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FINANCIAL
STATEMENT OF THE

Richard
Hon. R. HARCOURT

(1849 -)

Treasurer of the Province of Ontario

1899

FINANCIAL STATEMENT

OF THE

Hon. R. Harcourt

TREASURER OF THE PROVINCE OF ONTARIO.

DELIVERED ON THE NINTH DAY OF FEBRUARY,

1899.

IN THE LEGISLATIVE ASSEMBLY OF THE PROVINCE OF
ONTARIO, ON MOVING THE HOUSE INTO
COMMITTEE OF SUPPLY.

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1899.

FINANCIAL STATEMENT
OF
HON. R. HARCOURT.

LEGISLATIVE ASSEMBLY,

Toronto, 9th February, 1899.

There are very manifest reasons, Mr. Speaker, why I need not discuss the finances of the Province at any great length on the present occasion.

For weeks prior to the last general election, from one end of the Province to the other, our finances were minutely discussed from a thousand platforms.

The newspapers of the Province, reaching each day tens of thousands of readers, joined in the discussion and gave valuable space and much intelligent attention to the same subject.

Ordinarily a lull follows a general election and these much discussed topics, no matter how interesting or important they may be, are, between sessions at any rate, kept in the background.

But, Mr. Speaker, recent political happenings have been quite exceptional, and far from ordinary.

We have not experienced the usual lull in political discussion. A special session of the House has been held since the general election of March last, and following the special session we have had nine by-elections in different parts of the Province, and the earnest discussion of these party issues has therefore been ceaseless and continuous up to the present moment.

The discussion has been prolonged, thorough and exhaustive. The case has gone to the jury and a verdict has been given.

The sovereign people, after fullest inquiry and investigation have pronounced upon it. The Government confidently expected a favorable verdict, and has not been disappointed.

Further, Mr. Speaker, as I have said in no less than nine of our most important counties there has been a complete re-hearing of the case, there has been a second trial, so to speak, all the evidence has been gone over in minutest detail a second time, the arguments have been repeated,

and a second verdict rendered confirming that given on the 1st of March.

I allude to these facts, Sir, in these general terms simply and only as giving a good reason why I should not be expected to speak at any great length this afternoon.

As usual, Mr. Speaker, I will first refer to the receipts of the Province for the year 1898, and speak briefly of our leading sources of revenue in the order of their relative importance.

RECEIPTS, 1898.

SUBSIDY.....	\$1,116,872 80	
SPECIFIC GRANT.....	80,000 00	
	<hr/>	\$1,196,872 80
INTEREST ON CAPITAL HELD, AND DEBTS DUE BY THE DOMINION TO ONTARIO.....	\$272,414 48	
INTEREST ON INVESTMENTS.....	31,646 37	
	<hr/>	304,060 85
CROWN LANDS DEPARTMENT:—		
Crown Lands.....	\$42,602 87	
Rent <i>re</i> Crown Lands.....	63,944 60	
Railway Lands.....	53 99	
Clergy Lands.....	2,507 03	
Common School Lands.....	9,535 27	
Grammar School Lands.....	576 32	
University Lands.....	8,191 81	
Woods and Forests.....	981,186 45	
Mining Licenses.....	3,223 85	
Miscellaneous.....	708 62	
Refunds.....	51 35	
	<hr/>	1,112,582 16
ALGOMA TAXES.....		4,133 27
LAW STAMPS.....		57,283 08
LICENSES.....		276,761 28
EDUCATION DEPARTMENT.....		59,573 34
Sale of Lands at Toronto, L. A.....		42,290 00
PUBLIC INSTITUTIONS REVENUE:—		
Toronto Lunatic Asylum.....	39,866 84	
Mimico.....	3,194 70	
London.....	12,622 12	
Hamilton.....	10,135 77	
Kingston.....	3,679 79	
Brockville.....	3,700 30	
Orillia.....	3,240 32	

