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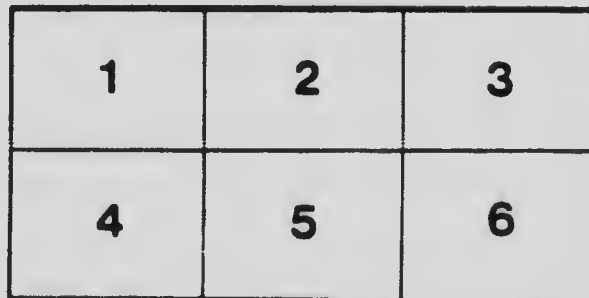
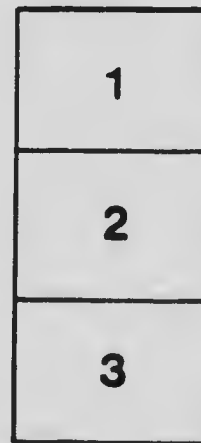
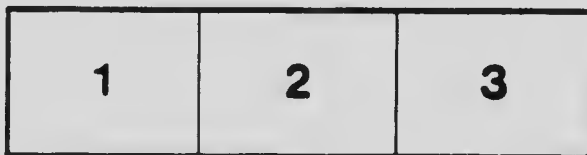
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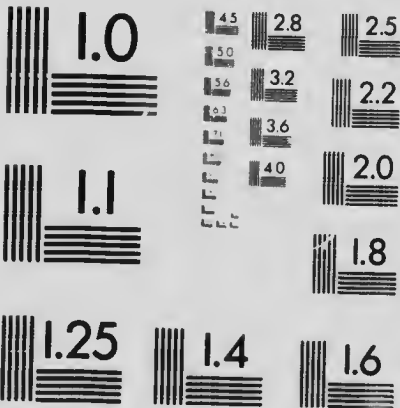
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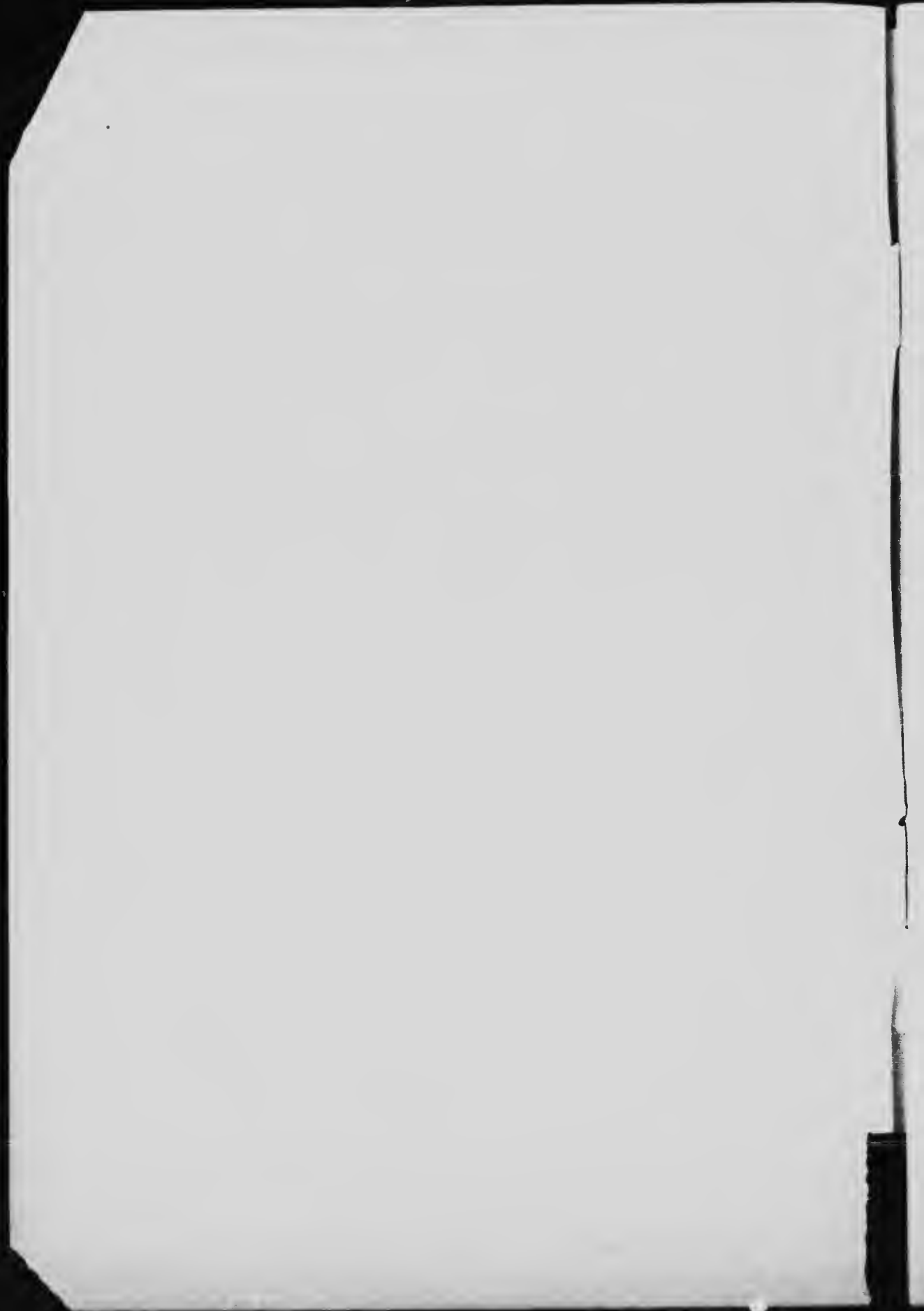
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**THE GENERAL REFORM ASSOCIATION
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INTRODUCTION

FOR some years past the public has given very little attention to the finances of the Province. This has been largely due to the general prosperity prevalent throughout the Dominion, the natural tendency of which is to render people indifferent about the public accounts, so long as their personal finances are flourishing. But no matter how prosperous the people of a community may be, there inevitably comes a time sooner or later when they feel the effect of unwisdom in the administration of the public moneys; and when that time comes, it is the people who must pay the penalty for having neglected to supervise the Government in its dealings with the Provincial revenues.

The Conservative party came into power in January, 1905, pledged to prudence and economy. For many years previously they had professed to be horrified at what they called the "extravagance" of the Liberal Government in Ontario. In April, 1904, for example, we find that the *Mail and Empire* under the heading of "HAVE RECKLESSLY EXPENDED MONEY," reports the speech of Col. Matheson, the financial expert of the Conservative party, who denounces the "vast expenditure" of the Liberal Government in voting supplies to the extent of \$5,305,000 in a single session. "The burden of municipal taxation," cries Col. Matheson, "is becoming more than people can bear, and the increased taxation imposed by the Government is such as will be disastrous to the prosperity of the Province."

One would expect that a party coming into power with such a horror of extravagance would have proceeded at once to cut down the public expenditure. But no! It was soon discovered that the new "economical" administration needed more money to carry on the government than did the old "extravagant" Liberal administration; and instead of decreasing, the cost of government INCREASED steadily from the very outset, until last session the total vote for all purposes actually reached the sum of \$13,687,341, an increase of more than eight million dollars over the "vast expenditure" which Conservatives denounced so vigorously eight years ago. And this, in spite of the fact that the population of the Province has not largely increased in the meantime.

In spite of this startling increase in provincial expenditure, the majority of the public departments are conducted far less efficiently than under the Liberal rule.

Under Sir Oliver Mowat the school system of Ontario was admitted to rank among the most efficient in the world. It has fallen into a state of helpless disorganization under the present Minister of Education, owing to the scarcity of teachers, the lack of technical education, the Government's failure to deal intelligently with bi-lingual schools, the granting of temporary certificates to unqualified teachers, and numerous other acts of incapacity.

Despite the sums expended on agricultural colleges, agriculture in this grand old farming province is admittedly decadent; it is estimated that the rural population (excluding New Ontario) has decreased by 100,000 in the last ten years. Instead of taking vigorous steps to retain its farming popula-

tion and to increase the inducements and rewards of farming as a profession, the Government has stood by and allowed the large cities and the other Provinces of the Dominion to drain rural Ontario of thousands of its most enterprising farmers. As Mr. J. W. Flavelle, one of the leading Conservatives in the Province, put it in a letter to the present Minister of Agriculture:—

“You have permitted, you are now permitting, thousands of young Ontario farmers, the cream of our agricultural people, to leave their own Province for the West, while by your inertia you indicate you are not cognizant of the advantages of continued residence in this province, if full advantage is taken of the opportunities which open in response to intelligent effort.”

Although large sums have been voted for roads, the highways of the Province are, generally speaking, in a most unsatisfactory condition. In many parts of the Province, it is conceded by everybody that the highways were in better shape 15 or 20 years ago. The whole question of building and repairing the highways of the Province requires to be reconsidered and new and greatly enlarged plans worked out by the Government to meet the situation, but it appears hopeless to expect the present Government to do this.

