows the amount of license revenue retained by the Province for its own use and the amount it distributed amongst the municipalities during each of the last five years:—

Table with 2 columns: Year and Amount. Shows revenue from 1893 to 1897.

The Province of Quebec retains all license moneys and returns no part of them to the municipalities. It received from this source last year \$663,087.

The total number of tavern, shop and wholesale (not including brewers' and distillers) licenses issued during the year 1897 was 3,980. Issued in 1894 was 3,276; issued in 1895 was 3,151; issued in 1896 was 3,132; issued in 1897 was 3,026. A total decrease in five years of 273 licenses.

The number issued in 1874 was 6,155, in 1884 3,070 and in 1894 3,151. The next five years will in all probability witness a still more striking diminution. The act passed last session abolishing saloons and allowing only three tavern licenses for the first 1,000 of the population instead of four as in former years, and only one license for each 600 thereafter instead of 400 as formerly, will, in connection with the unwritten law of the survival of the fittest, inevitably contribute to this result.

The sum of \$115,104, representing what we call "Casual revenue," is made up of more than twenty miscellaneous items of receipts. The largest of these items is that of \$83,840, which comes to us from the Provincial Secretary's Department, and nearly all of this is made up of fees received for charters of incorporation. The number of charters issued greatly exceeded that of previous years. From marriage licenses we received \$2,000. In 1899 the Sandfield Macdonald Government received from marriage license fees \$31,331. Perhaps this is the only instance on record of a loss of revenue of which everyone approves.

From the Insurance Department we received a little more than \$23,000. The fees received under the Ontario Insurance act of last session amounted to \$17,864. The annual registry fees of Dominion licensees and friendly societies amounts to \$13,481. We received by way of annual registry certificate fees payable by building societies, loan companies and trust companies, and for charters and application fees, \$10,200. This source of revenue dates from the passing of our loan corporations act of last session.

ANNUITIES.

We received from our sale of annuities this year \$156,242. Our first sale was in 1884. In that year we sold to the amount of \$13,400 a year. This year we only needed to sell to the amount of \$7,000 a year, and the difference in amount of course represents our improved position as to these railway obligations. The amount we sold this year was smaller than that of any previous year. During the next few years, unless we grant aid to railways to a large extent in the

small contribution towards their maintenance, amounting to one-fifth of the gross expenditure. In Ontario the municipalities, on the other hand, are relieved of the burden altogether.

I could readily give further illustrations to show that this Province is extremely liberal in the grants it gives with the object of relieving the municipalities. Our two largest items of expenditure are those for education and for maintenance of our public institutions.

In 1895 we expended for education \$966,042, while the Province of Quebec expended only \$371,269. In the same year we spent for maintenance of public institutions, including hospitals, \$399,443, while Quebec spent only \$378,158.

The insane asylums of the State of New York are beyond question carefully managed institutions. The people of the State, as I have said, are taxed directly for their support. A taxpayer assessed for \$3,000 pays about \$3 a year for this purpose.

It is often urged that where direct taxation is resorted to the taxpayer will closely scrutinize every outlay and insist on strictest economy.

And yet we have succeeded in this Province in keeping our asylum expenditures considerably under those of the State of New York. Does not this tend to prove that we manage our institutions with due regard to economy?

The State Commission in Lunacy in New York State carefully reviews the detailed monthly estimates, which are prepared by the stewards of the various hospitals under the direction of the Superintendent. Every precaution is taken to keep down expenses.

If I will, I am sure, interest hon. members if I compare or contrast with some detail some of these New York State institutions with one of ours as regards expenditures. The asylum at Ogdensburg, New York, is called the St. Lawrence State Hospital. The River St. Lawrence, and it alone, separates it from our asylum at Brockville. No two institutions could be more sanitariously circumstanced. There is accommodation for 1,200 patients at Ogdensburg and 508 at Brockville.

The capital expenditure on lands, buildings and furnishings at Ogdensburg amounted to \$2,272,467, that at Brockville \$440,126. The rate of cost per bed at Ogdensburg is \$1,758, at Brockville \$870.

The per capita cost of maintenance at Ogdensburg last year was \$213, at Brockville \$118. The number of medical officers at Ogdensburg is 17 for every 127 patients, at Brockville 1 for every 103 patients.

At Ogdensburg \$62 is paid for salaries of officials and employees for every patient, at Brockville \$48. All supplies at Ogdensburg are bought by the steward in the open market; we buy our supplies for the main part (viz., 64 per cent.) by tender.