Reformatory for Females.....	1,680 27	
“ Boys	669 33	
Blind Institute	198 84	
Deaf and Dumb Institute	125 00	
Central Prison Industries.....	15,000 00	
		94,113 28

CASUAL REVENUE :—

Provincial Secretary's Department	28,339 41	
Provincial Registrar's Branch	94 25	
Registrar General's Branch.....	346 03	
Fines, etc.....	3,189 53	
Insurance Companies' Fees and Assessments	17,804 50	
Loan Companies—fees	10,549 50	
Public Officers' Surplus Fees (57 Vict., Cap. 9, and R. S. O., Cap. 50).....	13,307 68	
Fees—Local Masters of Titles	4,096 62	
Shooting Licenses	7,754 36	
Fisheries Department—Fees	986 00	
Circus Licenses	1,475 00	
Official Gazette	9,838 86	
Private Bills	1,200 25	
Statutes	4,272 56	
Agriculture and Arts Association.....	800 00	
Ground Rent, old Agricultural Hall site.....	2,500 00	
County of York, <i>re</i> Expenses Master of Land Titles' Office	2,640 12	
City of Toronto, <i>re</i> Expenses Master of Land Titles' Office.	2,490 07	
Sale of B. N. A. Acts	635 25	
Refunds	100 87	
Incidentals	9 45	
Sale Land Titles Acts.....	30 55	
Removal of Patients to Asylums.....	3,909 22	
Privileges Algonquin and Rondeau Parks.....	198 88	
		116,568 96
Succession Duties.....	206,185 59	
DRAINAGE WORKS ASSESSMENTS.....	8,121 32	
		\$3,478,545 93
DRAINAGE DEBENTURES.....	29,849 59	
“ Tile.....	10,531 67	
SALE OF ANNUITIES	128,417 00	
AGRICULTURAL COLLEGE, REFUND CAP. ACCT	8 90	
		\$3,647,353 09

Our total receipts for 1898 amounted to \$3,647,353. In December, 1897, when addressing the House I estimated that we would receive \$3,313,372. We have, therefore, an excess of receipts over the estimates amounting to \$333,981.

In 1897 we also had an excess of actual over estimated receipts amounting to \$722,087. In 1896 the excess was \$192,000.

This constantly recurring large excess of actual over estimated receipts helps to explain the delusion my Hon. friend from South Lanark delights to indulge in when he from time to time gleefully announces that we are to have a large deficit in some particular year.

My hon. friend invariably quotes for the purposes of calculation the estimated receipt instead of the actual receipt, although no one knows better than he that the latter invariably exceeds the former by hundreds of thousands of dollars. My hon. friend attenuates the figures of one period and expands those of another period. We need not wonder, therefore, that his comparisons are invariably fallacious.

Recent occurrences in provincial politics, to which I need not more definitely allude, amply prove that the electors and the public generally do not take my hon. friend very seriously. The delusion seems to please my hon. friend ; it deceives no one, and therefore I need not further refer to it.

I will, Mr. Speaker, now very briefly refer to some of our most important receipts.

The amount of the annual subsidy received from the Dominion Government of course remains the same as heretofore.

INTEREST RECEIPTS.

We received under the head of interest in 1898, \$304,083. The corresponding receipt the year before was \$247,435. In 1896 it was \$260,544.

This large interest receipt each year is composed almost exclusively of three items, viz., interest on capital sums due us from the Dominion, interest on our special deposits in the banks, and interest on our drainage debentures.

In 1898 we received \$17,730 as interest on our bank deposits, \$13,631 interest on our drainage loans, and \$272,414 interest received from the Dominion Government on the moneys it holds in trust for us.

In 1897 we received from the Dominion as interest \$212,414 ; in 1896, \$214,728 ; in 1895, \$262,274.

In 1894 we received \$310,020. This last named sum represents the exact amount of interest due us each year on (1) the Common School Fund, (2) our three Trust Funds, that is to say the Upper Canada Gran-

mar School Fund, the Upper Canada Building Fund, the Land Improvement Fund and (3) the capital sum of \$2,848,248 placed to our credit by the Dominion Act 47 Vict. chap. IV.

