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Hon. Mr. Mackay on **Provincial Finances**

CLEAR-CUT AND CONVINCING SPEECH

Deficit of \$553,363.25 -- Vigorous Colonization Policy for Northern Ontario Advocated -- Industrial Education-Scarcity of Teachers -- Reforestration--Reciprocity and Other Subjects Eloquently Dealt With.

Budget, Hon. Mr. MacKay, Leader of the Opposition, spoke as follows: Mr. Speaker: This debate has now occupied some two weeks, and has covered a wide range of subjects. The subjects have been interesting or otherwise, largely, according to one's view point; but I am glad to say, Sir. that in the main the spirit that has pervaded this debate has been one of courtesy, moderation, and sweet reasonableness. In contrast to some of the jingling and somewhat jingoistic speeches of honorable gentlemen opposite that of the latest acquisition to this House was rather pleasant as to Fast Twin Screw S.S. "Bermud- method and manner of delivery. The ian," 5,530 tons, sails from New modesty he displayed was no doubt due to the fact, Sir, that he sits on this side of the House

Current Receipts and Expenditures. The annual announcement by the Honorable, the Provincial Treasurer, as to the financial standing of this is always important, and careful consideration. The question of New York for St. Thomas, St. the correctness of the statement as to Croix, St. Kitts, Antigua, Guada- the assets and liabilities has been ably dealt with by the horocable

For full information, apply to J. P | the member for West Wellington. HANLEY and C. S. KIRKPATRICK, Just a few words as to the correct-Ticket Agents, Kingston; A. E. ness or incorrectness of the financial Outerbridge & Co., 29 Broadway, statement as to current receipts and New York; Quebec Steamship Co., expenditures. In making contrasts I do not proposerto hold the Honorable, the Provincial Treasurer to the position which he took while a member of the Opposition; but, Sir, it is eminently fair, it is only right that should introduce the gentleman himself as Provincial Treasurer. desire, therefore, Sir, to introduce the Provincial Treasurer of 1911 to himself as Provincial Tressurer during the years 1905 and 1906. If, Sir, we are to understand the finances of this country, if honorable gentlemen sitting in this House, if the people of the class colonist province, are to have any intelligent tickets on sale daily March 10 to conception of how the finances of this April 10th, at the following rates province stand, we must have, Sir continuity of system in the classifica tion of accounts, else it will be quite impossible to make a comparison from year to year, and it will be quite impossible for the people of this province to understand where we are at financially. It will not do, Sir, to allow the Honorable, the Provincial Treasurer to juggle with figures and to transpose figures at will in order Full particulars at K. & P. and to produce an apparent surplus. He unly announced to this House, Sir. that there was the small balance at the end of the last fiscal year of corrent receipts over current expenditures, giving the exact figures as \$3,406. Sir, I desire to tell him frankly and plainly and to tell the honorable gentlemen of this House, and the people of this province, that that statement cannot be justified, is not true, on the classification formerly made by the Provincial Treasurer Nor can it be justified or upheld on the basis of any classification of current receipts and current expenditures as distinguished from capital receipts and capital expenditures, would make. May I be permitted to remark, Sir, that I do not idolize a surplus. There may occur in the history of this province, as in the history of any business enterprise, occasiona the province as an individual should draw upon his credit for a particular year, and should perchance make exsenditures beyond current receipts. A series of deficits, however, such as we have experienced in late years is something to be avoided. In any event, Sir, the finances of this province should not be juggled or shuffled time after time in order to produce a seeming surplus. There is no such virtue in the having of a surplus as will justify the production of a disionest financial statement. I contend. Bir, as I have always contended, that the moneys received from the absoute sale of crown lands cannot truth-

> and deliberately and coolly proclaims that there was a surplus last year of \$3,406. I do not purpose, Sir, to algo unchallenged in this House. Were it not for the absolute slavery of party in this province, no Provincial Treasvincial Treasurer to humself as he stands before the mirror of his own stands before the intrior of his of the stands before the intrior of his of the stands and the stands of 1906 and 1906. At p. 5 of his Budget speech, Sir, as published by this Government and as paid for by the people of this province the honorable gentleman is absolute and that unless practical steps for the people of the people of this province the honorable gentleman is absolute.

