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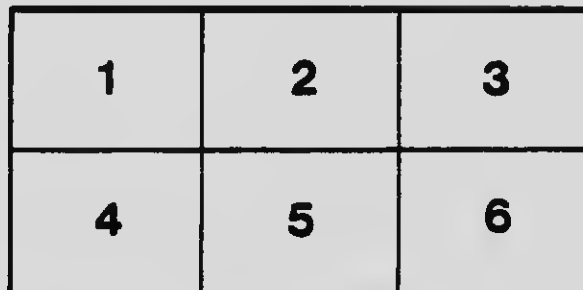
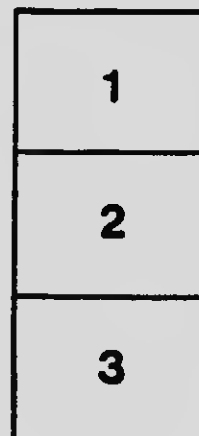
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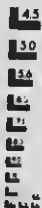
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# ONTARIO PROVINCIAL ELECTIONS, 1902

## a) Ontario as a Pioneer and Leader in Legislation and Departmental Organization.

Ontario under Liberal rule has long been recognized as a pioneer and leader in legislative reforms, and departmental work, but the extent to which this is true may not be generally known.

The following facts selected from a large number will be of interest :

### CROWN LANDS DEPARTMENT.

*The Ontario Crown Timber Regulations* have been largely copied by the other Provinces.

*The Ontario Fire Act* has suggested similar legislation to Quebec, New Brunswick and British Columbia.

*The Ontario Fire Ranging System* (in which this Province was the pioneer) has been adopted, in whole or in part, by Quebec, New Brunswick, and the Dominion as regards the western timber lands still controlled by the Department of the Interior. The Government of the United States, in establishing a fire ranging system to cover its public lands, practically copied the Ontario system.

*Culler's Examinations.*—This system has been copied by Quebec.

*Pulpwood Policy.*—The Crown Lands Policy regarding Crown pulpwood lands of granting leases or concessions, conditional upon the erection of mills, the employment of a minimum number of men, and other features, has been adopted by Nova Scotia, British Columbia and Newfoundland, although the rights of the public are more carefully safeguarded under the Ontario system in that the rate of dues may be increased from time to time, whereas in Nova Scotia and Newfoundland a fixed rental is charged according to area, no dues being required. Quebec

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has copied Ontario by imposing a net rate of 40 cents per cord as dues. The Ontario agreements are much more strict in every respect than the concessions granted by any other Province.

*Saw Log Policy.*—Ontario was the first Province to adopt the policy of requiring saw logs cut on Crown lands to be manufactured in Canada. British Columbia has followed suit by prohibiting the export of pine cut on their Crown lands and the export of pulpwood cut under lease.

Newfoundland stipulates, in her leases of timber lands, that the timber cut shall be manufactured at the mills of the lessee.

The Dominion has only recently (in May of 1901) prohibited the export of pine saw logs cut on Indian Reserves, and later still, logs cut on the timber belt of Dominion timber lands in British Columbia.

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### A TRIBUTE TO ONTARIO'S MANAGEMENT OF HER CROWN TIMBER.

R. H. Roys, of the Saginaw Lumber and Salt Co., at a recent meeting of the Saginaw Lumber Dealers' Association, said:—

"I cannot refrain from speaking about the wise system pursued by the Ontario Government in handling their timber, as compared to that of the United States, where the Government obtained only \$1.25 an acre for land and timber. In Ontario, they put up the timber separate from the land, at auction, the highest bidder obtains a license to cut whenever he chooses, but when the timber is cut he is obliged to pay the Government \$1 a thousand for the stumpage, or even more. In the sale of 1892 the Province of Ontario realized \$2,250,000 from the timber offered and still kept the land, such as it was."

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### FOREST RESERVES.

Pennsylvania is setting apart forest reserves for which she has to buy the land at from \$4 to \$4.50 per acre—land on which the pine and hemlock have been cut and burnt over.

Ontario has had a great advantage in this respect, having originally disposed of the timber only, but retaining the fee simple in the land for the Crown, and in such Ontario Reserves therefore as have been set apart, which were covered by timber licenses, the land has not had to be purchased back.

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New York State has spent six millions thus far in buying back land in the Adirondacks and other regions for the establishment of forest reserves and for the conserving of their water reservoirs, paying therefor at the rate of \$3.50 per acre.

Maine and Massachusetts are considering similar action. Strong agitations on the same lines are manifest in Michigan and Minnesota.

## THE BUREAU OF MINES.

### *The Provincial Assay Office.*

In 1901 the authorities of the Province of Quebec wrote for full particulars respecting the Provincial Assay Office at Belleville, stating that they had in contemplation the establishment of such an office for the Province of Quebec. Full particulars were furnished, and as to the benefits which the office in Ontario had upon the mining industry of this Province. Shortly afterwards the Quebec Government opened an Assay Office in Montreal, no doubt as the direct result of the example set by Ontario.