The Provincial Secretary's Department has long been under criticism for its laxity in prosecuting offences against the liquor laws in Northern Ontario, where the “blind pig” industry still flourishes. All recognize that the Attorney General's Department under its present administration is asleep. The incompetency of that Department has been particularly shown by the long list of serious crimes, including

numerous murders, which have been committed in the Province during recent years without the criminals ever having been brought to justice or even discovered. The Department of Crown Lands is another branch of the administration which is open to grave criticism. If that Department had not been sunk in apathy and indifference it might have done for Ontario what the Hon. Clifford Sifton accomplished for the Dominion by his vigorous, progressive immigration policy. The rich farming lands of New Ontario might have been peopled by thousands of desirable settlers *who would not only have developed that Northern country, but would also have furnished a near and profitable market for the manufacturers of the older counties. Well informed Conservatives freely admit that the apathy of the Crown Lands Department has stifled the growth of New Ontario. As the *Toronto Telegram* (Conservative) said some months ago:—

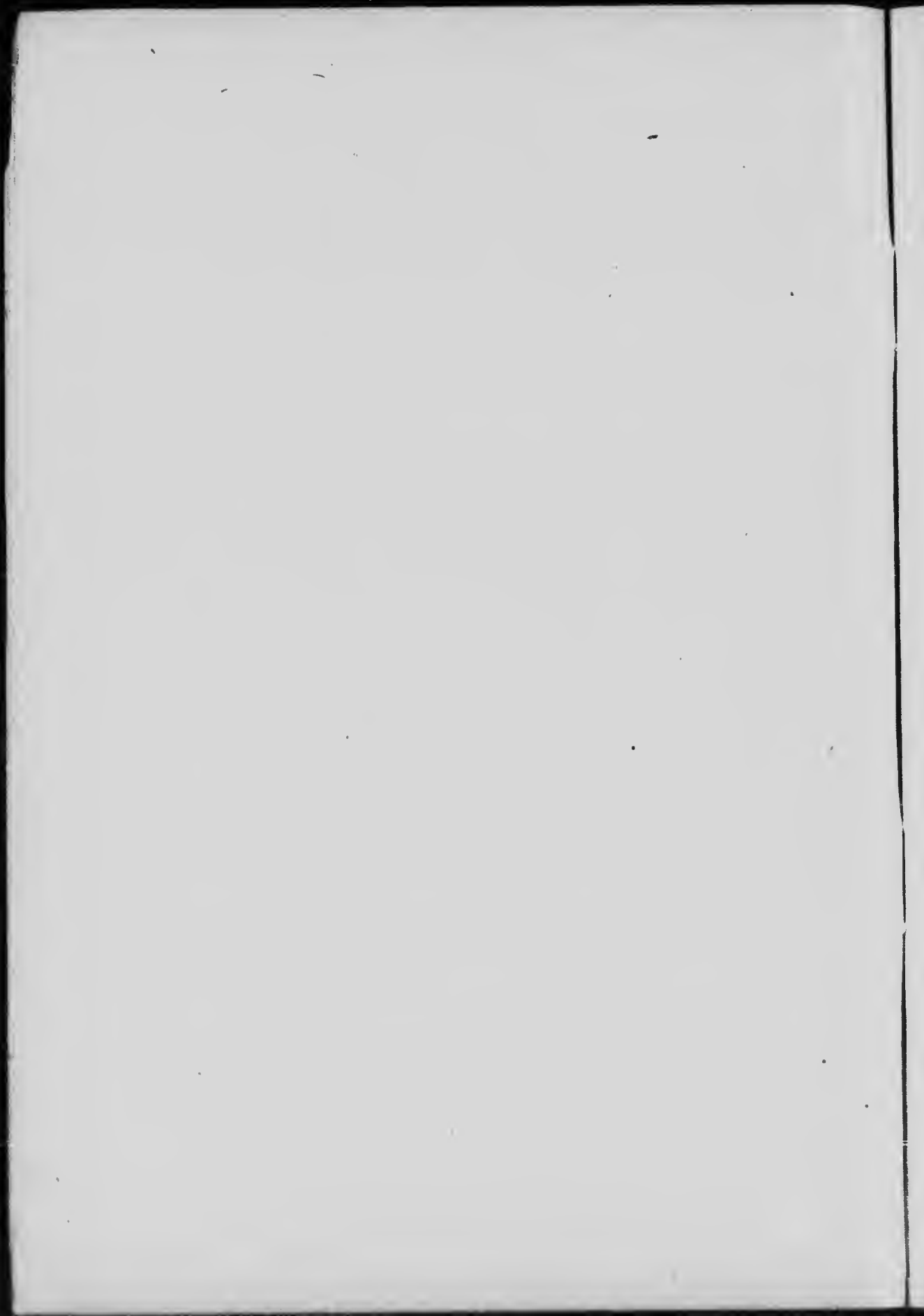
“Aside from the Temiskaming & Northern Ontario Railway, which owes its origin to Hon. Geo. W. Ross and its ever-growing efficiency to Sir James Whitney’s choice of J. L. Englehart, the whole Department of Mines and Forests has not done as much to open up New Ontario in six years as an adequate department should do in six months.”

* The Liberal policy in this matter is shown by the following quotation from the Platform adopted in December, 1911:—“In order that the Government may enter seriously upon the problem of the settlement and development of New Ontario, we propose the creation of a Department of Immigration and Colonization, to be presided over by a Minister of the Crown, who shall devote his whole time and energies to this important work; among other matters: to the promotion of settlement; building of roads; insuring other necessary transportation facilities; providing drainage requirements; assisting pioneer settlers to secure loans to a limited extent on the security of the lands occupied by them, repayable over a term of years; giving special assistance to pioneer schools.”

The District of New Ontario has just cause to complain of its neglect by the Conservative administration, and a tardy awakening of interest two days before an election (the Elk Lake telegram for instance*) will not suffice to justify years of indifference and neglect.

These and other numerous points are forcibly dealt with by Mr. Rowell in the following pages. He makes out a case against the Government, of mismanagement, laxity and inefficiency, both in the collection of the public revenues and in their expenditure. No real answer has been made to these charges. This pamphlet is circulated in order that the people of Ontario—Conservatives as well as Liberals—may have a knowledge of these facts and understand how the Government is handling the revenues and managing the affairs of the Province with which they have been entrusted.

* See pages 32 and 33 of this pamphlet for Mr. Rowell's comments on the Elk Lake telegram.



ADDRESS OF
MR. N. W. ROWELL, K. C.
(Leader of the Opposition)

**Delivered in the Ontario Legislature, on March
19th, 1912, in closing the Budget Debate
on behalf of the Opposition.**

Mr. Speaker,—Before entering upon a discussion of the budget, may I be permitted, speaking for all the members on this side of the House, to express our sincere regret at the continued absence of the Honorable the Provincial Treasurer from his accustomed place in this House. While we may not always have been able to agree with him on matters of policy, we have always found him a fair and courteous opponent, and his absence from the House through illness is, I am sure, as great a matter of regret to us as it is to those on the Government side of the House. We hope for him a speedy recovery, so that this House may again see him in his accustomed seat as Provincial Treasurer.

May I congratulate the honorable member for Centre Grey (Hon. I. B. Lucas) on being chosen by the Government to fill the important and responsible position of delivering the Budget speech. It has been my pleasure to know the honorable member for many years, and we on this side of the House listened to him with great pleasure. He gave us an interesting review of the finances of the Province, but I feel I am not going beyond the limits of fair criticism when I say that his arguments were not at all convincing as to the financial ability of the present administration.

May I also be permitted, Mr. Speaker, to express the pleasure I felt in listening to the contribution made to this debate by the honorable member for East Hamilton (Mr. Allan Studholme); particularly to the matters he presented for our consideration in the interests of the cause he so ably represents—the cause of labor. I wish to say for the members on this side of the House, that we are glad labor has a representative in this House. We believe that if the independent Labor representatives in the Legislature were increased it would be a

good thing for the House, and a good thing for the country. I believe it has been a good thing for the British people and a good thing for many continental countries that a number of Labor representatives have occupied seats in the legislative bodies of these countries.

AGREE WITH PRINCIPLES.

We may not be able to agree with all the policies propounded by the honorable member for East Hamilton, but I am sure we can agree with the principles that underly these policies. If I rightly understand the principles underlying the policies propounded by the honorable member, they are two: First, that the voice of the people should be more fully and more truly expressed in the Legislature of this province. I am sure we on this side of the House find ourselves in hearty agreement with this principle, although we may not agree with the honorable member in all the methods he suggests for securing this result. The other principle is that the present social and industrial conditions are not satisfactory and that some remedy should be found to improve both the social and industrial conditions, particularly of the toiling masses. I am sure no one can be satisfied with present conditions, when we recall the statement made by the honorable member for East Hamilton, that the average wage of the workmen of Canada—skilled and unskilled—only amounts to \$535 per annum, and we contrast this wage with the conditions of what I might almost call reckless extravagance, under which some of our citizens live. We must recognize that present conditions are not satisfactory and cannot be permanent. We must recognize that social and industrial changes will come—changes that should materially improve the lot of the toiling masses in this Province, and as Liberals we must sympathize with and promote all just and reasonable measures calculated to produce this result. It is a good thing that we have an independent representation of Labor to voice the feelings and sentiments of laboring men. I am sure if the laboring men outside this House displayed the same ability, persistence and enthusiasm as the honorable member for East Hamilton, the number of the Labor representatives in the next Parliament would be substantially increased.

NOT A FINANCIAL REVIEW.

Coming now to a discussion of the Budget as presented by the honorable member for Centre Grey (Mr. Lucas), I could not but think as I listened to him that he appeared to believe the test of the financial ability of the Government to

be its capacity to receive and its capacity to spend. He gloried in the fact that they had received about twice as much income as their predecessors, and congratulated the Government on their ability in this respect. He also gloried in the fact that they had spent about twice as much as their predecessors; and he gave long lists of figures to establish this fact. I must express the disappointment I felt in listening to the address of the honorable member. He did not pretend, neither has any member on the Government side of the House pretended, during this discussion, to give a review of the financial position of this province; to point out the financial needs of the province, and to discuss the sources from which revenue might be derived to meet these needs.