When this province parts absolutely

and entirely with any land all possi-

bility of a future receipt from that

land is gone, and, therefore, the mon-

avs received from the sale should be

credited to capital account. What,

who owned two hundred acres of land.

who for several years worked the

same, and year by year struck a bal-

ance sheet showing say, \$500 a year

gain, i.e., that his current receipts

exceeded his current expenditure by

100 acres, getting, says, \$5,000 for it, and then claimed at the end of that

year that his current receipts exceed-

ed his current expenditure by \$5,500.

If, Sir, he made any such contention

the neighbors would send for his

friends to take care of him, under the

impression that something had gone

Well, Sir, it is exactly by such a

method that the Honorable, the Pro-

vincial Treasurer arrives at results,

\$500; if in a particular year he sol

Sir, would be thought of a farmer

tal and not as current receipts. In this he was right. Let me apply this position to his financial statement for which again the people of this province pay, and what do I find? I find, Sir, that last year from the absolute sale of lands the province received the following two items: \$432, 109.47: \$10,857.42, making a total capital receipt under this head of \$442. 966.89. The honorable gentlemen have the printed statement before them; there is no doubt as to the facts, and the dishonesty and the deception of this year placing such items in current receipts, in order to produce an apparent surplus, is too painfully

Again, Sir, take the item of bonuon timber sales: At p. 4 the Honorable, the Provincial Treasurer's budget speech of 1905 we find the fallowing: "Now we distinguish the bonus received from pine timber sales aprovince at the close-of any fiscal year | being a special payment of capital account"; then again at p. 5 he says; "It is, I contend, a capital asset, and such I propose to treat it." Then again. Sir. at p. 4 of his financia statement of 1906 will be found the following statement: "Of the revenue. the bonus on pine timber sales sold under the former Government, \$520. 000, may be considered as being paid on capital account"; so that, Sir, in 1905 and 1906 he was very properly treating the bonus received on timber sales as a capital and not a current receipt. Apply this classification which is a proper classification, to his this year's statement, and we must deduct under the heads of "Woods and Forests" the amount received as a bonus on timber sales, namely \$92. 396.36. Adding these two items together, namely, the amount received for the sale of crown lands (\$442. 966.89), and the amount received as a bonus on the sale of timber, namely, \$92,396.36, you have in all under thes two heads, a capital receipt, wrongly and dishonestly placed in the current

receipt column of \$535,363.25. Now, Sir, if you take the alleged surplus of \$3,484.59 from the \$535. 363.25 you arrive, according to the Honorable, the Provincial Treasurer' own statements, according to his own position, an actual cash deficit last year of \$531,878.66, and yet, Sir, in order to mislead this House, in order to mislead the people of this province, the Honorable, the Provincia freasurer deliberately transfers th arge items already mentioned from the column of capital receipts to that of current receipts, and thus produces bogus and imaginery surplus of \$3,484.59, while he knows, and every sane man in this House knows and every truth respecting man will agsert that there is an actual deficit of

\$531,878.66 If, Sir, I desired to go further and desired to hold the honorable gentleman to his contention when financial critic of the Opposition, where would he land? I find, Sir, at p. 5 of his oudget speech for 1905 the following statement: "Sir, we contended at times when we were in Opposition that all crown lands receipts should be treated as received on capital ac-. . . The late Mr. E. 1 Clarke, one of the ablest financial men who ever represented a constinency in this Legislature, was espe cially wont to argue that that should