### *Diamond Drills.*

Two or three years ago the Government of Nova Scotia applied for information respecting the diamond drills operated by the Ontario Bureau of Mines. About the same time the Government of that Province had authority from the legislature to purchase one or more such drills for use in testing the mineral deposits in that Province. It is most likely the example of Ontario influenced in this direction, although the idea of aiding the mining industry in this way was not original with this Province, having been some time before adopted in New Zealand and one or more of the colonies in Australia.

### *Praise of the Ontario Mining Law.*

Dr. R. W. Raymond, of New York, Secretary of the American Institute of Mining Engineers, recognized as the great American authority on mining laws, said in the *Ottawa Mining Review* of October, 1897, "The Ontario Mining Act, as framed in 1892, seems to me to embody a very judicious attempt to continue the encouragement of exploration and mining, with the retention of sovereign control and supervision." After dealing with the various provisions of the Act, Dr. Raymond remarks: "I trust also that the excellent features I have taken the liberty of pointing

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out will not be sacrificed either to paternal authority on the one hand or socialistic clamor on the other."

### AGRICULTURAL DEPARTMENT.

*Agricultural Statistics.*—Manitoba adopted the Ontario system; it is the only other Province that collects agricultural statistics. The other Provinces are considering the matter. Nova Scotia has confined her efforts in this direction to issuing merely general reports.

*Ontario's Farmers' Institute System* has been adopted by Manitoba and New Brunswick. Ontario is a pioneer in this matter. The Dominion Government is also sending delegations of Ontario Farmer Institute lecturers to the other Provinces.

*The Ontario Live Stock Associations* have been copied in all the Provinces as to general methods of working and organization.

*The Ontario Winter Live Stock Show* has been imitated by the Dominion establishing one, in 1901, for the Maritime Provinces at Amherst, N.S.

*Ontario's Dairy Schools* have been copied by one in Manitoba, one in Quebec and one in New Brunswick.

*Ontario's Agricultural College* is likely soon to be copied. The three Maritime Provinces have, in fact, already decided upon having one. Manitoba is considering the matter through a commission.

*The success of the Dairy Department* of the Ontario Agricultural College was such that the Dominion Department of Agriculture established a Dominion Dairy Department, taking Ontario's dairyman.

*Most of the Instructors in Dairying* in the other Provinces have been drawn from Ontario, and some have been taken to New Zealand—a tribute to the training they received here. Others again have been employed in Scotland.

*Bulletins.*—These are ahead of other provinces in number and variety of contents. They are eagerly sought for in other provinces, and by special arrangement some of the reports are circulated in British Columbia by the Government of that Province, the latter paying therefor.

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## AN AMERICAN OPINION OF THE GUELPH AGRICULTURAL COLLEGE.

Prof. W. L. Amoss, Director of Maryland Farmers' Institutes and Professor at the Maryland Agricultural College, on returning from a visit to the Ontario Agricultural College at Guelph, wrote: "I shall long entertain pleasant memories of my visit to Guelph. Dr. Mills' institution is, I think, the best of the twelve I have visited in the United States and Canada *for educating the farmers' son for the farm*. Each member of the Doctor's faculty seems to thoroughly understand his work and to be doing all in his power for the young men under his charge. The neatness of the place is also very noticeable. I quite agree with the Doctor in keeping before the students a high ideal in farming. In this respect, when compared with some of our northern institutions of the same kind, there is a very noticeable contrast."

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## PROVINCIAL BOARD OF HEALTH.

*The Ontario Public Health Act* has been copied by Quebec, Manitoba, British Columbia, Nova Scotia and New Brunswick.

Several of the American States have also drawn freely upon its provisions.

*The Act respecting Sanitary Regulations for Unorganized Territories* (with special reference to lumber and mining camps), has, although only passed during the session of 1900, already been utilized as a precedent by several States where similar conditions prevail, such as Minnesota, Michigan, Maine and Pennsylvania. Quebec has practically adopted the Ontario regulations.

*The Law relating to the Supervision of Waterworks and Drainage* has been copied by Ohio.

*The Ontario System of Registration of Vital Statistics* is far ahead of that of any other Province and, with possibly one exception, every State in the Union. Other Provinces have copied some of its provisions in so far as they have developed a registration system. The Ontario system has also been copied in whole or in part by several States, notably in methods of collecting vital statistics. The Conference of Vital Statistics, held in

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Washington, D.C., two years ago, commended especially the Ontario plan for collecting statistics, and the system as a whole was informally approved of.

*The Ontario System* has further supplied suggestions for the improvement of local registration systems in many cities of Canada, where Provincial Registration has not yet been adopted.

*The Ontario plan of uniting the Registration and Public Health Branches* is another forward movement, since the Health Branch can make constant use of the information regarding deaths to take measures for preventing outbreaks of disease.

*The Act of 1900 re Sanatoria for Consumptives* was an advanced step supplying provision for Government assistance to municipalities; dependent upon inspection and supervision of county sanatoria when established. No European country or State of the Union has as yet formally undertaken to deal with this important subject on these broad lines of legislation.

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### THE GOOD ROADS BRANCH.

New Brunswick, Quebec and British Columbia have followed Ontario's example in the formation of Provincial Good Roads Associations.

Quebec has also followed in Ontario's steps by appointing a Provincial Good Roads Commissioner.

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### PROVINCIAL MUNICIPAL AUDITOR.

Manitoba and British Columbia are considering the appointment of a similar officer in their respective Provinces.