AN UNSATISFACTORY SITUATION.

At the present time we are confronted with a most unsatisfactory situation in connection with the educational affairs of this province, and it appears that if we are to reach a higher standard of efficiency we must spend larger sums on education, particularly on the public and high schools of the province. We should substantially increase our grants to education.

In the matter of public health, the province has been most backward, and the amounts now being expended by the province are very meagre compared with the expenditure on other public services. Up to the present comparatively little has been done compared with what might have been done to conserve the health of the people of this province. If we are to do the best for the people, who, after all, are the most valuable asset this province has, we must adopt a more progressive policy and appropriate larger sums in the interests of public health.

In the Department of Agriculture there are increasing demands upon the resources of this Province. We all recognize that agriculture is the basic industry, and yet we all recognize that in many of the best counties of this Province the agricultural population is steadily declining. A more progressive policy is needed in agriculture and larger expenditures to promote the agricultural interests.

We have been steadily increasing our expenditure for good roads, but we have done little compared with the great work which lies before us in improving the highways of this province.

But it is not necessary to multiply instances to establish the point I wish to make. There has been absolutely no review by any member of the Government or any honorable member

on the Government side of the House, of the financial needs of this province—of the moneys necessary to carry on the public service of this province efficiently, and to promote education, public health, agriculture and other great public services to which the Government of this province is committed, nor has there—as I shall point out presently—been any adequate review of the sources of our revenue to show where we can secure the money necessary to meet these urgent public needs.

HAND-TO-MOUTH POLICY.

The Government appears to be adopting a hand-to-mouth policy, spending all it gets and a little more, and thinking that this is evidence of great financial ability. The honorable member for Centre Grey appeared to think that he had established the great financial ability of this Government, and that it was deserving of all public confidence and support because it had increased the public expenditure along certain lines. He did not attempt to apply the test of efficiency; he did not attempt to analyse the results secured, or to show that the province was getting the best possible value for these expenditures. He did not review the work of a single department in order to show that the moneys spent in the department had produced the best possible results. The rule to be applied to the public expenditures is this, Was the work necessary and has the province received the best results?

REVENUE OF PROVINCE.

Turning from the question of public expenditures to the question of receipts, the honorable member claimed great credit for the present Government for securing an increase in the Dominion subsidy. Let us look for a few minutes at the financial statement presented to the House by the honorable member for Centre Grey. We find that the subsidy payments from the Dominion of Canada amount to \$2,261,758.28, made up of three items:—

Subsidy on population, British North America Act, 1907.....	\$1,879,343 80
Subsidy, 47 Vic. Chap. 4.....	142 14 48
Special grant, British North America Act, 1907.....	240,000 00

These three items represent the three main features of the financial adjustment between the provinces and the Dominion at the time of Confederation.

The first is subsidy, on the basis of population, payable under the British North America Act. At the time of Confederation the amount fixed by the British North America Act was 80c per head of population, on the basis of the census of 1861. As time went by the provinces reached the conclusion that this payment was not adequate. The increase in population in several provinces made an increased demand upon these provinces for public services. They asked that this amount be increased, and by the Act of 1907 the payments under the original British North America Act were changed, so that the 80c per head of population was made payable, not on the population of 1861, but on the population shown by each decennial census until the population reaches two and a half millions, and 60c per head on the population in excess of two and a half millions.

A LIBERAL MOVE.

The Acting Provincial Treasurer claims great credit for this increased subsidy. I wish to point out to the House that this increased subsidy was applied for by the Government of Sir Oliver Mowat in the year 1887. In that year an inter-provincial conference was held at the City of Quebec, at which the representatives of the various provinces were present, and they worked out what they believed to be a fair financial readjustment between the Provinces and the Dominion, and in the year 1888 the resolutions so agreed upon at the conference in Quebec were presented to this House by the Government of Sir Oliver Mowat and were approved by the House. But the then Conservative Government at Ottawa did not give effect to the resolutions and a further conference was held in 1902, at which most of the provinces were represented; and later in 1903 the Government of Sir Wilfrid Laurier called the provinces together for a still further conference on these matters. The Dominion Government finally accepted the financial basis adopted in the Quebec Conference in 1887, and it was put into legislative form by the Government of Sir Wilfrid Laurier. Whatever credit is due to the representatives of the province for securing this increased grant, that credit must go to Sir Oliver Mowat and his colleagues, the predecessors of this Government. And it is worthy of note that so long as the Conservative Government remained in power at Ottawa no effect was given to this claim for increased subsidy, but it was the Government of Sir Wilfrid Laurier which gave effect to the requests of the provinces and under the legislation enacted by

his Government in 1906 and by the Imperial Government in 1907, Ontario has now received this large increase in her subsidy.

NOT EQUAL TREATMENT.

Dealing with the second item, viz., the subsidy under 47 Vic. Chap. 4 (\$142,000), the members of this House will recall that my colleague the honorable member for North Grey (Hon. A. G. Mackay), in his very able reply to the Budget speech of the honorable member for Centre Grey, pointed out that if Ontario received the same financial treatment as the Province of Manitoba is now to receive under the legislation of the present session of the Dominion Parliament, providing for the division of the territory of Keewatin, this amount of \$142,000 would be increased by about \$500,000, so that the annual income of this province from this one source, instead of remaining at \$142,000 for all time to come, should now be increased to \$642,000 or thereabouts. In view of the hostile attitude which the Government has manifested to this suggestion, I venture to think that they do not understand the situation. (Applause).

Sir James Whitney: Hear, hear.

Mr. Rowell: I am glad to have that frank confession from the Prime Minister; it is not often that he makes such a confession. I venture to think also that the honorable gentlemen who have spoken on behalf of the Government in this debate have not familiarized themselves with the facts, or they would not have denied the right of this province to secure this additional subsidy. I appeal not only to the Government, but I appeal particularly to the supporters of the Government, to look into the facts for themselves, for I am sure that if you look into the statutes which I am about to cite to you, if you read these Acts of Parliament freed from partisan feeling and prejudice, you will come to the same conclusion as we have. (Applause). We ask your co-operation and support in pressing upon the Government of this province the duty it owes to the people of this province to secure this additional subsidy, a duty which the Government has now neglected, and is apparently glorying in its own neglect. My honorable friend the Prime Minister appears to think that anything which comes from the Conservative-Nationalist Government at Ottawa is the best that can be obtained; and he would not look a gift horse in the mouth, even if it came in the form of a Dominion subsidy! (Laughter).

DEBT ALLOWANCES.

If the honorable members will only take the time and trouble to trace the legislative history of this item of \$142,000, they will easily understand our contention. Let me briefly review this history. At the time of Confederation it was agreed between the provinces that the Dominion should assume the debts of the provinces on a basis that was considered at that time to be satisfactory to all. The debt of the province of Nova Scotia at that time amounted to \$8,000,000; the debt of the province of New Brunswick to \$7,000,000. These debts amounted to about \$28 per head of population in Nova Scotia and New Brunswick, and this figure was apparently agreed upon as the basis upon which the Dominion should assume the debts of all the provinces. On this basis the debt of the provinces of Ontario and Quebec, which then constituted the old Province of Canada, was fixed at \$62,500,000, and the British North America Act provides that if the debt of the provinces of Ontario and Quebec exceeds this amount these provinces must pay interest at the rate of 5 per cent. on the amount of the excess.

Manitoba had entered Confederation in the year 1870. Manitoba had no public debt at the time she entered, and the Act under which she came into Confederation recited this fact, and she was granted an allowance on the basis of \$28 per head of population, and became entitled to draw interest at 5 per cent. on the amount of this allowance.

It was found shortly after Confederation that the debt of the old province of Canada exceeded the sum of \$62,500,000 by about \$10,000,000, and the Dominion decided to assume this amount.

In the year 1873 an Act was passed by the Parliament of Canada for this purpose. This Act provided that the other Provinces should receive a proportionate increase in their debt allowances.

I wish to draw your attention particularly to this legislation, because it clearly establishes that whenever the financial terms between the Dominion and the province of Ontario have been readjusted to the benefit of Ontario, every other province of the Dominion has received exactly similar treatment; and that is all we contend for now, and we say that now the Dominion has readjusted the financial basis for the benefit of the province of Manitoba, that Ontario and the other provinces should receive similar treatment. The title of the Act is itself suggestive, "An Act to readjust the amount pay-

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able to and chargeable against the several Provinces of Canada by the Dominion Government so far as they depend upon the debt with which they respectively entered the Union." The Act recites that the amount fixed under the British North America Act for the provinces of Ontario and Quebec was \$62,500,000, and that the debt as now ascertained exceeds this sum by \$10,506,088.84 and that for interest on this amount these provinces were chargeable in their account with the Dominion. The Act further recites that it is expedient to free the said provinces of Ontario and Quebec from this charge, and for that purpose hereafter to consider the amount of the debt of these provinces for which the Dominion should be liable as increased by this amount "and to compensate the other provinces for this addition to the general debt of Canada." The Act then goes on to provide for the debt allowance of the provinces of Ontario and Quebec being increased by this amount, and for a corresponding allowance to the provinces of Nova Scotia, New Brunswick, British Columbia and Manitoba.