Sir, were we thus to introduce th Ionorable, the Provincial Treasurer to-day to himself as financial critic of the Opposition in years gone by. and were to hold him to his then contention what would be the result? take up the financial statement issued by him, and I find that for the sale of lands last year the Government received \$442,966.89, that the "Crown ands Receipts" were \$1,835,082.71. making a total of \$2,277,049.60. Now, Sir, deduct the bogey surplus of \$442,-966.89, and you would have according to the Honorable, the Provincia Treasurer's contention, and critic for the Opposition, the astounding deficit last year of \$2,273,565.01. Sir, I repeat that if the financial statemen issued year by year by the Honorable. the Provincial Treasurer of this province, is to be of any value at all, if it is not to become a mere laughingstock, there must be continuity in the method and classification of our finances, and current receipts and expenditures should be truthfully distinguished from capital receipts and capital expenditures. When the province sells lands the fact should be truthfully shown in the financial statement and the sale price and the money received for the sale of any such lands should be treated as a capital receipt and not one of current account. Were it not for the curse of party slavery no Provincial Treasurer would dare stand up in a House such as this and make the statement he has made, much less would he dare publish such financial statement. The importance of honestly and truthfully dealing with our finances need not be emphasized. A very substantial portion of our revenue is made up of the receipts from woods and forests. It then, our forests are being gradually diminished, and our timber year by year sold, and nothing done by way of nservation of our forest wealth or by way of reforestration it follows, as an absolute certainty that our revenue under that head must gradually decrease, and in time be absolutely Provincial Treasurer to himself as that particularly calls, not only for nonest statement of the facts, but, and 1906. There is an old Spanish | Sir, for an honest effort to remedy proverb which says, "That you may always appeal from Phillip drunk to Phillip sober," allow me, therefore, to introduce the Honorable, the Prounder this head what happened in the United States, largely owing to the same accursed slavery of the party flag: For the past quarter of a century the experts at Cornell University, and other educational institutions, leading

forestration were taken there would crnment with but slight variation in \$192,085. a deaf ear was lent to all such intelligent warnings, with the unavoidable result that our neighbors to the south of us are now in many lines booklering on a timber famine. Hence again, Sir, I repeat the necessity of dealing honestly with the facts as to our receipts from crown lands. If, Sir, the

vincial Treasurer were an honest one, it would proclaim to this House and to the people of this province that there was last year an actual financial deficit of \$531,878.66. Then, Sir, if we were honestly told, as we should be, that from year to year there has been an actual deficit, the people would bestir themselves, and the Goverament would be forced to curtail expenditures, or to take the necessary steps by way of a general sysfrom our crown lands would not necessarily year by year diminish, and, if nothing is done ultimately vanish. If, Sir, the Board of Directors in any siness concern would attempt to make an annual financial statement as misleading and deceptive as that est accountants placed in their stead. companies, banking institutions, etc., during the operation of the net up to tificates, six holding district certifi-I say again, Sir, that I am not stand- in 1904 were \$420.627.00; the receipts date, the Government has received cates, and not less than thirty-one the Provincial Treasurer, but I do this \$752,338 would have found its also under the Brewers' and Distillers' other words, during the year 1910 say, that it is nothing short of crim- way into the Provincial Treasury had Act the province has received \$837 .- forty-two per cent. of the rural schools inal for any public man to so juggle honorable gentlemen opposite had 964.95. Under these three taxes the in the old riding of East Peterborough with his figures as to show an imag- their way; and yet, Sir, if we are to total receipts of the province up to were in the hands of unqualified inery surplus when there is an actual believe the supporters of the Govern- the 31st October, 1910, reached the teachers. This is the direct result of and very substantial deficit. If it is ment this increase under this head of magnificent sum of \$14,804,159.47. advisable and desirable, may per- \$331,710 is to be attributed to the chance necessary, that the province | splendid financial management of the spend such an amount of money that the current expenditures shall exceed the current receipts; let it be done. The supreme test is whether it was desirable in that particular year that the money should be so spent, and whether the province has received the very best value for such expenditure; but there cannot be. Sir. even a relative justification for the sending forth by the Honorable, the Provincial Treasurer to the public an absolutely false statement, purporting to show a small surplus when there is, as already explained, a very sub-

stantial deficit. Mining Receipts.

The honorable gentlemen opposite

have indulged in their wonted jingling

comparisons as to receipts from the

mines. Last year from mining licenses

and recording fees we received \$193.

682.48; in 1904 we received but \$1.