Their Commissioners believe they can only make sure of getting provisions of the best quality by buying in the open market. The buildings at Ogdensburg, having regard to the accommodation, cost twice as much as those at Brockville, the per capita cost of maintenance is 60 per cent. higher, the number of officials 50 per cent. larger.

The salaries paid to officials generally at Ogdensburg are nearly double those paid at Brockville. The Superintendent of the Ogdensburg Asylum, the Assistant Superintendent, and the Nurse, each of them receive twice as large a salary as we pay the same officials at Brockville.

These figures speak so plainly and forcibly that I need not further comment on them. May I give another comparison? I will refer to six representative asylums situated in four of the most advanced States of the Union.

Per capita cost of patients in six American asylums in 1896:— Daily Average Annual Weekly Pop. Cost. Cost. Cost. Kalamazoo, Mich., \$189 92 \$3 46 1,177 1,177; Pontiac, Mich., 175 41 2 97 1,069; Cleveland, Ohio, 124 04 2 37 1,109; Warren, Penn., 187 72 3 61 914; Province of Ontario, 126 28 2 43 4,254.

The average weekly cost per capita for the maintenance of lunatics in these asylums was \$3 18. In Ontario asylums, for 1897, it was \$2 43, a difference per capita of 73 cents weekly.

The average daily population of lunatics in 1897 in Ontario was 4,254. If the same average rate of maintenance was charged to Ontario as in the American institutions it would mean to us an increased expenditure of \$161,476 94 a year.

If the average rate in Ontario were applied to the above American asylums it would mean to them a saving of \$247,754 20 a year.

The foregoing six American asylums are thoroughly representative. Their circumstances and conditions are not unlike ours. A comparison with them is therefore fair and reasonable. The per capita cost of management in each of them is higher than in any of ours.

We have a larger population than ours and that fact should tend to diminish their per capita cost, since the cost of management should decrease with increasing numbers. The cost of fuel, a very important item in the cost of maintaining asylums, is much less in these States than it is in Ontario. In a recent report of the Columbus Asylum, for example, this statement appears:— "We have a contract for coal this year at the remarkably low price of \$1 04 per ton."

The following summary will prove of interest:— Average Average annual weekly Pop. cost. cost. Six American asylums, \$3 18 6,205; Six Ontario asylums, 2 43 4,254.

of Liberal rule in this Province, from 1871 until the end of 1896, and you will find that the Opposition in the various intervening Parliaments have challenged less than three-fifths of 1 per cent. of all our expenditure.

The Opposition in this present Parliament has taken objection to less than 1 per cent. of all our expenditures.

Nearly all of our expenditures pass unchallenged, but when an election approaches the old and time honored cries of waste and extravagance are revived.

A considerable portion of our yearly expenditure consist of direct grants, appropriations of money sent to County Treasurers, Treasurers of School Boards, of Agricultural Societies and of Hospital Boards. We give the money itself directly back to the people, and they spend it in their own immediate localities in relief of their local burdens. In 1896, for instance, we gave direct grants in this way to the amount of \$1,002,698. For example, if we take all our expenditures of a single year, we will find that out of every \$100 the Province spends \$19 93 of it is spent for maintaining our public institutions, \$18 95 for purposes of education, \$15 12 for public works and buildings, \$9 74 for administration of justice, \$5 61 for railway aid, \$4 24 for agriculture, \$4 22 for hospitals and charities, \$6 18 for civil government, \$3 55 for legislation, \$2 87 for colonization roads, \$2 48 for charges on Crown lands, \$2 06 for repairs to public buildings, \$2 06 for immigration and \$4 80 for the many various unclassified items which make up what we call miscellaneous expenditure.

This analysis of itself shows at a glance what large sums we return each year to the people, and how little is expended for ordinary purposes of government.

INCREASED GRANTS IN AID. We have spent under the head of education this year \$974,189. Our total expenditure last year for this purpose was \$702,457. In 1877 we spent \$570,790. Out of each \$100 the Province spends about \$19 of it goes to support our schools. For hospitals and charities we have given, and these are cash payments sent to the Treasurers of the various institutions, this year \$192,094. We gave \$1,000 each to the Houses of Refuge in the Counties of Perth and Lambton.

For agriculture we spent, in the year 1897, \$62,139. In 1887 we spent \$28,042, and our administration of justice we spent the year \$28,642, while ten years ago we spent \$22,405. This illustrates in what ways our expenditures increase. In each case the additional expenditure carries with it corresponding relief to the municipalities.

Our total expenditure for all of 1897 will be considerably less than the House authorized us to spend. We spent last year \$143,587 less than the House voted, for the same statement, and the amount expended last year is considerable.