*The Municipal World*, January, 1902, says: "The appointment of a Provincial Municipal Auditor and the efficient manner in which he discharges the duties of his office, has had the effect of improving municipal treasurers' accounts throughout the Province. The special cash books are a success."

*The Monetary Times*, March 1, 1901: "It is satisfactory to learn from the report of the Ontario Auditor of municipal accounts that there is a remarkable improvement in the methods of municipal bookkeeping since 1892. And not only this, but a

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marked lessening of loss to municipalities by the adoption of a uniform series of books and accounts for treasurers, added to regular inspection by officials of the Province."

*The Bookkeeper*, August 1, 1899: "In Ontario, within the past three years, great strides have been made along the line of an improvement in municipal account keeping, to which end a uniform system of accounts has been adopted, and its use made compulsory by all municipalities."

### NEGLECTED CHILDREN'S BRANCH.

*The Children's Protection Act of 1893* (under which 30 Children's Aid Societies have been organized, dealing thus far with over 2,000 neglected children) has been recognized as one of the most advanced measures of philanthropic legislation on any statute book. It has, moreover, accomplished these results at much less cost than similar efforts in the United States.

*The Ontario System* has been adopted by Manitoba and British Columbia, a similar law is now under consideration by Quebec, while no less than ten States have embodied some of its provisions.

### JOINT STOCK COMPANIES ACT.

*The Joint Stock Companies Act of Ontario* came into force in 1874. Quebec has since copied it to a certain extent, Manitoba almost entirely, and Prince Edward Island and the Northwest Territories in its entirety.

*The Act relating to Extra-Provincial Corporations* has also been copied by Manitoba and the Northwest Territories.

### SUCCESSION DUTIES ACT.

Ontario, among the Canadian Provinces, has taken the initiative in its Succession Duties Act.

### ONTARIO'S SOURCES OF PROVINCIAL REVENUE.

In his annual message to the Ohio Legislature, on January 6th, 1902, Governor Nash recommended a new system of tax-

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tion based in general on the Ontario system, under which all taxes for State purposes are to be raised from corporations, franchises, liquor licenses, etc., leaving county and municipal taxes to be raised by the counties and municipalities.

### ONTARIO SCHOOL BOOKS.

A comparison of the price of school books in the leading States of the Union and Ontario is very much to the advantage of the Province.

In New York State a full series costs \$9.96 as against \$4.96 in Ontario.

Ontario is ahead of the States in the matter of uniformity in its school books. Different sets of books are frequently in use in different counties in the same State.

The best tribute to the Ontario school books is that many of them are in use in other Provinces, viz.:

*In Quebec:* McFaul's Drawing, Casselman's Vertical Copy Books, the Practical Speller, Spotton's Botany, Gage's practical system of Vertical Writing.

*In Manitoba:* The Public School Grammar, Arithmetic and Geography, the High School Geography, the Practical Speller, Spotton's Botany, and the system of Vertical Writing.

*In Nova Scotia:* McFaul's Drawing, High School Drawing, Practical Speller, Spotton's Botany, Vertical Writing system.

*In New Brunswick:* McFaul's Drawing, Practical Speller, Spotton's Botany, and Vertical Writing system.

*In British Columbia:* The same as in New Brunswick.

*In Prince Edward Island:* Model School Geography, Practical Speller, Spotton's Botany, and Vertical Writing system.

*In Northwest Territories:* Practical Speller, and Vertical Writing system.

The Ontario Public School text book on Agriculture is authorized in all the Provinces.

### THE ONTARIO GAME LAWS.

The Province is becoming known as the sportsmen's paradise, mainly due to wise and common-sense laws enacted for the protection of all kinds of game animals and birds.

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In no other portion of this vast Continent can game be procured with so little trouble and expense. During the open season of fifteen days, in eight or ten of the northern counties of Ontario, there are ten thousand Virginia deer killed, at an estimated cost of not more than \$10 per deer killed, while the estimated cost of each deer killed by the tourist hunter in the State of Maine is \$200, and each moose \$500.

It is proposed to have an open season for moose and caribou in the northern portion of the Province each year, where these noble animals have become very numerous and can be found in close proximity to the railroads, from Mattawa to Sault Ste. Marie and Fort William.

Duck shooting at the numerous resorts cannot be excelled. Many bags of 100 ducks and upwards have been made by sportsmen per day to each gun. The abundance of wild fowl in the Province results from the prohibition of spring shooting, allowing them to nest and propagate in accordance with the laws of nature and common sense. The necessity for the adoption of this part of the Ontario Game Laws is fully realized by all true sportsmen in the United States, who are working hard to have similar measures passed in their respective States.

Ontario is far in advance of its neighbors in wise and restrictive game laws. The licensing of Cold Storage firms, Game Dealers and Hotel-Keepers to use and deal in game, giving the Chief Game Warden supervision of the most effective character over them, is a most advanced feature of game protection not yet adopted elsewhere.

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### THE INSURANCE LAW.

Ontario has been a pioneer in insurance legislation. It was the first Province to introduce statutory conditions in fire insurance contracts, by which unjust and oppressive conditions were eliminated, and in many other ways protecting the insured. The Act has been adopted, in whole or in part, by most of the Provinces, while it has become the basis of legislation in many of the States.