597.00. The honorable gentlemen point

to the large revenues received from mining in 1910 as compared with 1904, and say that had the old Government remained in power the receipts would still have been as they were in 1904. ask, Sir, was there any complaint from the honorable gentlemen opposite when in Opposition as to the amount charged for mining lands? The inference from the arguments advanced is that the mineral lands in the north country, notwithstanding the valuable discoveries at Cobalt and elsewhere, would still be selling for \$3 an acre. In years gone by, when lands were sold for \$3 an acre, it was considered by both sides of the House that this was all these lands were worth. There were no valuable discoveries then made; but, Sir, in their criticisms, the honorable member for Algoma and others forgot the fact that the mining laws as to revenues that we now have on the statute book are nearly, if not exactly, in the form that was suggested from this side of the House. Sir, honorable gentlemen will recall that when the Honorable, the Minister of Mines proposed to bring down his mining laws as to revenue, and when interrogated from this side of the House as to what principle he would tax mining laws, he answered that the tax would be so much per acre; it will also be recalled that I at once ridiculed such a proposition. While you may assess farm lands fairly by looking at the surface you never could assess mining lands equitably in that way. I pointed out then, Sir, that the tax should depend upon the revenue received from any particular mine; that if no paying ore were contained in that mine this province would have no right to tax the purchaser, because it had given him no value whatever. What was the result, Sir? The Honorable, the Minister of Mines delayed for one year the bringing down of his bill, and when in the following year he introduced that bill, he announced that the tax would be upon the royalty basis, i.e., that it would be a certarn small percentage of the output of the mine. He thus adopted our suggestion, in part at least; for I then argued, and still think I was right, that while the revenue received by the province from our mines should be by means of royalties, that the mine that paid exceptionally well pay a higher percentage than the poorer mine. So that when the honorable gentlemen boast of the large revenues stained under and by means of our present mining law they forgot that the law stands, as at present on our statute book, as the result of sugestions from this side of the House, and as the result of the Henorable, the Minister of Mines comple enging his mind as a result of such grestions. What I then said was, Sir, that no mine or company should be taxed for the spending of money in obtaining machinery and of boring in the earth, unless as a result their labor some profit were obtained that the province had no right to tax a man who had spent possibly ten, wenty, thirty, forty, fifty or one hundred thousand dollars in mining mahinery and work and who had enoyed the pleasant pastime of spendhere were some actual and profitable results from such expenditure and their criticisms of it. Had the old Gov-badly muddled is not even seriously such work. But, my suggestion then ernment not undertaken this excellent denied by Conservative members. As wiped out. This, Sir, is the serious was that when a mine gave excep- colonization work the receipts last to the scarcity of teachers honorable might be graded and a larger percent- than they were.

> tain output had been realized. Sources of Our Revenue.

one or two cases. We were not perfect, Sir, we did not profess to be, 112. but we dug the channels through which flows the revenue to-day that this Government is expending and for which expenditures they claim so trace back every dollar of the \$8,891 .-004.68, being last year's receipts, to and which in many cases were opposed by honorable gentlemen to your they divided the House not only once. but twice, and in some cases three times. I purpose, Sir, briefly to demonstrate this proposition, namely, that all of the increase of revenue. as between 1904 and 1910 save something less than \$300,600, can be traced back to the constructive financing of the old Liberal Government, or to inwhich this Government can claim no credit whatever.

The Corporation Tax. servatives in this House, and the re- ness administrative ability. peal of which was threatened by the present Government!

Succession Duties. vised the present Provincial Treasur. of the Head of the Government. er moved an amendment that would have cut the receipts at least in half. so that, Sir, it is clear to us that i honorable gentlemen on the opposite side had had their way they never would have proposed such a tax, and the province last year would, therefore, not have received the said

Then again, Sir, take another illus tration of the splendid constructive financing of the old Government: Receipts under the general head of Licenses in the year 1904 were \$362,256 In 1910 they amounted to \$580,162, an increase of \$217,906. Part of this consists, Sir, of the moneys received for brewers' and distillers' licenses, and when it was proposed to place a special tax on brewers and distillers honorable gentlemen opposite again vigorously opposed such a proposition and during the progress of the bil the House was divided three times in a vain attempt by honorable gentle men opposite to save their particular friends from a fair and just taxation.