Is not this fact conclusive proof of our earnest desire to economize whenever possible? The additional fact that our total expenditures have been continuously decreased for several years past cannot be overlooked. Our total expenditure in 1891 amounted to \$4,156,139; in 1892, \$4,038,257; in 1893, \$3,907,145; in 1894, \$3,842,505; in 1895, \$3,758,535; in 1896, \$3,703,279.

I can assure the House that our total expenditure for all of 1897 will be considerably less than that of 1896.

Some of our expenditures are uncontrollable. They increase automatically from year to year.

Our grants for education, for agriculture, for maintaining our large asylums with their ever-increasing number of inmates, are of this character. Other expenditures, on the other hand, are well within our control, and it is by exercising care and caution, prudence and economy as to this class that we have been able year by year for seven years in unbroken succession to cut down our aggregate expenditures.

Will hon. gentlemen oppose name a Province or a State in which so desirable an end has been so successfully accomplished? SANDFIELD MACDONALD'S POLICY. Hon. gentlemen opposite have been for months past talking continually about the policy and economy of the Sandfield Macdonald Government.

Was it the policy of John Sandfield Macdonald to keep adding to the surplus year by year and thus to form a large reserve fund to be constantly increased by yearly accumulations? No, for any member of his Government advocated such a policy for a single moment. No member of any Government in any country, so far as I know, ever acted on such a policy. Let us consider briefly what his financial policy was. When he left office there was in the treasury, as I shall show later on, an available cash surplus of less than \$1,500,000. Our financial critics opposite recently stated that it amounted to \$4,000,000. Their mistake or exaggeration is to the extent of \$2,500,000. It could readily give of the loose assertion of the unstrained license of speech they habitually indulge in when discussing our finances.

Some of them, I am compelled reluctantly to say, judging from their exaggerated speeches only recently delivered, do not seem to even think it necessary to respect the intelligence of their auditors. In a loud and demagogic way they are increasing and loud demands for such liberal aid and generous expenditure as would alone furnish the means of helping the people to help themselves—this available cash surplus of \$1,500,000, which the Sandfield Macdonald Administration accumulated from 1868 to 1871, must soon have been exhausted.

His setting apart in his last year of office by statute the sum of \$1,500,000 to aid railways plainly indicated that his policy was in this way to open up the country and develop its resources and not to hoard up year by year a growing surplus.

Goodness, there is a plain and manifest reason why he did not at an earlier date announce a policy of large expenditure or of distribution of the available money on hand for public uses.

The reason, Mr. Speaker, briefly and undeniably, is as follows:— In these early years, from 1868 to 1871, the Legislature and Government were looking forward, as we are even now, to the final adjustment of the accounts between the Province and it was then believed—and the Treasurer of that day is himself on record as holding this view—that the result of that adjustment might possibly impose a serious charge on the Province of Ontario. Indeed it was more than hinted at, during these early years, that our special funds might necessarily be drawn upon to meet this charge.

The uncertainty, then, as to what the real financial condition of the Province was, the doubt which prevailed as to the amount of the surplus of debt in excess of \$62,500,000, and that all conclusions drawn therefrom are futile and valueless. We must once again remind them that the Ontario of today is twice as large territorially as it was in Sandfield's time, that we have 600,000 more people to govern, and that in the intervening years the work of development, of expansion and of growth has in a hundred different ways been going on unchecked. The irreducible minimum of demands on the treasury is today four or five times as great as it was then. I must for the present content myself with only a few hurried illustrations.

1871 AND 1896 CONTRASTED. John Sandfield left office at the close of 1871. Neither the Central Prison nor the Institution for the Blind at Brantford were in existence at that time. The buildings themselves cost a large sum of money. Their maintenance alone last year cost \$85,205. The only asylums for the insane we had at that time were those at Toronto and London, and part of that at Kingston. We have since built large asylums at Hamilton, Oshawa, Mindoo and Brockville. The erection of these four new asylums alone cost us \$2,336,000, and for their annual upkeep we are compelled to pay \$207,000. They accommodate 2,600 patients, and they are all filled to-day save one of the cottages at Brockville.

We maintained only three asylums in 1872, at a yearly cost of \$180,024. We now maintain seven asylums at an annual cost of \$695,788.

In 1871 only 1,300 patients were cared for altogether. We now care for nearly 3,000. We must not forget that when we add to our public buildings we necessarily and proportionately add to our public annual maintenance charges.