Prior to 1894, for each of four years in succession, the round sum of \$300,000 was sent to us from the Finance Department at Ottawa as an approximate payment.

In 1897 I explained to the House the variations in the amount of these receipts in recent years.

It is very important to observe that the Finance Department at Ottawa, in remitting to us these half-yearly payments of interest, takes into account the fact that in the open unsettled account between the Province and the Dominion there is a balance due the Dominion.

A deduction, approximate as to amount, is made from our interest receipt because of this unadjusted balance.

We received in 1898 as Crown Lands Revenue the large sum of \$1,112,582. This receipt is \$162,000 beyond our estimate.

Our average Crown Lands' receipt from 1867 to 1897 inclusive, is \$949,521, so that the receipt for 1898 is considerably above the average.

We received last year from woods and forests, \$981,186; as rent from mining lands, \$63,945; from sale of Crown Lands, \$42,603.

These are the largest items in our Crown Lands' receipt. I may say more of this receipt when I come to speak about the estimates for the current year.

LICENSE RECEIPTS.

From liquor licenses we received last year \$276,786. The previous year the receipt was \$289,391. As I have heretofore stated on several occasions, this shrinkage is to be expected. Fewer licenses and lessening revenues must go together.

There were 212 fewer licenses issued last year than there were five years ago.

The number of licenses issued during the last five years is as follows:

1893-4	3,276
1894-5	3,151
1895-6	3,132
1896-7	3,096
1897-8	3,064

Our License Law amendments of 1897, which became operative on the 1st of May last, still further restricted the number of licenses in so far as the number depends on the basis of population, with the result that during 1898 the number of licenses was lessened by about 100.

The law of 1897 does not come fully into operation until May 1st of this year. It will cut off at least 50 licenses this year.

As I have said, we received last year from liquor licenses \$276,786. For the same year the Province of Quebec received \$540,496. During the last five years the Province of Quebec has received from these licenses \$2,783,864, and this Province during the same period has received \$1,348,755.

For the five years in question we have given back to the municipalities of the Province out of license reserves \$1,344,851.

Quebec has retained all the revenue for the uses of the Province, and has not given any part of it to the municipalities.

But little interest seems to be taken in regard to our Local Option law. During last year votes were taken in only six municipalities.

In three cases ineffectual attempts were made to repeal by-laws. The net result of the six votes was a reduction of two licenses. These by-laws are now in operation in seventeen municipalities.

Hon. gentlemen have not failed to observe that the number of commitments for drunkenness to the county goals is growing noticeably less year by year. Last year the number was 1,707, while in 1888, only ten years ago it was 4,797.

The number of commitments for drunkenness, and the figures I give are taken from the Statistical year book of Canada for 1897, which is one of the official reports of the Dominion Government:

For the year 1893 it was	3,787.
“ “ 1894 “	3,267.
“ “ 1895 “	3,132.
“ “ 1896 “	2,624.
And for 1897 “	2,465.

No other Province in the whole Dominion presents so favorable a report.

In this Province there was, in 1897, one conviction for every 909 of our population.

In Quebec.....	one for every 407.
“ Nova Scotia	“ “ 381.
“ New Brunswick.....	“ “ 262.
“ Manitoba.....	“ “ 337.
And in British Columbia.....	“ “ 239.

The number of convictions therefore in Ontario is less than one-half that in any one of the other Provinces.

Brewers and distillers last year to the number of seventy took out licenses and paid therefor the sum of \$17,500. From succession duties we received in 1898 \$206,185.

Strictly speaking, the amount is somewhat less, since in the case of one estate the solicitors, instead of filing the usual bond made a cash deposit, and it is possible that this deposit, when we reach a final settlement, may exceed the exactly ascertained duty.

SUCCESSION DUTIES.

We have received altogether from succession duties since 1892, the year of our first receipt, \$1,078,832, every dollar of which has been applied as the statute directs, to purposes for public charity.