A READJUSTMENT.

In 1884 there was a further readjustment of this debt allowance between the provinces and the Dominion. The Act of 1873 only took effect as from the date of that Act. In 1884 it was decided to carry back the effect of the Act of 1873 to the year of 1867, and to allow to the provinces the amounts which they would have been allowed had the Act of 1873 gone into effect at the time of Confederation. The title of the Act of 1884 is also very suggestive. It is "An Act to readjust the yearly subsidies to be allowed by the Dominion of Canada to the several provinces now included in the Dominion." This Act provides that the amount which the provinces of Ontario, Quebec, Nova Scotia and New Brunswick would have received, had the readjustment of 1873 gone into effect in 1867, should now be allowed to the several provinces with interest thereon at 5 per cent. per annum, and that the amount so computed should be deemed capital owing to the said provinces, respectively, bearing interest at 5 per cent. per annum. The amount by this Act allowed to Ontario and Quebec jointly as capital was \$5,397,503.13; and the item of \$142,414 appearing in the Treasurer's statement as "Subsidy under 47 Vic. Chap. 4" is interest at 5 per cent. on Ontario's share of this capital sum.

Nova Scotia and New Brunswick also received an allowance on the same basis, but the interesting and important fact to be kept in mind in considering this legislation is that this Act, which increased the debt allowance of Ontario and Quebec,

also increased the debt allowance of British Columbia, Manitoba and Prince Edward Island, respectively, on exactly the same basis, so that on this occasion also when Ontario received a readjustment and the benefit of an increased allowance, every other province received a proportionate increase.

The next Act to which I wish to draw your attention is the Manitoba Act of 1885. The Government of Sir John Macdonald had drawn Manitoba into the boundary dispute between Ontario and the Dominion Government, and Manitoba had been put to heavy expense in seeking to establish Government in the disputed territory and in carrying the litigation in reference to this disputed territory to the Privy Council. Manitoba claimed compensation from the Dominion Government for the expense to which she had been put, and asked for a re-arrangement and re-adjustment of the financial terms between Manitoba and the Dominion. In view of the circumstances under which Manitoba had incurred these large expenditures, the Dominion Government evidently thought that it was fair some compensation should be made to her, and in working out the compensation the Dominion increased the debt allowance to the province of Manitoba by a substantial sum. Instead of making the debt allowance on the basis of the population of Manitoba at the date upon which she entered Confederation, they fixed the debt allowance on the basis of the population of Manitoba at the date of the passing of the Act of 1885; and in addition to this change in the debt allowance, certain amounts were granted to the province of Manitoba for educational and other purposes. Section 7 of the Act provides that "grants of land and payments authorized by the foregoing sections shall be made on one condition, that they be accepted by the province (such acceptance being testified by an Act of the Legislature of Manitoba) as a full settlement of all claims made by the said province for the reimbursement of costs incurred in the government of the disputed territory or the of the boundary question to the Judicial Committee of the Privy Council, and all other questions and claims discussed between the Dominion and the Provincial Government up to the 10th day of January, 1885."

Manitoba passed an Act the following year accepting this settlement, so that we have a complete and final settlement between the Dominion Government and the province of Manitoba evidenced by this Act passed by the Dominion Government and by the Act of acceptance passed by the province of Manitoba of the financial relations between the two Govern-

ments, especially of the debt allowance to the province of Manitoba.

There is one other important term in the financial arrangement between the province of Manitoba and the Dominion which should be borne in mind, and that is, a special allowance was made to the province of Manitoba in consideration of the province not receiving the Crown Lands. When the province of Manitoba was created it did not acquire title to the Crown Lands within the province. The title was still retained by the Dominion. All the other provinces retained their Crown Lands when they entered Confederation. When Manitoba entered the Union she received an allowance on the basis of population, the same as Ontario and the other provinces; she received the allowance for debt the same as Ontario and the other provinces; she received the lump sum for government and legislation the same as the other provinces, and she also received a special sum by way of allowance in lieu of the grant of the Crown Lands.

When the provinces of Alberta and Saskatchewan were formed in the year 1905 they came in on the same financial basis. They received the subsidy allowance on the basis of population; the subsidy allowance for government and legislation; the allowance in lieu of debt, and special allowance in lieu of lands which were retained by the Dominion Government.

As I have already pointed out, the debt allowance of the several provinces assumed by the Dominion at Confederation was approximately \$28 per head of population. By the readjustments of 1873 and 1884 this had been increased, so that at the date the provinces of Alberta and Saskatchewan were formed and entered Confederation, the debt allowances of the older provinces amounted to approximately \$32.43 per capita on the basis of their population at the time they entered Confederation, and the debt allowances to the provinces of Alberta and Saskatchewan were fixed on this basis. The population of each province in the year 1905 was taken at 250,000, and this gave to each a debt allowance of \$8,107,500. Upon this amount the Dominion pays to each of these provinces interest at 5 per cent.

COMPARE WITH HISTORY.

Now, in the light of this history let us look at the present proposal with reference to the province of Manitoba. Possibly very few of the honorable members have seen the bill introduced into the Dominion Parliament under which the bound-

aries of the province of Manitoba are extended and the financial terms with that province readjusted. The Hon. the Prime Minister and the other speakers on the Government side of the House have repeatedly asserted that the re-arrangement with the province of Manitoba is because the province of Manitoba is not receiving the Crown Lands within the added territory, and the reason that Ontario is not receiving any re-adjustment is because Ontario is receiving the Crown Lands within the added territory. The Prime Minister and other speakers on the Government side of the House cannot have read the bill relating to the province of Manitoba, or if they have they certainly do not understand it.

It is true that under Section 5 of the bill Manitoba receives an allowance in lieu of land in the added territory. We do not complain about this, but what about Section 4 of the bill? Let us look at these two sections. Section 5 provides, "inasmuch as under the provisions of this Act the province will not have the lands as a source of revenue, there shall be, subject to the provisions hereinafter set out, paid to the Government of the province by half-yearly payments in advance," etc., the sums mentioned and set forth in Section 5, and under Section 4 the province of Manitoba receives very large annual payments in lieu of receiving the title to the Crown Lands in the added territory; and as the population of Manitoba increases Section 5 provides for an increase in this amount in lieu of lands, and when the population of Manitoba reaches 1,100,000 she will receive in respect of this one matter alone a Dominion grant of \$1,125,000 per year, subject to certain deductions in respect of moneys already received by the province in respect of lands. With this allowance for lands, we in this province have nothing to do. We make no complaint on this score. The ground of our complaint rests on an entirely different basis. Section 4 of the Manitoba bill provides for a readjustment of the debt allowance between Manitoba and the Dominion. Section 4 commences as follows: "Inasmuch as the province was not in debt at the time the province was established, it shall be entitled to be paid and receive from the Government of Canada," etc., and the debt allowance to the Province of Manitoba is increased so that she becomes entitled to be paid interest at 5 per cent. on the sum of \$8,107,500, less certain capital sums already paid to her. Now what is the excuse given by the Dominion Government for this readjustment of the debt allowance for Manitoba? The excuse given is that as the debt allowance of Alberta and Saskatchewan amounted to this sum, it is only right that Manitoba should be

put on the same basis. This is a departure from the financial basis of Confederation, but we are not now quarreling with this increase to the province of Manitoba. If the Dominion Government has a large revenue, and we believe she has, she may be able to well afford this increased grant, but what we point out is, first, that there should be no readjustment of these financial terms, which formed part of the basis of Confederation, without all the older provinces being consulted and a new basis agreed upon; and secondly, that whatever allowance any one province receives in respect of this important matter, which formed part of the financial terms of Confederation, the other provinces should receive a proportionate increase, so that all the provinces shall be treated alike. Whenever in the past Ontario received an increased grant, Manitoba has shared in it. If there is to be a readjustment now Ontario should share in this readjustment. (Applause).

PROTEST AGAINST UNFAIRNESS.

My honorable friend from South Renfrew says we are adopting a policy of setting province against province. Such a suggestion does not come well from the members on the Government side of the House. We are protesting against a policy, the only effect of which can be to set province against province, against a policy which departs from the principles of the British North America Act. The only way that all the provinces can work together harmoniously is that all shall be treated on the same basis, and this basis should be arrived at as a result of a common understanding and agreement.

A JUST CLAIM.

I trust I have made our position and contention plain to the Government. I hope the Government now understands it. I hope they now realize that Ontario has a just claim in respect of this debt allowance to be treated on the same basis as Manitoba. I hope they realize that Ontario is entitled on this score to have her subsidy increased by approximately \$500,000 per annum. This \$500,000 per year is equal to a capital sum of over \$10,000,000. What would \$500,000 per year do for the people of this Province? In promoting public health, in assisting agriculture, in aiding good roads, or in furthering any of the other important public purposes to which this province should devote her revenues. This money can be obtained and the people of this Province receive the benefit of it, if the Government will but waken up and do its duty to the people of this province; and now that the matter has been made plain, I

cannot think they will longer be so recreant to their duty as not to press this matter upon the attention of the Dominion Government.

I notice the province of Prince Edward Island has wakened up. We look upon her as a quiet, sleepy little province down by the sea, but evidently the Administration of that province is more alive to the interests of the people of the province than is the Administration of this province, for I notice an announcement in to-day's Mail and Empire that the Minister of Finance has introduced a resolution into the House of Commons to increase by a very substantial amount—\$200,000 I think—the annual subsidy to the province of Prince Edward Island. I hope before this House meets again that the Government will have awakened on this important issue, and will be able to report to this House at its next session that the Dominion Government has promised to do justice to the province of Ontario and to treat her in respect of debt allowance on the same basis as she has treated Manitoba.