The feature of the Act allowing thirty days' grace on the payment of life insurance premiums, has also been largely copied, as has the clause protecting widows and children against creditors in the matter of life insurance.

A sound system of Farmers' Mutual Insurance Companies was

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inaugurated by the Government, which has effected a substantial saving in agricultural insurance.

The Ontario system of insurance registration, enabling the Insurance Department to enforce necessary laws and regulations upon foreign insurance corporations, was a step in advance of the old licensing system, which is still in vogue in many States.

The codification of the insurance law in 1897 further made Ontario a leader in this department of governmental administration. This code covers more ground than any other insurance law, and not only relates to the formation and regulation of companies, but protects the rights of the insured under contracts of various kinds.

The Ontario legislation relating to building societies and loan and trust companies (by which they were brought under a system of annual registration, a proper audit of accounts and the publication of full returns), has been made the basis of similar legislation in Great Britain, the United States and Canada.

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### CARE OF DESTITUTE CHILDREN.

At the Canadian Conference of Charities held in Toronto last September, the Ex-President of the American Conference of Charities, who was present, said in his address: "I consider that Ontario has the best Children's Protection Law on the Continent, and I say this with a full knowledge of the laws of the various States of the Union. In addition to right principles of action it unites Government assistance and private benevolent enterprise in a manner that is almost ideal."

This law, drawn up in 1893 by the Hon. J. M. Gibson, has been copied by many of the adjoining States, and has been put into operation in Manitoba and British Columbia with marked success, while other provinces are taking up similar methods.

Its two fundamental principles are, first, the protection of every child from cruelty and neglect; and second, the placing of homeless or dependent children in family homes instead of institutions.

Mr. J. J. Kelso, the Superintendent, deals with all matters pertaining to the thirty-five Children's Aid Societies that have been formed, Industrial Schools and Juvenile Immigration. In addition to this, many requests are received for advice and assistance regarding neglected children in various rural districts of

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the Province, and in finding homes for orphan or destitute children.

Through the instrumentality of the central office and the various auxiliary Societies, over two thousand children have been placed in foster-homes or situations where they are cared for without expense to the country—an immense saving as compared with institutional care.

To make sure that these children would receive every reasonable advantage in their respective homes, Mrs. L. J. Harvie and Mr. William O'Connor have been appointed to make personal visits to each of the children. Their reports are carefully considered by the Superintendent, and indicate that the children, as a rule, are doing remarkably well, and that an extension of this class of work would be desirable.

The annual report and other literature of the Department is furnished to applicants without charge, and in this way an extensive educational work is carried on in the interests of homeless or neglected children.

The influence of this work has made itself felt in a material reduction of the number of children sent to Reform Schools, and the improvement of home life for childhood generally.

#### *Importation of Children.*

Another important piece of legislation was the Act introduced by the late Hon. A. S. Hardy, regulating the importation of English children. For years this class of work was loosely carried on, and children were brought to Ontario whose proper place was in the institutions of the Old Land.

An Act was passed by the Government requiring careful selection of children intended for this Province, and the Ontario agent at Liverpool now personally inspects and passes each individual child. The work of supervising immigration on this side was intrusted to Mr. Kelso, and the result has been that the evils of the system have been removed without entirely prohibiting the work.

Undoubtedly there are many farms in the Province where the services of those growing boys and girls are in demand, and in time they become good citizens, adding to the wealth and prosperity of the country.

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## The Government and Corporations

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Mr. Whitney and his friends are endeavoring to create the impression that the Government is in league with corporations and straining every point to promote their welfare regardless of the public interests.

So far not a tittle of evidence has been produced to warrant that conclusion, as the following statements of fact show:—

(1) For many years railway subsidies were granted unconditionally, that is to say, if the Government Engineer reported that a railway was constructed according to the conditions of the Railway Act as to roadbeds, culverts, etc., the subsidy was paid and the railway was left free to impose such charges for passengers, freight, etc., as might be approved by the Railway Committee at Ottawa.

Now if the Government wanted to strengthen itself with such corporations specially, it would not have altered the conditions upon which subsidies, amounting to about ten millions of dollars, had been granted prior to 1900. But, contrary to the practice of the previous twenty-five years, and contrary to the conditions of the subsidies promised by Sandfield Macdonald and the subsidies granted by the Dominion Government until a couple of years ago, the Government in 1900 imposed as a condition that all railways receiving subsidies should furnish special rates for prospectors and settlers going into New Ontario, and also that settlers' effects, such as their stock, household goods, etc., should be conveyed at reduced rates, such rates to be agreed upon before the subsidies were paid over. Is there any temporizing with railway corporations in this legislation?