This large sum has been received from 435 estates.

In no other way, Mr. Speaker, could we have, with less irritation or adverse criticism, added such a large sum to our revenues. Under our legislation those pay who are most able to pay.

Our Act perfectly conforms to the economic axiom in matters of raising revenue of "equality of sacrifice," so that the light burden it imposes is shared in equally by those upon whose shoulders it so fairly rests.

An analysis of the receipt of 1898 will, I know, greatly interest Hon. members.

Our Surrogate Courts in 1898 passed upon no fewer than 4,525 estates. Of this large number only sixty-eight, or one out of fifty-two, were found to be liable to duty.

For every one estate which paid duty the whole Province over, fifty-one escaped. Since July 1892, the total number of estates adjudicated upon was 29,643 and only 435 of them have paid duty.

In 16 out of 44 counties and districts not a single estate was adjudged to be dutiable. In each of ten other counties there was but one estate reported as dutiable.

In the old and prosperous Counties of Essex, Haldimand, Peterboro', Simcoe, Victoria and Prince Edward, there were altogether 503 estates probated or administered and not one of them paid duty.

In the County of York including Toronto seventeen estates, in Wentworth including Hamilton eight estates and in Carlton including Ottawa six estates in each case contributed to our revenue.

In the large and prosperous County of Simcoe 150 estates in all were passed upon by the Surrogate Court in 1898 and not one of them is dutiable.

This of itself clearly proves that our Act is most moderate, and that its exemptions are most liberal, otherwise it could not happen that in a dozen or more rich counties, during the course of a whole year, it did not touch a single estate.

Of last year's receipt, estates in the County of York (for the most part Toronto) gave the largest yield, viz., \$90,472, or almost one-half of the whole year's receipt. Three estates in Toronto alone paid each over \$21,000.

The County of Wellington contributed the next largest sum, viz., \$21,000, and the County of Carlton gave the third largest contribution, viz., \$19,251.

Three of the counties therefore contributed more than three-fourths of the receipts of the whole Province for the year 1898.

Estates in the County of York (including Toronto) have altogether since our Act was passed paid \$385,047 or more than one-third of all our receipts from the whole Province.

The next largest receipt is from the County of Carleton (including Ottawa) aggregating \$255,739.

Then comes Oxford which has paid us \$52,357 and then Wellington with its contribution of \$43,976, and next in order Wentworth with \$39,427.

The counties of York and Carleton including Toronto and Ottawa have paid \$207,740 more than all the rest of the Province taken together.

Two estates, one in Ottawa and one in Toronto have paid nearly one-fourth of all our receipts since 1892.

Several of our counties and electoral districts have paid absolutely nothing since the Act came into force.

An analysis of our succession duties receipts for 1898 discloses the further interesting fact that in the great majority of cases, seven out of eight, it is collateral heirs only who pay duty. Direct heirs pay but rarely (in only fifteen cases in 1898) and only where the estates are very large.

Seventy-three per cent. of the whole contribution from direct heirs came from four estates.

SALE OF ANNUITIES.

We sold annuities last year receiving for them \$128,417.

Our first sale of annuities was in 1884. Although authorized by statute to sell them every year we were able in 1888, 1889, 1890, also in 1893 and 1894 to make special expenditures, railway aid expenditures included, without selling them.

This receipt of \$128,417 is a special receipt and the money was used to meet a special payment, viz., to retire the railway aid certificates which matured last year.

It will be noticed that the sale of last year was for a less amount than on any previous occasion.

The issue sold in 1898 was less than that of the previous year by \$28,000; less than that of two years ago by \$49,000, and less than that of 1891 by \$141,000. If we need to sell them this year it will be for a still less amount than that of last year, at least ten or fifteen thousand dollars less.

These figures show conclusively that our position in this regard is constantly improving.

The price realized last year the House will be glad to learn was more favorable than that of any previous year.