Mining Licenses and Fees. In 1904 receipts under the head of "Mining Licenses and Fees" were but \$1,594. In 1910 the receipts were \$193. 632, an increase of \$192,085. But, Sir to whom belongs the credit for such increased receipts? In 1904 there were practically no mirring operations in had not been discovered. When they were discovered, and it was learned that there was great mining wealth in the north it became at once advisable to make revenue laws to fit the situation, and as I have already explained, the present law as it stands ter of Mines of the suggestion made ceipts. I have already dealt with the by me when this question came up.

In 1904 the grant that this province enue, in addition to that, Sir, an increase as between 1904 and 1910 of \$994,112. When the Liberal Goverrunent was in power negotiations were opened with a view to obtaining such an increased subsidy. These negotiations were continued after the present Government came into power with a result that a decidedly increased subsidy was granted by the Domnion Government. The present Govrument in this respect simply did their duty, no especial credit is due them, and no censure is coming to them for what they did. They continued the work atready begun, and the Dominion Government increased the subsidy as stated.

T. & N. O. Earnings. The Temiscaming & Northern On tario Railway was, an everybody knows, started by the old Liberal Gov ernment. In 1904 it was in its initial stage of construction, and there were no earnings received from it by the

1904 and 1910 under this particular head were \$420,000; and the House will well remember that the construction of this road was not favorably received by honorable gentlemen opposite, and many and adverse were

age taken by the province after a cer- Summary of Comparison.

words of the total increase in revenue very much credit. If, Sir, you take between 1904 and 1910 of \$2,762,646.00, the financial statement, you could I have accounted for \$2,465,557.00, i.e., the whole increase in the revenue has been accounted for under the above the laws made by the old Government | heads except \$207,089. In other words, Sir, after the present Government has been in power for six long years, right, and as to some of which laws am proud, Sir, as a Liberal to be able to make this sweeping and very substantial statement, that all of the present revouue of the province save a trifle less than \$300,000 is accounted for by laws placed upon the statute books by the old Government, or measures advocated by Liberals.

Faults the old Liberal Government doubtless had, but. Sir, when seven creased receipts under other heads for | years after they have gone out of power the financial receipts of the province almost to a dollar can be traced back to financial legislation placed upon the statute books by them or to .Take first the corporation tax, which | measures advocated by them, it speaks

Expenditure. Honorable gentlemen opposite complain that critics of the Government do not particularize sufficiently, when Then again, Sir, under the head of objecting to excessive expenditures. succession duties the receipts in 1904 This is an easy remark to make, and were \$458,699. In 1910 they amounted | yet there is much force in the position to \$758,446, or an increase of \$299,744. Taken by the honorable member for To whom, Sir, belongs the credit for South Wentworth (Mr. Reid), who these large receipts? The people of says, that the Oppostion has done its this province right well remember, duty when, for example, under the Sir, that when it was proposed to tax head of Civil Government he points large estates that honorable gentle- out that owing to the unnecessarily men opposite and their friends spoke increased number of employes the exof "taxing the gravestones, taxing the penditure is unnecessarily increased, dead," etc. They had not the courage It is not for the Opposition members of their convictions at the outset to to say whether John Smith, or Joe move an amendment to vote against Brown, or some other particular emthe bill; but later on when it was re- ploye is unnecessary. This is the duty

Contrast In Expenditure.

The cost of Civil Government has during the same period has increased per cent, of the total expenditure of penditure on education reached only

Another point that might well give the Government pause, and particuficits, is the fact that the increase in opposite as to the scarcity of teachers the per capita expenditure during the might be enjoyed as a burlesque on first three years of Conservative rule the facts that would have all the our north country, for the minerals was as great as the increase per downtown theatres faded in the disapita expenditure during the whole 33 years of Liberal rule.