The third item, the special grant under the British North America Act, 1901, of \$240,000. Under the British North America Act, \$80,000 was granted to the province of Ontario for the support of Government and legislation, and proportionate amounts were granted to the other provinces. By the resolutions passed at the Quebec Conference in 1887, and embodied in the Dominion legislation of 1906 and the Imperial Act of 1907, the amount of this grant to Ontario was increased from \$80,000 to \$240,000 and a corresponding increase was made in the grants to the other provinces.

The total increase in items 1 and 3 of the Dominion subsidy, an increase due to the action of the Governments of Sir Oliver Mowat and Sir Wilfrid Laurier, amounted in the year 1911 to \$1,127,098.

CROWN LANDS.

The next large item of receipts for the current year is from Lands, Forests and Mines, a total of \$2,710,242.

Some of the honorable members on the Government side of the House have congratulated the Government on its receipt of this large sum from these sources, and they have painted a very glowing picture of our almost unlimited timber wealth. They have told us that this province has sufficient timber to supply all our needs for generations to come. I should like to recall to the attention of the members of this Legislature the position taken by the present members of the Government when they were in opposition.

HAVE FORGOTTEN OLD SONG.

You must all remember how frequently and how persistently the members of the Conservative Opposition in this House criticized the Liberal Administration for selling the timber of this province, and how constantly they warned the Government that soon we would have no timber left. One of the main points of their criticism was that the Government was selling timber which formed part of the assets of the province and was including the proceeds in the current income. Now that they are in office they have forgotten the old song they used to sing; their professions and protestations are no longer of service to them. When we offer criticism the Government's answer appears to be, the old Government did the same thing. Either their former criticisms were unfair and unjustified or their present conduct is contrary to the public interests.

Let us assume, for the sake of argument, that in the past both parties have been justified in the course they have pursued in dealing with our timber resources, has not the time come for a change? The question to-day is not what the late Government did, not so much what the present Government has done, but what it is in the interests of the people of the province to do to-day. And our contention is that the time has come when we should no longer deplete the timber resources of this province without at the same time adopting and putting into effect on an adequate scale a scientific forestry policy for the purpose of conserving our timber resources for all time to come. The late Liberal Government had started on this policy and was making good progress at the time of its defeat.

The Liberal Government had secured an expert in Forestry to advise the Government on a forestry policy. The new Government came in; they neglected the department, and Mr. Judson Clarke, the forestry expert, finding that he had nothing to do, retired from the public service, and no one has been engaged to take his place.

The Liberal Government introduced the policy of setting apart large timber as forest reserves. I am glad to see that the present Government has continued this policy, but is it not a surprising fact that at the present time Ontario is importing a great deal of her hard wood? This should not be necessary. The Government should set apart suitable hardwood timber reserves. But this is not sufficient.

What are the conditions in the United States to-day with reference to their timber resources? They are not only largely depleted, but many of their rivers and streams are dried up

or their volume has been largely diminished—to the great prejudice of the country which has hitherto been watered by them—because their sources have been destroyed by the cutting of timber on the slopes of the hills or the mountains. The United States Government and the Governments of several of the States are now spending millions of dollars to try and repair the great national loss they have suffered by their blundering or lack of foresight in dealing with the timber resources of their country. They have for some years been endeavoring to put into practice a scientific forestry policy, with a view to conserving this great national asset, as well as maintaining the sources of their rivers and streams for the benefit of the people. Let us in Ontario profit by their experience rather than repeat their blunders.

REFORESTRATION.

When we look abroad and see what has been accomplished in continental countries, as a result of the adoption of a scientific forestry policy, in the preservation of timber, in the increasing value of the timber so preserved as a great asset of the people, we realize the possibilities that lie before us in this province if our Government has sufficient prudence and foresight to grapple with the situation at the present time courageously and intelligently. No one would object to the sale of our timber if efforts are at the same time being put forth to replace the timber sold by new growths of timber. I am in hopes that the new Minister of Lands, Forests and Mines will realize the importance of adopting a scientific forestry policy, and will put it into effect before we on this side of the House are called upon to take the responsibility for the Government of this province. (Laughter and cheers).

Mr. A. E. Donovan (Brookville): You are giving us a great deal of latitude.

Mr. Rowell: Well, it requires a great deal of latitude to get this Government to move. We cannot expect too much, and we must not ask too much, but we hope that in four years' time a start at least will have been made.

MINING RECEIPTS.

There is another item in the receipts from the Lands, Forests and Mines that I wish to refer to for a moment, and that is the receipts from mines.

The Government is claiming great credit for this new source of revenue. The revenue under this head comes from

two sources: First, the royalty or tax of 3 per cent. on the net profits of the mines over \$10,000, and second, a special royalty exacted by the Government from four or five of the mining companies doing business in Northern Ontario. With reference to the first and more important of these two sources of revenue, my honorable friend the member for North Grey pointed out that when the present Government came into office their proposal was to tax mining lands on the same basis as agricultural lands. The Liberal Opposition showed how unreasonable and inequitable such a basis of taxation would be, and suggested that the basis should be a royalty or tax upon the net profits of the mines that were being operated at a profit. The Government reconsidered its position, and in the next session accepted the policy of the Opposition, and brought in the bill under which the present royalties or taxes are being paid.

ANOTHER LIBERAL ENTERPRISE.

Passing over for the moment the income for licenses, the next large item in our revenue is under the Supplementary Revenue Act, \$854,659. This is a tax on corporations. My honorable friend the member for North Grey (the Hon. A. G. Mackay) has already pointed out that this tax was vigorously and persistently opposed by the members of the present Government when in Opposition, and had their view and will prevailed the province would not to-day be in receipt of this large sum of money. But now that they are in power they have adopted the tax and with characteristic modesty they now claim it as their own, congratulating themselves on the large income received this year under this Act.

TAX ON RAILWAYS.

Mr. Speaker, I desire to draw the attention of the Government to the fact that this Act needs further amendment; that we should be in receipt of a still larger revenue from this tax on corporations. I can see no good reason why the railways and other public utility corporations should not pay to the revenue of this province and the municipalities on a basis of taxation in every respect equal to the assessment and taxation of the property of private citizens. This is the policy of the Liberal party as embodied in our platform, and we urge upon the Government the adoption of this policy as being in the public interests. I am quite aware that the Government has increased the mileage tax levied on the railroads, but why should the railways not be taxed on the same basis as private citizens? I have not looked into the matter personally, but I

I am informed by those who have gone into it that the taxes which the Grand Trunk Railway pays in this province on its mileage are not much more than one-quarter of the amount paid by the same railway in the State of Michigan. I am informed that the taxes which the Canadian Pacific Railway pays in this province are not more than about one-fifth of the amount this railway pays in the State of Wisconsin. The important fact is that the railways are not bearing their full share of taxation in this province. The Government will have the hearty support and co-operation of the Opposition in increasing the taxation upon railways and every public utility corporation, so as to put them upon the same basis of taxation as private citizens.

SUCCESSION DUTY TAX.

The next large item in our revenue is Succession Duty, \$963,195. This also has been discussed by my honorable friend from North Grey, and he has pointed out how vigorously the members of the present Government when in Opposition fought against the increase in the amount of the succession duties, divided the House on the matter, sought to cut the succession duties proposed in half, and how the late Liberal Administration was criticized in the House and on the platform for its policy in imposing this succession duty tax. But here again, now that my honorable friends are in power, they congratulate themselves on the splendid results of this tax. For this past year the province received \$963,195 from this one source.

Another very important item of revenue appearing this year is \$515,000 from the Temiskaming and Northern Ontario Railway. Here again it was the Liberal Government that, notwithstanding the adverse criticism of the then Opposition, started the building of this important railway, for the development and opening up of New Ontario.

TAX ON BAR RECEIPTS.

In these important items I have mentioned the Government in its financial policy has not followed the course it advocated in Opposition, but has followed the lines of the Liberal policy. There is, however, one item of constructive finance which the Government is entitled to credit, i.e., the tax of 5 per cent. on the bar receipts of the hotels of the province. By the Act of last session the Government is now entitled to receive five per cent. on the amount of the bar receipts over \$60 per day in cities having a population of over 100,000, and in all other places five per cent. on the receipts over \$50 per day. I understand for the five months of the past year during

which this Act was in operation the Province received approximately \$118,000 from this source, and on this basis we may expect a revenue from the same source for the current year of over \$250,000. Every man who drinks a glass too much, and every man who encourages a drunken man to take another glass, helps to increase the revenues of the province. I am quite willing that my honorable friend the Provincial Secretary should take every credit for this new departure in the finances of the province.

In closing this discussion on the revenues of the province, let me summarize the position and contrast the revenues from the important items I have mentioned of the year 1904 with those of the year 1911.