Altogether we have received from sales of annuities since 1884 \$2,066,529. These are special receipts.

On ten different occasions since 1884 instead of meeting the railway aid payments out of ordinary receipts we postponed them by issuing and selling these annuities and with the proceeds of the sales retiring the Railway Aid Certificates.

In five of the years intervening since 1884 we have met the maturing railway aid payments out of the year's ordinary receipts.

They are special receipts it is true, and they are applied in meeting special payments.

From their sale as I have already said, we have received altogether \$2,066,000. But during the same years we have paid out in aid of railways \$3,076,966, and for the erection of much needed public buildings, \$5,757,069.

It is not expected in any country that the ordinary budget receipts will leave a margin for large outlays upon what is called capital account. At the same time every one admits that such outlays are of vital importance to the prosperity of the country. Surely, Sir, subventions to railways aggregating millions of dollars and expenditures on new buildings amounting to millions more come within the category of extraordinary expenditures.

Our critics seek most unfair'y to apply to this Province rules and classifications concerning expenditures never applied elsewhere.

CASUAL REVENUE.

I need say but little about our Casual Revenue, made up as it is of a considerable number of miscellaneous receipts which do not admit of more precise classification.

The total receipt under this head is large, and we may expect it to increase.

In 1898 it amounted to \$116,578.00. Of this sum we received \$28,339.00 from the Provincial Secretary's Department, and of this latter sum nearly \$24,000.00 represents fees paid for Charters of Incorporation.

Reference is made in the schedule in the hands of Hon. Gentlemen to other items of Casual Revenue, to a few of which I will very briefly refer.

The receipt of 1898 of Surplus Fees required by statute in certain cases, to be paid by our officials, exceeds last year's similar receipt by a small amount.

We received \$13,344 in this way in 1898, and \$12,701 in 1897.

The Division Court Clerks paid \$5,195 in 1898, the Surrogate Registrars \$4,085, the Deputy Clerks of the Crown \$1,551, the Local Registrars \$976, and the Sheriffs \$698.

The Registrars of Deeds paid nothing to the Province, but they paid \$14,269.00 to the municipalities.

The fees paid in by Division Court Clerks more than pay for the work of departmental inspection.

Our Inspector's Department is, therefore, more than self-sustaining, and the same remark applies, and with greater force, to our Insurance Department. It cannot be said of these departments that their receipts are really expenditures masquerading under the guise of receipts.

The Insurance Department Revenue is now drawn from two sources, viz: From corporations transacting business under The Ontario Insurance Act, and from corporations working under The Loan Corporations Act.

All fees under these Acts are paid directly to the Treasury Department, which issues duplicate receipts which are filed with the Insurance Department.

Under The Ontario Insurance Act we received last year \$17,825.00, and \$10,503.00 under The Loan Corporations Act.

Our total receipts for 1898 were, I repeat, \$3,647,353, being less than the preceding year's total by \$492,494.

Our Crown Lands' receipt last year was \$496,703 less than that of the previous year.

Our deficiency, therefore, in last year's total receipts compared with that of the previous year is more than accounted for by the falling off in our Crown Lands' receipt.

Our receipt from mining lands last year was considerably less than that of the previous year.

On the other hand our total receipts for the year were larger than those of either of the years 1894, 1895, or 1896.

EXPENDITURES.

I will now, Mr. Speaker, refer very hurriedly to the expenditures of the Province for 1898.

EXPENDITURE 1898.

Civil Government	\$252,988 94
Legislation	165,189 41
Administration of Justice	436,276 95
Education ..	735,998 97
Public Institutions Maintenance	815,744 69
Immigration	7,108 60
Agriculture	206,688 82
Hospitals and Charities	184,402 57
Repairs and Maintenance	79,781 01
Public Buildings	98,121 01
Public Works	22,297 77

Colonization Roads	107,454 29	
Charges Crown Lands	162,395 35	
Refunds	30,526 57	
Statutes Consolidated	43,851 16	
Miscellaneous	218,802 78	
		<hr/>
	\$3,567,128 89	
Drainage Debentures	4,362 72	
“ “ (tile)	5,400 00	
Railway Aid Certificates	125,649 50	
Annuity “	100,050 00	
Stationery Office, purchase over distribution....	490 27	
		<hr/>
		\$3,803,081 38

Our total expenditures for the year amounted to \$3,802,941 00, and exceeded that of the previous year by only \$35,265.00.