Suggested Sources of Revenue. Owing to the fact, Sir, that we have recently had a series of deficits in this province, it becomes imperatively the duty of the Government to either upon the statute book is there by the | decrease the expenditure, or to devise adoption of the Honorable, the Minis- ways and means for increased requestion of the conservation of our forests and of reforestration as means of securing a permanent revreceived by way of subsidy from the Government might well consider Dominion Government was \$1,134,660 | whether under the Succession Duties in 1910, owing to the increase of popu- tax they might not grade the percentlation in the Province of Ontario, and lage to be taken by the province, so as a result of the action of the Lib- that when you come to large estates the Mining law was being put M through, that the royalties might very well be graded so as to take the higher percentage from the exceptional paying mine. It is not the duty of a Government to make multimillionaires of one, and tend to make paupers of others.

> Again, Sir, the Government might well consider the overhauling of the taxes on corporations, and also the allway taxes, with a view to increasing the taxation. Education.

Just a word or two on education: This House was not divided on the debate on the address; but I then dealt fully with the question of education, and I therefore at present do not purpose to deal at length with \$420,000. In other words the increas- this question, but for the purposes of ed receipts of the province as between | of my amendment to the present motion to go into supply the two debates might very well be considered as conjoined, thus to avoid the necessity of repetition. That educational affairs, particularly so far as the rura schools are concerned, have been y heavy returns the royalty year would have been \$420,000 less gentlemen opposite express different views; one member expressed the nope that in two years matters would Now, Sir, what is the result of this properly adjust themselves, while the increase? The total receipts in 1910 honorable member for East Peter-Honorable gentlemen opposite boast were \$8,891,004; the total receipts in borough says, that in five years time mand, "If of the large expenditures on agricul- 1904 were \$6,128,358; in other words there will be a sufficient supply of I was to the increase in revenue between 1904 teachers. This, Sir, is decidedly enanswer the question as to who ren-dered such expenditures possible. Sir, der the six heads which I have al-pleaded with the Government for I ask who made the laws under which | ready been dealing with and for each | several successive sessions, when they this increased revenue flows into the Treasury to-day? I make this statement, Sir, and I challenge contradiction, that the large revenue received last year was received under the very

As to Corporation Tax, \$331,710.

As to Succession Duties, \$299,745.

As to Succession Duties, \$299,745.

As to Succession Duties, \$299,745.

our pleadings fell upon reluctant and As to the Dominion Subsidy, \$994, unappreciative ears. The result is that about twenty or twenty-five per cent, of the rural schools in the Province of Ontario to-day are in the hands of unqualified teachers. That, Sir, is the result of the Government's sinming against advice and against oft-repeated warnings. We pointed out over and over again that a large teachers go west, to teach in the western provinces, and taking that fact with the fact of the wiping out of the model schools there was bound to be a dearth of teachers. The education report for 1909 shows that 600 teachers left the Province of Ontario for the west. The honorable the member for East Peterborough, as I have already stated, expressed the opinion that in five years there will be a sufficient number of teachers, I beg. Sir, to introduce the honorable member to his own riding, that of East Peterborough.

East Peterborough.

Richard Lees, the Public School Inspector for East Peterborough, unwas opposed so bitterly by the Con- volumes for their financial and busi. der date of January 24th, 1911; submitted a report to the County Coun-Not one dollar would ever have been | cil, in which he says that last year present Premier when he sat in Oppo- received by the Province of Ontario out of the total rural schools of that Treasurer, they would immediately, by sitton. The receipts from the taxing under the head of Corporation Tax Riding, numbering 74, there were 27 the shareholders, be driven off the of these wealthy corporations, such as had the Conservative Opposition had teachers holding second-class certiboard, and sound financiers and hon- telephone companies, street railway their way! Yet, under this head alone, ficates, fifteen holding third-class cering here to make an extreme party Sir, in 1910, with the law unchanged \$6,192,975.41. Similarly under the who were not regularly qualified; but criticism, or to say that a deficit is amounted to \$752,338, or an increase of Succession Duties Act the province who merely had permits and such necessarily a crime on the part of \$331,710. Sir, not a single dollar of has received in all \$7,773,219.11; so other like temporary certificates. In the Premier's boast, that he had turned the educational system upside down. It is indeed, Sir, entirely too true that he has turned the educational system upside down, with the deplorable result in East Peterborough that the Public School Inspector calls attention to. Northumberland and Durham.