### *New Provisions in Railway Charters.*

(2) In the railway charters granted to Mr. F. H. Clergue for the construction of the Algoma Central and the Manitoulin and North Shore railways, Mr. Clergue is required as one of the conditions on which a land subsidy is granted to place 1,000 male



settlers a year, over 16 years of age, for a period of 10 years, on the lands so granted, and to erect stations and school houses at such points as may be designated by the Commissioner of Crown Lands. Mr. Clergue is also required to establish and maintain a line of not less than four steel ships of not less than 2,000 tonnage each, for carrying freight between Michipicoten, Sault Ste. Marie and other points on the Northern lakes, and to build pulp works and smelting works in addition to any previously undertaken. As a result of these conditions, about 50 miles of the proposed railway have already been constructed and \$15,000,000 expended on pulp works, rolling mills, steamships and other enterprises subsidiary to the railway. Conditions of settlement were also imposed in connection with the Manitoulin and North Shore Railway, together with the erection of a smelter near Sudbury and a boat for freight and passengers touching along the western shores of the Province at all important points between Windsor and Sault Ste. Marie.

Can it be shown that any concession has been made to the great corporation of which Mr. Clergue is the head, in which the public interest has not been carefully guarded?

*Supplementary Revenue Bill.*

(3) In 1899 a Bill for the purpose of supplementing the revenue of the Province was introduced by the late Mr. Hardy. This Bill provides for the taxation of the following class of corporations: Life and Fire Insurance Companies, Banks, Trust Companies, Loan Companies, Steam Railway Companies, Street Railway Companies, Express Companies, Sleeping and Parlor Car Companies, Natural Gas Companies, Gas and Electric Light Companies, Telephone Companies, and Telegraph Companies. The capital of the Companies concerned would exceed a hundred millions of dollars. Their Directors and shareholders consist of the most influential men in Canada. They had enjoyed immunity from taxes ever since they were organized—some of them for forty or fifty years. It was believed to be in the public interest that they should contribute to the revenue of the Province as they derived an income from their business engagements from all parts of the Province and shared in the protection of legislation at every turn. The demands upon the revenue of the Government of Ontario for education and public institutions were urgent. These corporations could afford to pay, as their large investments and generous dividends attested. Accordingly a slight tax was

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imposed upon them—so slight as not to derange their business, nor seriously, if at all, interfere with the working of the Companies, with the following result to the Treasury Department :

*Income from Corporations.*

1899.....	\$217,059 94
1900.....	229,774 44
1901.....	236,511 49
Total in three years.....	<u>\$683,345 87</u>

When the Bill came up for a second reading on the 14th of March Mr. Foy moved, seconded by Mr. Miscampbell, the six months' hoist, for which Mr. Whitney and all his followers voted. Not satisfied with being defeated on the second reading of the Bill on Mr. Foy's motion, Mr. Whitney himself moved, seconded by Mr. Matheson, the six months' hoist on the third reading, which also failed. Now, had Mr. Foy and Mr. Whitney been successful, the Province would have lost in the last three years over \$683,345

*Bill Taxing Brewers and Distillers.*

In the same session a Bill was also introduced imposing a tax upon brewers and distillers, somewhat similar to the taxes imposed upon corporations. The sale of liquors has been a considerable source of revenue to the Province. In Great Britain and, in fact, in every country in the world intoxicating liquors are considered a fair subject for reasonable taxation. Everybody knows the influence which brewers and distillers are supposed to carry at elections as well as at other times. Had the Government heeded regardless of the public interest, it would have surrendered to these corporations. Nevertheless the Bill went on, stage by stage, until it reached its third reading, and here Mr. Whitney, who disclaims being friendly to corporations, in the sense in which the Government is, moved that the Bill (No. 164) taxing brewers and distillers, should also receive the six months' hoist.

*Brewers' and Distillers' Licenses, Etc.*

1899.....	\$ 65,183 32
1900.....	61,905 83
1901.....	61,141 66
Total for three years.....	<u>\$188,230 81</u>

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Had the Government yielded to Mr. Whitney with regard to either of these two measures, there would have been some ground for the complaint that it was controlled by the corporations. Was Mr. Whitney acting in the public interest when he opposed the Government in regard to these measures, and was he hiding for the support of the corporations concerned? Had he succeeded the Treasury would have lost \$871,576.68.

*Mr. Whitney's Speech at New Hamburg.*

Mr. Whitney has put himself on record, at least, as to one feature of his policy, should he be returned to power. At New Hamburg he declared that if the opportunity were granted to him, he would repeal the law by which Insurance Companies and Banks were taxed, that is, he would repeal the Revenue Act of 1899, from which, as above stated, we receive an average of nearly a quarter of a million of dollars annually. Is the country prepared to lose a quarter of million of dollars in revenue for the sake of returning Mr. Whitney to power? Are there no interests of the utmost urgency requiring the expenditure of considerable sums of money for which every dollar of the public revenue should be preserved? If the revenue is cut down, how is Mr. Whitney going to build four or five Agricultural schools, and how is New Ontario to be developed? If taxation is to be lightened, what necessity is there for beginning with the corporations, which, in proportion to their wealth, contribute so little?