	1904.	1911.	Increase.
Dominion Subsidy.....	\$1,314,660	\$2,261,758	\$ 947,098
Mining Receipts.....	1,597	498,030	496,433
Corporation Tax.....	420,627	854,659	434,032
Succession Duties.....	458,699	963,195	504,496
T. & N. O. Surplus.....	515,000	515,000

Total Increase \$3,077,059

My honorable friend for North Grey has already pointed out that if you compare the current receipts for 1904, the last year of the Liberal Administration (and by current receipts I mean items of current revenue as distinguished from what should properly be called "Capital Account") with the current receipts for 1911, the total increase in the current income of the province is less by a substantial amount than the actual increase in the five items I have enumerated. What does this demonstrate? It clearly demonstrates that the constructive financing of this province has been done by the predecessors of the present Government. To-day our greatly increased revenues, which permit of increased expenditures for education, agriculture and other public services, are due to the financial genius of the men who preceded this Government. The unfairness, if I may so state, of the attitude of the men who are now glorifying the policy and conduct of the present Government, is that they have not a word of credit to give to their predecessors in office, who by their wise and statesman-like financial administration have made possible the present financial position of the province. They labored and others are now receiving the fruits of their labor. The Liberal Government adopted a financial programme which with our ever increasing population and ever increasing wealth means a steady and ever increasing revenue for the province of Ontario.

The members of the present Government deserve credit for this, that when they got into office they have had the wisdom not to repeal the legislation which their predecessors enacted, and from which we are now receiving these large financial benefits. They are living on the financial work and reputation of their predecessors in office.

PUBLIC EXPENDITURE IMMENSE.

Let us now briefly consider the question of our public expenditure. The honorable member for Centre Grey (Mr. Lucas) claimed a great deal of credit for the amount of money the Government was now spending. He contrasted the expenditures of to-day in certain of the departments with the expenditures of 1904, but no member of the House could fail to note that the honorable member passed very quickly and very lightly over certain very large items of public expenditure, and to these items I wish to draw your attention.

The first item I will deal with is that of Civil Government. Under this item is included practically the whole of our inside civil service. I desire to say, Mr. Speaker, that we on this side of the House cordially approve of the action of the Government in increasing the salaries of the officials in the public service, who have been and who are to-day rendering good and efficient service to the people of this province. The cost of living has increased, the conditions have changed. Good and efficient public servants deserve an increase in their salaries. Our complaint against the Government does not concern this increase of salary to good officials, but lies in the fact that they have multiplied officers and officials almost without number.

Let us compare the cost of civil government in 1904 with the cost in 1911. In 1904 it amounted to \$344,000; in 1911 to \$602,000, and I find the estimate for 1912 is \$727,000. In other words, in eight years the cost of civil government in this province has substantially more than doubled. What justification can the Government offer for this enormous increase in public expenditure on these items?

Let us look again at the item of Legislation. In 1904 our expenditure was \$200,000; in 1911, \$275,000; in 1912, \$286,000. Is the work of legislation better done to-day than it was in the year 1904?

ADMINISTRATION OF JUSTICE.

The administration of justice in 1904 cost \$482,000; in 1911, \$653,000, and the estimate for 1912 is \$744,000. Contrast the figures, \$482,000 in 1904 with \$744,000 in 1912, and tell me

if justice is better administered in this province to-day than it was in 1904. (Hear, hear!). You all know the dissatisfaction throughout the country with the manner in which justice is being administered. I venture to say that we are not to-day in this province, notwithstanding this enormous increase in expenditure, getting as good or as satisfactory administration of justice as we did in the year 1904. (Applause).

NO REFORM IN CROWN LANDS.

Then take the enormous item for Crown Lands administration, which last year amounted to \$617,000, and the estimates for this year show \$651,000 as compared with \$286,000 in 1904. If there was one item in the accounts of the late Liberal Government to which the then Opposition directed attention and criticism, it was the cost of administering Crown Lands and the expenditure on Government officials. The Prime Minister will probably recollect, or if he does not, his colleagues will, how he went up and down the country talking of the "hordes of officials feeding at the public trough" and promised that when they came into office a wonderful change would be brought about. They told us how these officials would be turned out and the public expenditure would be reduced. But what has been the result? The cost of administration of this department in 1904 was \$286,000; in 1911 it amounted to \$617,000, and the estimates for 1912 call for \$651,000.

This Government boasts that it carries out its pledges. How has it carried out its pledge in this respect? The Government no doubt did dismiss a number of officials, but not to reduce public expenditure, only to make way for Government supporters, and not only has the number not been reduced, but it has been steadily and greatly increased.

Let me draw your attention to one other item, i.e., Miscellaneous, etc., Services, under which are included various items not specifically applicable to any other department. The expenditure in 1904 was \$139,000; in 1911 it ran up to \$252,000, and in 1912 the estimate is for the enormous sum of \$671,000.

The total increase under these five heads of expenditure in seven years amounts to approximately \$1,000,000, and the estimates for 1912 for these five services exceed the expenditure of 1904 by over one and a half millions; in fact, the estimates for 1912 in respect of these services are more than double the total expenditure for the same services in 1904, and yet these are the men who in season and out of season condemned their predecessors for reckless and extravagant public expenditure.

ENORMOUS INCREASE.

Allow me to give you another contrast in expenditure. When the Liberal Government came into power in this province in the year 1871 the public expenditure amounted to \$1.50 per capita of the population. In 1904 when they went out of power it amounted to \$2.50 per capita. This present Government has been in power for seven years, and last year the public expenditure amounted to \$4.50 per head, almost double the expenditure in 1904. In 33 years the expenditure under the Liberal Government increased \$1 per head of population. In seven years under the present Government the expenditure has increased \$2 per head of population. It is only fair to state that a portion of this great increase is due to enlarged public services, and no one will criticize the Government for increasing the expenditure to meet the increased needs and demands of the province, but after making all due allowance for this, it must be admitted that there is an enormous increase in the public expenditure, and there has not been a corresponding increase in the benefits which have accrued to the people from these expenditures.

COLONIZATION ROADS.

Colonization roads is another item of expenditure for which the Government claims great credit. The honorable member for Centre Grey in his Budget statement compared the amounts which had been spent by the present Government with the amounts which had been spent by their predecessors. I wish to say that where I travelled through the north country during the last election I found the same story everywhere that the Province was not getting value for the money expended on colonization roads. There has been a large increase in expenditure, but there has not been a corresponding increase in the results. Where the money is not handed over to the Municipal Councils for expenditure under the by-law provisions of the Act, it is apparently expended on the advice of the local member for the constituency, and the complaint everywhere is that the money is not expended where the roads are most needed, but where it will do most good in the interests of the party. It is not expended for road making, but for vote getting.

My honorable friends say the same thing was done under the late Government. I cannot answer for the late Government. If they were here they no doubt would be able to give a good account of their stewardship, but is this any answer? Was it not for this you denounced the late Government on

every platform in this province? What possible excuse can there be for so expending public money? In view of the great importance to Northern Ontario of good roads—in fact they are vital to the development of the country—is it not incumbent upon the Government to work out some comprehensive plan under which a thorough system of good roads would be constructed throughout the newer parts of the province, and that these immense sums expended every year could be expended as part of this plan.

The Government claims credit for spending last year on colonization roads alone \$451,000. Even if we do not increase these expenditures we should be able, if good value is obtained for every single dollar that is expended and these plans are followed, to work a revolution in the roads in the newer parts of the province.

EDUCATION DEFECTIVE.

The next important item of expenditure is for education. The Government chose an able commission to look into the whole university situation, and we are greatly indebted to the work of that commission for the reorganization of the University. We approve whatever public expenditure may be necessary having regard to the financial resources of the province to maintain our University in the highest degree of efficiency, but great care must be taken that in the expenditure of public moneys we do not overlook the needs of the common schools of the province, where so large a percentage of the children secure their only school education. The Government has increased the grants to public schools, but has their educational policy as a whole proved a success? I submit, apart from the reorganization of the University, it has been largely a failure. It is well known to all the people of this province how inadequately the public schools are supplied with properly qualified teachers, and thousands of the children of the province are compelled to leave school without the educational equipment necessary to fit them for the duties of life. Wherever I have travelled through this province I have found the same complaint: the schools of the province suffer from a lack of qualified teachers; and there is general unrest and dissatisfaction with the complete failure of the Government to perform its duty and realize its responsibility to the children of the province. Not only is this true in the English-speaking sections of the province, but what are the conditions in the English-French or bilingual schools? We now have before us the report of

Dr. Merchant, the commissioner appointed to investigate the conditions of these schools. What does Dr. Merchant say with reference to their efficiency? "It is evident from an examination of the results of all the tests applied, that the English-French schools are, on the whole, lacking in efficiency. The tests combine to show that a large proportion of the children in the schools concerned leave school to meet the demands of life with an inadequate equipment in education." No more severe condemnation could be passed upon the administration of the Department of Education under the present Government than the words of Dr. Merchant in this report. (Applause).

What has the province been receiving for the public expenditure when we find these are the results in the English-French schools in the province? This Government owes a duty to the children of this province, which apparently it utterly fails to recognize, or it would be shocked into action by the conditions which confront us to-day in connection, not only with the English-French schools, but also with many of the schools in the English-speaking sections of the province.

AGRICULTURE DECADENT.

The Government claims great credit for its expenditure in the Department of Agriculture. It is true the Government has increased its expenditure in this department, but, as has already been pointed out in the debate, they are not expending as much on agriculture in proportion to our total income as were their predecessors in office. But the actual expenditure is not the test. The question is, what is the province getting for the expenditure that is being made? I give the Government credit for the appointment of the inspectors or demonstrators attached to the Department of Education who have in many parts of the province rendered the farmers most valuable assistance. But this is a small item in the public expenditure. The failure of the Government is manifested when we compare what might be done by a truly progressive Government with what is being done by this Government.

A SIDE ISSUE.