> Let me give another illustration of the result of the mismanagement of educational affairs in this province by the present Government. I find, according to the report of William E. Tilley, M.A., Ph.D., Public School Inspector for West Inspectorate No. 1, of these counties, that in the year 1900 there were 70 rural schools in his inspectorate: in which schools there were, 2 first-class, 22 second-class, and 46 third-class, and not a single teacher holding any kind of a temporary certificate or permit. In 1910, in the same 70 schools, there were nereased since 1904, 65 per cent.; 2 first-class, 27 second-class, 22 the cost of managing the crown lands third-class, and not less than 19 has increased during the same period teachers with no regular qualifica-98 per cent.; the total expenditure tions whatever, except temporary permits. This state of affairs in these 68 per cent., and yet the increase on | two old ridings are but typical of agriculture is but 39 per cent. This what is to be found all over the shows clearly that as to this impor- Province of Ontario. You may talk. tant field of work the expenditure | Sir, about the mineral wealth of the has not at all kept pace with the province, of its forests, its fisheries, general expenditure, nor yet with the and its agricultural wealth; but there ncreased revenue of the province. is no asset concerning which the Much credit is claimed by supporters | Government should exercise such of the Government because of the in- ecrupulous care as with reference to creased expenditure on education; the children of the province. If this they forget that such expenditures result, Sir, had been a mere accident, would be absolutely impossible were if the Minister of Education had not it not for the increased revenue de- been warned over and over again, rived as already explained. They his conduct might have been excusmight do well in making comparisons able; but, Sir, as I have already also to note the fact that the expen- stated, he sinned against advice, diture in 1904 on education was 18 against oft repeated warnings, and against what every sane man in the the province, whereas in 1910 the ex- Province of Ontario, save apparently himself, had clear knowledge. I can-19 per cent. of the total expenditure not understand, Sir, why honorable gentlemen to your right are such slaves to party politics; if this were not so serious a matter the explanalarly in view of the ever-recurring de- tions given by honorable gentlement

Explanations by Conservatives, The honorable member for Algoria says, that the closing of the model schools has had nothing whatever to do with the scarcity of teachers, that the sole cause is the fact that they are going west to teach in the western provinces. The former statement is absolutely false, the latter has an element of truth in it, which we pointed out to be the fact long before the model schools were abolished The more astute and resourceful member for West Hastings gives as his explanation, that there is a scarcity of labor everywhere, on the farm, in the workshop and in the eral Government at Ottawa the sub- that run up to say \$500,000, \$1,000, for the scarcity of teachers. Apparsidy was increased to \$2,128,722; or | 000, \$2,000,000 and so on, the Govern | ently not satisfied himself with this ment might take a much larger per- as an explanation, he volunteers a centage on say the excess over \$500,: further statement, and says that we 000, and thus secure a substantial in- British are nomadic, and hints that crease of revenue without injuring the teachers, gipsy-like, are folding anyone. Similarly I advocated when tabeir tents; and flitting out of Ontario.

(To be continued.) Notes on New Knights. King George has celebrated his first New Year as sovereign by adding handles to the names of many gifted

One of the best known is "Sir" Joseph Lyons, who supplies 400,000 people with meals every day.

"What would you do," he was once asked, "if you were ten times as rich" "I would cover England with free

hospitals," was his prompt reply. Henry J. Wood, the famous conductor, is another who exchanges the commonploce "Mr." for the distinguished "Sir." He insists on silence while he is presiding over his orchestra. On one occasion, at Queen's Hall, when Mr. Answers was present. a baby up in the gallery cried so persistently that the conductor laid lown his baton and left the platform. The audience had to choose between him and the baby. And they did-to the fond mother's indignation.

Cricketer, athlete, K.C., M.P., and now, knight, Arthur Priestley is the central figure of a fund of good

During a recent election meeting particularly irritated Mr. Priestley, who turned on him suddenly with the demand, "If you were in my place, and I was to interrupt you, what would "I'd jolly well knock your down?" shouted the heckler.

To which the athletic-candidate ze-