*Electric Power of Niagara Falls.*

By an Act of Parliament passed in 1885, the Government appointed a commission with power to remove the old buildings from the neighborhood of Niagara Falls and otherwise improve the grounds with a view to the establishment of a public park at the Falls in harmony with the other natural attractions of the place. To meet the expense of doing this, the commissioners entered into an agreement with the Niagsra Falls Electric Power Company to install an electric plant for which the Power Company was to pay an annual rental of \$25,000, with such increases from year to year as the power generated would warrant. The residents of the town of Niagara Falls complained that this action of the Government delayed the erection of the works, and in the autumn of 1900, owing to the retirement of Mr. German from the Local Legislature, a bye-election was held for the

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County of Welland. The Government was strongly pressed to surrender its rental of this electric power, but steadfastly refused, although the apparent effect of the refusal might be to alienate some of its own supporters in the town of Niagara Falls which constituted part of the electoral district of Welland. At a meeting during a bye-election in the County of Welland in 1900, Mr. Whitney, in a speech delivered in the town hall at Niagara Falls, advocated the remission of all charges by the Government for the use by the Power Company of the Niagara River, although the Government had entered into an agreement for the payment by the Company of the sum of \$25,000 a year. The power, Mr. Whitney said, should be "free as air." Was he bidding for the support of that Company and for the political support of the electors of Niagara Falls who were complaining because the Company was not proceeding with the work of development? Putting it in the mildest manner, it does seem that \$25,000 a year for all time to come was a large amount to pay for a single constituency. In order that his position might be perfectly clear, the exact words are here given as contained in the *Mail and Empire* of December 12th:—

"Mr. Whitney agreed with Mr. McCleary that the water of the Falls should be free as air. . . . He agreed with Mr. Ross that the town should have the power, but Mr. Ross had been careful not to say that the power should be free. Mr. Whitney declared his opinion that it should be free and anything that was ever in his power to make it free would be done."

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## Railway Legislation.

Recent railway legislation has steadily progressed towards more complete Governmental control, with a view to avoiding the evils of monopoly and preserving public rights, and in so doing to impede private enterprise no more than is necessary. The most radical measure in this regard has been the survey of a line from North Bay to the agricultural districts at the head of Lake Temiscamingue, by the Government, with the intention of constructing it as a Provincial work. This railway will touch Lake Temiscamingue and permit the development of the rich mineral region adjacent to that Lake and its tributary waters. As settlement advances it is proposed to extend the railway to James Bay, thus opening a direct route from the capital of the Province to the northern seaboard, a project equally advantageous to new and to older Ontario.

### *Railways Incorporated.*

Since 1898 there have been incorporated by the Provincial Legislature twenty-five steam railway companies. With but a few minor exceptions, the proposed lines will be constructed in Northern Ontario, where they will open up for settlement large agricultural areas as well as permit the development of rich timber and mineral resources. Four proposed lines now have as their northern termini Hudson Bay, their southern termini being respectively at Missinaibi, Sudbury, North Bay and Rossport on the C. P. R. During this period the Ontario and Rainy River Railway from Port Arthur to Winnipeg, opening up exceedingly valuable agricultural, mining and timber sections, has been subsidized and hastened to completion. Among other of the more notable lines has been the Manitoulin and North Shore Railway from Sudbury to Little Current, thence crossing Manitoulin Island and passing southerly through the Bruce Peninsula to Meaford, in the County of Grey. In spite of the apparently insurmountable engineering difficulties, work on this road is being pressed forward.

Other projected lines, such as the Algoma Central Railway from Sault Ste. Marie to Michipicoten Harbor, the Bruce Mines

and Algoma Railway, the Manitou and Rainy Lake Railway, the Camp Bay and Crow Lake Railway, the Nickel Belt Railway, the Nepigon Railway, the Nickel Range Railway, the Thessalon and Grand Portage Railway, the Thunder Bay, Nepigon and St. Joe Railway, and the Worthington and Onaping Railway, will open up districts hitherto valueless to the people of Ontario.

#### *Railways Taxed.*

The Revenue Act of 1899 provides that every steam railway company in Ontario shall pay a Provincial tax of \$5.00 per mile for each mile of line operated by the company; railways to continue liable, as previously, to municipal assessment.

#### *Subsidy Conditions.*

The granting of subsidies has been made the means of securing from railway companies a number of valuable concessions. In 1900 the General Railway Act was amended to provide as conditions attached to all unearned subsidies:

That subsidized railways shall comply with regulations hereafter imposed by Order-in-Council as to rates charged settlers or prospectors travelling on any such subsidized railway;

That workmen and laborers employed in the construction of subsidized railways shall be paid the current rate of wages;

That subsidized lines are to be built of material made and purchased in Canada;

That no laborer shall be employed who is a citizen of a country having an Alien Labor Law, operating against Canadians.

All companies receiving aid under the Act of 1901, in addition to previous requirements, must agree, among others, to the following conditions:

The Province reserves the right to expropriate all lines, the amount of the subsidy to be deemed part payment of the amount fixed as the price to be paid by the Province.

Secret special rates, rebates, drawbacks or concessions to favored shippers that will affect or prevent free competition, are declared unlawful.

Farm drainage must not be obstructed, and the railway companies aided are to be amenable to the Provincial Drainage Laws.

Workmen and laborers on construction work must be paid current wages, without exorbitant charges for board, clothing and the necessaries of life.

Companies aided are not to amalgamate with other companies without consent of the Lieutenant-Governor-in-Council.

The provisions of the Act to secure payment of wages for labor performed in the construction of public works are to apply to subsidized railways.

Companies are required to erect stations where directed by the Commissioner of Public Works; comply with regulations for fire protection along the line of railway; use rolling stock, rails and other materials of Canadian

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manufacture ; maintain proper sanitary conditions for laborers in construction camps ; carry roadmaking material at the actual cost of handling and carriages.