I have been criticized in this House for stating that the Government was treating agriculture as a side issue. I think we can have no better evidence of the truth of my statement than the recent appointment of the Deputy Minister of Agriculture. We have no complaint to make about the personal character of the new Deputy Minister, or of the service he has rendered as the Private Secretary of the Minister of Agricul-

ture, but what we do say is, in view of the magnitude and importance of the agricultural industry of this province, the Government should have chosen the ablest agricultural expert this province has as successor to Mr. James, who so long and so efficiently performed the duties of Deputy Minister. The members of the Government know that there has been protest after protest in the agricultural journals and from farmers in this province, against the present appointment. No better evidence need be furnished of the lack of appreciation on the part of the Government of the importance of the agricultural industry and of the desirability of encouraging the best agricultural experts to remain in this province and give us the benefit of their services, than the passing over of all these experts by the Government and appointing a man who has not had the agricultural training or experience to qualify him for the position.

REGULATE T. & N. O. RATES.

My honorable friend from Centre Grey (Mr. Lucas) appeared to derive a good deal of satisfaction from pointing out the fact that we on this side of the House in the last election proposed that the Temiskaming and Northern Ontario Railway should be made subject to the regulations of the Dominion Railway Board. The Prime Minister is reported on a number of occasions to have stated that I proposed to hand over the entire management of our Ontario railway to the Dominion Railway Board, and, according to newspaper reports, displayed evidences of what might be assumed to be righteous indignation at such a proposal. The Prime Minister and the members of the House know very well that I made no such proposal. We did propose that the railway should be made subject to the jurisdiction of the Dominion Railway Board for the protection of shippers and settlers from inequitable rates. There is a suspicion broadcast in the north country that the people are suffering from unjust and inequitable rates. I do not know whether the complaint is well founded or not, for I have not had an opportunity of enquiring into it. But I know these statements were made by most responsible men throughout the north country, and I believe they would not make them unless there were good grounds for doing so. I wish to point out that, whether well founded or not, if there is an impression prevalent in the community that this is so, it is of great importance in the public interests that such an impression should be entirely removed. There is a feeling in the north country that if they have complaints to make against the Grand Trunk or Canadian

Pacific Railway with reference to rates, they have an able, impartial and thoroughly efficient tribunal in the Dominion Railway Board, to which every citizen can go with confidence, feeling that absolute justice will be done, and the people of that north country feel that they should have the same rights with reference to the Temiskaming and Northern Ontario Railway. It was to meet this feeling and this demand and to ensure just and equitable rates for the people, that we made the proposal I have mentioned. Had the Ontario Railway and Municipal Board possessed the same measure of public confidence, as the Dominion Board does, we would have said put it under the Ontario Railway Board, but every member knows that the Ontario Railway Board does not possess this measure of public confidence, and no man can bear better testimony to this than my honorable friend from North Toronto (Mr. McNaught). Many men who support the Prime Minister have voiced this dissatisfaction with the Ontario Railway Board.

LOSE NO CONTROL.

Let me repeat, the Prime Minister is reported to have said that we propose to take this railway out of the hands of the Government and pass it over to the Dominion. The Prime Minister knows full well that it does not take the Grand Trunk Railway out of the hands of its Board of Directors because it is subjected to the jurisdiction of the Dominion Railway Board as an impartial court. My honorable friend knows full well that the control of the C. P. R. is not taken out of the hands of its directors because it is subject to the jurisdiction of the Dominion Railway Board. It would only limit our powers of dealing with it to the extent necessary to guarantee the public against unjust, inequitable or discriminatory rates. But what consistency is there in the Prime Minister? He now proposes the extension of this railway upon the five-mile strip of land which the Dominion proposes to grant to this province through the territory of Manitoba to Hudson's Bay. The Prime Minister knows that immediately our railway crosses the Manitoba boundary it will pass completely out of the jurisdiction and control of this House, and come under the legislative control of the Dominion Government, for under the B. N. A. Act the Dominion Government has exclusive jurisdiction over railways that are inter-provincial in their character. I ask the Prime Minister to tell us if he does not agree with this statement of the law. The Prime Minister does not answer. If he does not agree with it, will he take the people of this province into

his confidence and tell us how our railway can cross the boundary into the province of Manitoba and still remain under the legislative jurisdiction of this province. The other day my honorable friend from Centre Huron (Mr. Proudfoot) asked the Prime Minister this question, in which province is this five-mile strip? Under whose jurisdiction, that of Manitoba or Ontario, will the settlers be who settle on this five-mile strip? The Prime Minister was not prepared to tell him. He said that is a question upon which the honorable member for Centre Huron would have to form his own opinion. If there is one thing upon which the Prime Minister prides himself, it is his honesty and fearlessness. I ask the Prime Minister to tell us to-day, will the settlers on that strip be under the jurisdiction of the province of Manitoba or the province of Ontario? (Applause). It is a very simple question, and the Prime Minister, who is "bold enough to be honest and honest enough to be bold," should answer it for the benefit of this House and the country.

A VICIOUS TELEGRAM.

There is another matter in connection with this railway to which I wish to refer. It has already been mentioned on a number of occasions in this House. It is the construction of the Elk Lake branch. It has been said, and a declaration has been produced and read to this House by my honorable friend the member for West Middlesex, that on the 9th day of December, two days before the election, a telegram was sent purporting to be signed by the Prime Minister, promising that the Elk Lake branch would be built. The Prime Minister knows, and every member of this House knows, that the Government candidate in Temiskaming was being sorely pressed. It looked as if the Liberal candidate would win, and every effort was being put forth to save the seat for the Government candidate. Accordingly a telegram was sent two days prior to the election, which could only have been sent at that time and under those circumstances with a view to securing the election of the Government candidate. This declaration, which has been read to the House, sets out that copies of the telegram received from the Prime Minister were posted up throughout the constituency; that Conservative canvassers used this telegram and the people were told that unless the Government candidate were elected the road would not be built or its construction would be greatly delayed, and the people, earnestly desiring a railway, voted for the Government candidate and elected him. I am advised that but for the promise of the

construction of this Elk Lake branch the Government candidate in Temiskaming would have been defeated. The other day in this House, in answer to a suggestion by my honorable friend the member for North Grey (Mr. Mackay), the Prime Minister suggested that the telegram was a forgery, and was forged by someone not very far away. Mr. Speaker, I wish to say to the Prime Minister that he knows whether he sent that telegram or not. He knows whether it is a forgery or not, and any man who is "honest enough to be bold and bold enough to be honest," will not sit silent, but will tell this House and the people of this province whether or no he sent that telegram. (Applause). If he did not send it, who forged his name? If the telegram was not sent by the Prime Minister, the matter assumes an even more serious aspect. It surely is no light matter that some person, apparently in authority, undertook to sign the Prime Minister's name to a telegram which commits the country to an expenditure of over half a million dollars, with a view of influencing an election in an uncertain constituency, and yet apparently no action has been taken to find out or prosecute the man who sent the telegram. We await an answer from the Prime Minister on this matter. The country awaits an answer.

One of the honorable members (I think the honorable member for Grenville; if not, the honorable member for South Renfrew) referred to the Sault industries and the circumstances under which he alleged that they had been started up. I should have thought that this was a subject which the honorable members on the other side of the House would have been more discreet than to mention, in view of the position taken by the Prime Minister in this House.

Sir James Whitney: When in Opposition.

Mr. Rowell: Yes, when in Opposition. The Prime Minister exhausted his vocabulary—and he has a large and varied one—in denouncing the proposal of the Government to assist these industries. No language was strong enough to use in condemning the action of the Government. He told the House and the country that you might as well throw the \$2,000,000 into the lake as guarantee a loan of \$2,000,000 to assist these companies, and yet what is the result? The Government's guarantee was paid off years ago. It has not cost the country one dollar, and to-day we have those industries thriving, prosperous, growing as never before. New plants are being erected, railways are being constructed, and the whole district has developed into a perfect hive of industry. Had the advice of the Prime Minister been followed, stagnation

and depression would have taken the place of the great expansion of to-day. It was the courage and resource of the Liberal Government that saved the situation.

BILINGUAL SCHOOLS.

The honorable member for Grenville (Mr. G. Howard Ferguson) asked for some light on the question of bilingual schools. He complained that I had not told the House what our policy was. I do not wonder that the honorable member for Grenville asks for light, for after listening to the babel of conflicting voices which he hears from his own leaders, it is no wonder he desires enlightenment on the question. During the last election the honorable member for Grenville went through the country like a lion rampant, talking about French domination and appealing to the electors of the province to send down good Conservative supporters to put a stop to this state of affairs. But now that he is in the House, what a change! The pressure of the Prime Minister's hand must be firm upon him. He is as mild as a sucking dove. He went so far as to tell us that when the Government had time to deal with the matter and give it full consideration, a policy would be evolved that would give full satisfaction to all classes of people. That is what the Government tried to do during the last election. The members of this House well know that during the last election a very influential section of the Conservative party was not satisfied with the Government's attitude on this question; they wanted specific pledges as to what the Government would do. One would have thought that the Minister of Education, under whose jurisdiction these schools are, would have been put forward to voice the Government's policy and to try and keep this section of the Government's followers in line. Evidently he was better employed in looking after the commissariat and so the Attorney-General (Mr. Foy) was duly imposed as leader upon this section of the party. He was the man who made the announcement to appease the Orange sentiment. He was the man who declared "that there cannot lawfully be any bilingual schools in the province of Ontario, and if any are found they must cease to exist, and care should be taken to make all schools conform to the law." It is true that a number of the Orangemen found it hard to fight under the new leader that had been thrust upon them. Some even resented it, and opposed him, but in the hour of need, both of the Government and the new leader, the honorable members for West Toronto (Hon. Thomas Crawford and Mr. McPherson) came manfully to the rescue and held up the hands to the new leader in his

new constituency of North Toronto. The Prime Minister described the Hon. the Attorney-General as his right arm. He is reported to have said, "When I want my right arm cut off, then I will ask to have the Attorney-General defeated." He was indeed the right arm, for he was leading the right wing of the Government forces in the campaign. But there was a left wing, and they were greatly incensed at the statement of the Attorney-General, and so the Prime Minister must have a left arm. He chose for this onerous and responsible position the Minister of Public Works, Dr. Reaume, and the duty of the left wing was to emphatically repudiate the policy propounded by the honorable the Attorney-General. In a statement handed out to the press he said, referring to Mr. Foy's statement:—

That was made on Mr. Foy's own hook and was an expression of his personal opinion on the subject. You know, I find the biggest opposition to bilingual schools is where people have not got them, and consequently do not know much about them. However, the Government has taken a stand. Sir James Whitney's attitude is that while English should be made the language of the schools as far as practicable, and while every child should receive an English education, we are not against the French-Canadians and Germans having their children started in their mother tongue as a means to an end, and having their mother tongue taught in the schools as a subject when so desired by trustees representing the people of the school section.