Under the Macdonald Administration not a dollar was actually spent in aiding the construction of railways. For this one purpose we have since 1871 spent more than \$6,500,000. We have now in the Province 6,512 miles of completed railway in actual operation, and 1,977 miles of it have received substantial aid from the Provincial Treasury.

The construction of these railways entailed an expenditure within the boundaries of the Province by way of wages, materials, rolling stock, etc., of \$50,000,000, a vast expenditure of money, which in a variety of ways stimulated trade and otherwise aided in the development of our resources.

Our friends opposite in a petulant way complain of our financial administration, and in vague, general, loose terms denounce it. As a special evidence of our mismanagement they point to the railway certificates and annuities issued from time to time.

Here, sir, is an expenditure of over \$6,500,000 given by us in aid of railways since 1871, and we have not a quarter for our own use. Did any one of our critics, and some of them have had seats in this House—two or three Parliaments, ever object from his seat in this House to a single dollar of it? With my hon. friend from Lanark we will now rise and name the quarters for our own use. Did any one of our critics, and some of them have had seats in this House—two or three Parliaments, ever object from his seat in this House to a single dollar of it?

Has my hon. friend who leads the Opposition a different railway policy to propose? If so, the country will be glad to learn of it. So far as I know, he has not taken this hour on a single occasion for objection in the House to our scheme of railway aid, or to any part of it, or to the issue of a single railway certificate. The money we have given to railways alone since 1871 has been more than four times over exhausted the cash surplus left by the Macdonald Administration.

And yet the leader of the Opposition says, and keeps saying, that we have squandered the surplus of the previous Government. Not one dollar of it, as he well knows, was spent for ordinary purposes of government, or as part of our current, ordinary or normal expenditures.

Under the surplus distribution scheme there was paid directly to the municipalities of the Province from the Provincial Treasury, mainly in the years 1874, 1875, 1876 and 1877, more than \$3,388,000, and the municipalities throughout the Province in their turn expended this large sum thus directly given to them out of the Provincial Treasury on roads and bridges, town halls and schoolhouses, and in paying off their own railway debts. This is the kind of Provincial expenditure we mean in this way. This Macdonald Administration in its last year spent by the way of educational aid \$251,000. We spent in 1896 exactly twice as much, viz., \$502,000.

The difference, if hoarding were our only object, would in a single year make a nice addition to our surplus. In the course of a single Parliament we could in this way save, if this can be called saving, \$1,499,000. Of this large sum of \$1,499,000 the Opposition last session objected to only \$13,900, and it has been already shown, Mr. Speaker, that the items so objected to, making up this \$13,900, are not only in themselves unobjectionable, but also that the policy of our critics in regard to them is shortsighted and unsound.

INCREASED GRANTS TO MUNICIPALITIES. John Sandfield in his last year spent \$78,000 in aiding agriculture. These we spent \$192,939. His Government gave for hospitals and charities in 1871, \$40,000, we gave five times as much, viz., \$196,000 in 1896. In these three directions alone, viz. education, agriculture and hospitals and charities, the Macdonald Administration in four years spent \$1,715,828, in our last four years, viz., from 1893 to 1896, inclusive, we spent \$4,199,999.

By pinching these three vastly important services down to the narrow limits fixed by the Macdonald Administration we would have added in the short space of four years to our surplus an accumulation of \$2,485,000.

In other words we gave back to the people in these three ways alone in four years \$2,485,000 more for the Macdonald Administration gave for a like period. To this extent we lightened the burdens of our people. Does not this prove conclusively the utter, I might well say ridiculous, absurdity, of comparing the expenditures of our early years with those of recent years, and yet, sir, it is the fact that in every campaign speech of hon. gentlemen opposite, without a single exception, constant references have been made to the scale of expenditures of the Macdonald Administration, with the aim of showing that the present Government has been extravagant, and that we have squandered the surplus of the previous Government? But, our critics say, we should live within our means, we should do as the John Sandfield Government did. It seems needless, sir, to repeat at this time, but I feel compelled to do so, because of the surplus of our opponents, that the utterance of an attack of our opponents, that all comparisons between the Macdonald

Administration and ours as to matters of expenditure are biased and misleading, and that all conclusions drawn therefrom are futile and valueless. We must once again remind them that the Ontario of today is twice as large territorially as it was in Sandfield's time, that we have 600,000 more people to govern, and that in the intervening years the work of development, of expansion and of growth has in a hundred different ways been going on unchecked. The irreducible minimum of demands on the treasury is today four or five times as great as it was then. I must for the present content myself with only a few hurried illustrations.

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