*Algoma Central Concessions.*

As an inducement to the construction of the Algoma Central Railway, previously referred to, a land grant of 7400 acres per mile was offered for 200 miles of railway. In addition to the construction and operation of the road, the grant is subject to the usual subsidy conditions, and to the following further requirements :

The Lake Superior Power Co. is to develop an additional 40,000 h.p. at Sault Ste. Marie.

Smelting works, capacity of 300 tons daily, are to be completed within two years.

Chemical works, using 5,000 h.p. are to be completed in two years.

The Sault Ste. Marie Pulp and Paper Company is to erect an additional mill at Sault Ste. Marie, capacity 50 tons daily.

Stations are to be erected at request of Commissioner of Crown Lands in the centre of each block of land, a town plot is to be surveyed, and a school house and public hall erected at request of Lieutenant-Governor-in-Council.

Immigration offices are to be established in Toronto and in Great Britain, and each year for the ensuing ten years the company is to place upon their own or Crown lands 1,000 male settlers, each to perform specified settlement duties.

The railway is to maintain a line of not less than four steel steamships between Michipicoten, Sault Ste. Marie and other points on the lakes, of tonnage not less than 2,000 each.

Pine and spruce from lands granted to the company are to be manufactured in Canada.

Rates for passengers and freight are to be subject to approval of the Lieutenant-Governor-in-Council.

*Manitoulin and North Shore Railway Concessions.*

A grant of land, in place of a cash subsidy, as an aid to the construction of the Manitoulin and North Shore Railway, was made subject to the usual subsidy conditions, and the following additional provisions :

That the company shall, within two years, establish a smelter of 300 tons daily capacity at a point convenient to the railway ;

That a steamship line be established between Windsor, Sarnia, Goderich, Kincardine, Port Elgin, Southampton and Little Current ;

That, at least, 1,000 male settlers shall be located by the company on the lands granted, or upon Crown lands, yearly for ten years ;

That the line be in operation between Meaford and Owen Sound by October 31st, 1903, and that the entire line shall be completed by December 1st, 1906.

Pine on the lands granted is reserved for the Crown, and spruce must be manufactured in Canada.

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*The Temiskaming and Northern Ontario Railway.*

Exploration of the Province has shown that in the district of Ontario, lying between Lake Nipissing and Lake Abitibi, and north westerly from Lake Temiskaming, there are large areas of arable land, well fitted for settlement, extensive tracts of merchantable pine and other valuable timber, and deposits of ore and minerals, which will, upon development, add greatly to the wealth of the Province. Although the district is now difficult of access from lack of railway communication, an increasing number of settlers are taking up lands. To bring this district into communication with existing lines of railway is therefore most desirable in the public interest, and to this end the Act, passed at the 1902 Session of the Legislature, provides for the construction, by the Province, of a railway from North Bay on Lake Nipissing to the head of Lake Temiskaming.

The construction and management of the railway will be vested in a Board of Commissioners appointed by the Lieutenant-Governor in Council. The Commissioners will have power, subject to the approval of the Lieutenant-Governor in Council, to appoint an engineer and other necessary employees; to decide the location of the line and plans of all necessary works; to fix tariffs and rates to be charged; and to enter into agreements with other railway companies to secure reciprocal running powers and traffic arrangements.

To meet the cost of construction and equipment, the Lieutenant-Governor may from time to time, set apart a tier of unoccupied townships adjoining the railway to an extent not exceeding 20,000 acres for each mile of the line, the proceeds of the sale of such land to be applied to the payment of debentures issued by the Commission.

The Act further provides that the railway must be built of material purchased in Canada; that current rates of wages are to be paid to all employees and labourers; that no person shall be employed in contravention of the Alien Labor Act; and that the Commission shall have powers conferred by the General Railway Act.

Suitable regulations are made for the guidance of the Commission as to rates of interest to be paid on debentures; the application of proceeds of debentures, the application of revenue, and other details.

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## Scrap Iron Assessment

The difficulty which has given currency to the term "Scrap Iron Assessment" arose out of a decision of the Court of Appeal "in re The Bell Telephone Company and the City of Hamilton" (25 Ont. App. 351), in which it was held that in assessing by wards the poles, wires, etc., of a telephone company, such property cannot, under Section 28 (1) of the Assessment Act be valued justly, according to its actual value, having regard to the purpose for which it is used, but must be valued as materials, which, if taken in payment of a just debt from a solvent debtor would have to be removed and taken away by the creditor."

Section 28 (1) has been in force since the year 1853 without particular attention having been called to its true meaning and had continued in force and property under it been assessed as other property without any question until the decision above referred to of the Court of Appeal.

When the Supplementary Revenue Act was passed in 1899, it was provided by Section 6 of the Act that telephone companies, railway companies, etc., "should continue to be assessable and taxable for Municipal purposes as heretofore, that is to say, as they were by law assessable and taxable on the 1st day of February, 1899." Therefore no change was made in the Assessment law applicable to these Companies.