But this was not all. Something more had to be done, or the leader of the left wing could not get his forces in line. So, speaking at Hawkesbury on the 4th December in an effort to defeat my honorable friend the member for Prescott (Mr. Evan-*t*urel), the Minister of Public Works is reported to have said:—

The Hon. Prime Minister (Sir James Whitney) said to me: "Go and tell the electors of that district (Prescott) . . . that the teaching of the French language will not be abolished in the Province of Ontario. . . ."

NO REPUDIATION.

The Prime Minister has not so far repudiated the authority of the Minister of Public Works to make either of these statements. Will he repudiate them to-day? I venture to say he will not. He has not yet repudiated the statement of my honorable friend from North Toronto (Mr. Foy). Will he do so to-day? I venture to say he will not.

But I submit, Mr. Speaker, to the members of this House and the people of this province, that any man who is "bold enough to be honest and honest enough to be bold," should tell us which of these statements of policy meets his approval, or whether he approved of both before they were issued. The situation was undoubtedly a difficult and embarrassing one for

the Government, divided as they were on the issue. How did the Prime Minister meet it himself? He went upon the platform, and according to the newspaper reports declared, "There are no bilingual schools in this province." He made this statement in the face of the records of the Department of Education, which show the existence of these schools for the past thirty or forty years at least; he made this statement in the face of items appearing in the public accounts of the province, showing payments made to the inspectors of bilingual schools, the word "bilingual" being actually used in the public accounts. He did it in face of the fact that Conservative candidates in many parts of the province were being asked to pledge, and some were pledging themselves, to abolish bilingual schools.

A DIVIDED HOUSE.

The right wing says the schools must go; the left wing says the schools must be maintained; the Prime Minister himself says the schools do not exist! If there is one principle of constitutional law in connection with the Cabinet system firmly established, it is that the Cabinet must be united on all matters of public policy. As one distinguished parliamentarian in the Old Country has said, it matters not so much what we say, but we must all say the same thing. This principle the Government threw to the winds in their effort to evade responsibility and to carry the last election. Is this evidence of their boldness or sincerity in dealing with public questions?

The Prime Minister now has in his hands the report of Dr. Merchant. Will he be good enough to tell the House this afternoon if there are any bilingual schools and to state to us his policy for dealing with them?

Hon. Thomas Crawford: What say you? (Conservative applause).

Mr. Rowell: What say I? I shall have great pleasure in answering the honorable member for West Toronto (Mr. Crawford). I would call for the resignation of the Minister of Education, as being the man responsible for the present condition in which these schools are. (Liberal applause).

Mr. A. E. Donovan (Brookville): What is your position?

Mr. Rowell: My honorable friend is very anxious to help the Government out of a hole. If my honorable friend wishes to know what our policy is, I will refer him to the little red book to which he has already referred (the Liberal platform) and he will there find the statement of our policy.

The statement referred to is as follows:—

“The question of bilingual schools has aroused great public interest throughout the province. The Government has been strongly urged to declare its policy. It has failed to do so. The Government appointed an able commissioner many months ago to investigate and report. It has been suggested that it is hurrying on the election before this report is presented, so as to avoid a declaration of policy on this important question. The people of this province should not permit the Government to evade the issue or shirk the responsibility. The Government does not require an educational expert in order to define its general attitude or policy on this question. It may require educational experts to devise the best possible methods of giving effect to its policy. The failure of the Government to grapple with this question and to declare its policy is responsible for the present agitation throughout the country. The Government has been administering the affairs of the Department of Education for about seven years. If they knew of the conditions and are satisfied with them, they should frankly and publicly defend them. If they knew of the conditions and are not satisfied with them, they should have had the courage and capacity to grapple with them and seek to remedy that which they believed to be the remedy. If they did not know of the conditions, then their administration is incompetent and inefficient. The electors of this province have a right to hear from Sir James Whitney when he opens his campaign, a statement of the policy of the Government in connection with these schools. As the Government is responsible for the administration of the Department of Education, it has been suggested to me that it is not needful that the leader of the Opposition should do more than demand of the Government a statement of its policy, but on a question of this moment I think the electors have a right to know the policy of the Opposition. Let us look, then, at the facts as they present themselves.

“At the present time our French-Canadian fellow-citizens in this province number about 250,000. They constitute almost one-tenth of our entire population, and their number is increasing. Apparently the teaching in many of their schools is neither satisfactory to them nor to us, their children are not receiving the education they should have to fit them for their life-work. Two very divergent views have been presented as to the policy which we should pursue in dealing with these schools. First, the view of some who would prohibit the use of French in any of the schools of the Province and would compel all the scholars to learn English, and learn English alone; in short, would entirely wipe out of existence any school except a school where English alone is taught. And at the other extreme there are those who claim that there should be no requirement that the children should learn English or in our schools study or acquire any language other than the French language. The supreme consideration in determining the policy to be pursued must be the welfare of the children, and best promote their interests, and viewed from the standpoint of the interests of the children, we cannot approve or support either of these extreme positions. English is the language of this continent. It is the official language of this province. Our French-Canadian fellow-citizens will agree with us that any child in this province who does not acquire at school a good working knowledge of English is handicapped in the struggle for life, and has fewer avenues of advancement opened to him than he otherwise would have. It is the duty of the State, therefore, to see that in every school of the province every child receives a thorough English education. But, on the other hand, we should not seek to prevent the children of our French-Canadian fellow-citizens retaining the use of

their own mother tongue. What we are concerned about is that they should master English and not that they should be ignorant of French. The problem in its working out is largely one of teachers and administration, and it is in this view that we have adopted the following policy on which we stand.

"To provide through adequate training schools a sufficient supply of competent teachers and thus insure under proper regulations that the pupils in every school in the province shall receive a thorough English education."—N. W. Rowell at Massey Hall, November 15th, 1911.

DELAYED ACTION.

The Government stands before the country to-day as promising to take action when the report of the commissioner is received. The report is now in the hands of the Government and has been for some days. The Prime Minister stated that something would be done, no matter whose toes were trod upon. The trouble with the Prime Minister is, he does not know whose toes to tread on, and under the circumstances we have no statement from the Government, and I venture to say we will not have any statement from the Government to-day.

Sir James Whitney: Or from the Opposition?

Mr. Rowell: My honorable friend has a remarkable capacity for avoiding any clear statement of his own policy. My honorable friend knows this, that for the next four years these English-French schools must be administered by this Government, not by us; the reforms must be introduced by the Government, not by us. The Government has brought these schools into the condition disclosed in Dr. Merchant's report (Cries of No, No!) What does the Government propose to do to remedy these conditions? I promise you this, that so soon as the country realizes the incompetence and unwillingness of this Government to deal with the situation, and we are satisfied that the country is about to do this, we will deal with the situation.

Sir James Whitney: Have you got a policy?

Mr. Rowell: Have we got one? We have, and I have told my honorable friend where he will find it, in our campaign handbook. Did my honorable friend have one at the last election? If so, he has lost it. Has he got one to-day? If so, will he state it? I venture to predict he will not. Surely on an issue of so great and vital importance to the people of this Province we are entitled to a clear and definite pronouncement of policy from the Government which has administered our educational affairs for the past seven years and will administer them for the next four. The time for evasion and equivocation has passed.

Mr. Speaker, I am through. I have briefly reviewed the financial position of this province and the manner in which the present Government has administered our financial affairs. We to-day criticize the Government because it has greatly increased the public expenditures without securing an adequate return for these expenditures. We criticize the Government for its failure to adequately consider the financial needs of the province; for its failure to indicate where the revenues are to come from in the future to meet these increasing needs. We criticize the Government because it has failed to bring into the treasuries of the province moneys which ought to be there. In many items of public expenditure the Government has been reckless and extravagant. Because of the failure of the Government in these respects we say that the finances of the province have not been well managed by the present Government.

The Government of this province to-day faces a position of great privilege and one of even greater responsibility. We have a marvellous extent of territory; we have great and varied natural resources; we have a people, strong, courageous, possessing high ideals. If the Government of this province is but in sympathy with the best ideals of the people, if it will but administer the affairs of this province in a progressive spirit, and solely in the best interests of this province, nothing can keep this province back.