The change in the assessment resulting from the decision of the Court of Appeal caused great dissatisfaction and so in the session of 1900 two Bills were introduced, one by Mr. Marter and one by Mr. Carscallen, by which it was proposed to amend the Assessment Act so as to do away with the effect of the so-called "Scrap Iron" decision of the Court of Appeal. These Bills were referred to the Municipal Committee, and after a brief discussion the Municipal Committee declared against the Scrap Iron Assessment.

### *Assessment Commission.*

As the system of assessment has for years been considered anomalous and incongruous and the decision of the Court of Appeal gave prominence to only one of its many defects, the

Government thought best to consider a complete revision of the whole Act and so appointed a Royal Commission consisting of Mr. Justice MacLennan, Chairman; Mr. Justice MacMahon, T. H. Macpherson, of Hamilton; K. W. McKay, Clerk of the County of Elgin; A. Pratt, Assistant Commissioner of Ottawa; D. R. Wilkie, Manager of the Imperial Bank, and M. J. Butler, Civil Engineer; with instructions to consider such improvements in the Assessment law as would secure a more equitable assessment in the case of all classes of property than then existed. The Commissioners sat at Toronto and received evidence affecting every class of property to which the Assessment Act applied or to which it was thought it should apply. The question being so comprehensive, however, the Commission was unable to submit a Bill dealing with the Act in detail, but in view of the urgency of the demand for an amendment to the law as to Scrap Iron, a short Bill was reported for the purpose of disposing of that particular anomaly in the Assessment Act.

*Draft Bill.*

This Bill was submitted in the usual way by the Premier and on the second reading was very freely discussed by both sides of the House. In the course of the discussion it appeared that the Bill proposed more extensive changes in the Assessment law than were required in order to dispose of the decision of the Court of Appeal. This is quite apparent from Clause (2) of the Bill, which reads as follows:—

“(2) In assessing lands having any buildings thereon the value of the land and buildings shall be ascertained separately and shall be set down separately in column 12 of the assessment roll, and the assessment shall be the sum of such values. The value of the land apart from the buildings thereon, but including all other improvements, shall be its actual value, regard being had to its condition, situation and other advantages, and the use to which it is or may be applied; and the value of the buildings shall be their actual value, regard being had to the state of repair and the cost of reproduction thereof, and any other circumstances affecting their value.”

Had the Bill of the Assessment Commission been adopted, the effect would have been to greatly increase the assessment on real estate used for any purpose whatsoever and this the House did not seem to be prepared to acquiesce in.

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*Provincial Municipal Association.*

Accordingly the Bill was withdrawn and another Bill submitted, embodying the recommendations of the Provincial Municipal Association.

The Government, while admitting its full responsibility for the measure, felt that an Association representing all the municipalities of the Province could have no other object in drafting any amendment to the Municipal Act than to serve a public purpose.

Moreover, it may be remembered that Mr. Carscallen, member for the City of Hamilton, introduced a Bill containing the same clause for a similar purpose.

The substitution of this Bill for the one originally submitted evoked considerable criticism from the Opposition, and although the first Bill of the Government was severely criticised, the Opposition, in order to obtain a party advantage, took it up by way of amendment to the Government measure.

*Action of County Court Judges.*

The Government measure passed and was assented to by the Lieutenant-Governor, on the 15th of April. The Companies, however, which it affected, did not accept it, and protested against increased assessment which it was expected would follow from its enactment. The question came up under the Statute before three County Court Judges, Judge Macdougall, Senior Judge County Court, York; Judge McGibbon, County Judge of Peel, and Judge McCrimmon, Senior County Judge of Ontario County, and on the 4th of Nov. they gave judgment to the effect that the decision of the Court of Appeal with regard to assessment was still in force and that the action of the Ontario Legislature was ineffective.

*The Government Charged with Insincerity.*

Now it is said by the Opposition that the Government in amending the Assessment Act, with deliberate intention played into the hands of the corporations.

As against this contention there may be urged :

(1) That such a course would be so palpably dishonorable that nobody except the most unscrupulous would impute any such intention to the Government.

(2) The clause dealing with scrap iron was in identical terms the recommendation of the Provincial Municipal Association and

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approved by its solicitor, Mr. F. MacKelcan, K.C., of Hamilton. Was the Municipal Association insincere?

(3) A Bill in precisely the same terms was introduced by Mr. Carscallen, member for Hamilton. Was Mr. Carscallen insincere?

(4) Were those who drafted the Assessment Act in 1853 and thus maintained it upon the Statute Book ever since, including the three Commissions who revised and consolidated the Statutes since Confederation, insincere when they allowed it to stand without alteration?

Everybody with any experience in the administration of the law knows that the intentions of Parliament as expressed in statutes are often frustrated by the decisions of the Court; that not only do lawyers differ, but Judges often differ as to the construction to be put upon an Act of Parliament.

For instance, Sir John Macdonald believed he had the right to control the issue of licenses for the Province of Ontario. Mr. D'Alton McCarthy concurred in that view and in 1885 a Bill was passed through the House of Commons for that purpose. That Bill was held by the Privy Council to be *ultra vires* of the Dominion Parliament, and yet Sir John Macdonald and Mr. D'Alton McCarthy were great lawyers.

In fact there is scarcely a sitting of the Courts of the Province or of Canada in which a construction is put upon an Act of Parliament not originally intended by the promoters.

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