We spent last year on Revision of the Statutes \$43,851.00.

The holding of the general elections last year involved an expenditure of \$89,658.00.

Omitting, then, these two very special items, the one occurring only once in ten years, and the other once in four years, our expenditures for 1898 were not only considerably less than those of 1897, but they were also less than those of any year since 1889, a period of eight years.

This last decennial revision and consolidation of the statutes, to which I have just referred, the desirability and necessity of which no one ever pretends to question, cost the Province altogether \$76,936.00.

The bulk of the work was done and paid for in the years 1897 and 1898.

The previous consolidation, that of ten years ago, cost somewhat more, viz.: \$79,941.00.

Our expenditure for Agriculture and Arts last year exceeded that of any previous year by the considerable sum of \$15,000.00.

We spent for this purpose \$37,465.00 more than we did five years ago, and \$67,984.00 more than we did ten years ago.

It is very evident, Mr. Speaker, that this Legislature is anxious to do everything in its power to foster and encourage this, our most important industry.

When at work in this Chamber, with a sense of full responsibility resting on our shoulders, we deliberately, after debate, inquiry and discussion, increase our appropriations for Agriculture year by year, almost by leaps and bounds, and the same remarks are equally true of our grants for Education, and yet some of us, Mr. Speaker, when outside of this House, ignoring details or particulars, forgetful of our responsibility, loudly complain of increased expenditures.

Take these increased expenditures one by one, item by item, discuss them fairly and it will be invariably found that the growth of the Province generally, the opening up and settling of its new districts and the development of all our resources, the keeping pace with modern requirements and new conditions inexorably demand them.

In our case, not in all cases it is true, increased expenditures have run parallel with growth, enterprise and prosperity.

Which of our grants in aid of education will we cut off or decrease?

Is it proposed to lessen the yearly vote in aid of Poor Schools, or that in aid of Public Schools or of High Schools?

In what direction are we to cut down the grants we give to Agricultural Societies or Associations?

Our critics do not answer. They are content to deal in vague and general statements.

OVER-EXPENDITURE IN AGRICULTURE AND EDUCATION

We over-expended, as Hon. Gentlemen will notice, last year under the head of Agriculture nearly \$4,000.

The Minister in charge of that Department will not find it difficult to explain and justify this over-expenditure. Indeed, Sir, I fear that he may, as is his custom, ask for still more liberal aid for purposes of Agriculture.

He would have been able to have kept well within the appropriation if he had not found it absolutely necessary to expend the large sum of \$19,289.00 in his attempts to check the pest known to nurserymen as the San José scale.

Hon. Members will doubtless during the session review with some detail our expenditures under this head, and therefore in my general survey I need not at present say more about them.

An over-expenditure also appears under the head of Education. About one-fifth of all our expenditures is devoted to the work of aiding our schools and increasing their usefulness.

Last year's expenditure was the largest as yet in the history of the Province. We spent \$15 000.00 more than we did the previous year, \$73,000.00 more than we did five years ago, and \$156,000.00 more than we did ten years ago. A very considerable increase, Mr. Speaker, illustrating once again the fact that the growing needs of a growing Province demand from time to time increased expenditures.

A comparatively new item, first appearing in 1892, and a large one, too, is that providing for the grant we give for the Public School Leaving Examinations, amounting last year to \$15,091.00.

School inspection alone cost us \$53,280.00, and every thoughtful man nowadays couples together inspection and efficient service.

Our Normal Schools cost us last year \$46,000.00 and our High Schools \$106,000.00.

With us the important work of secondary education is not left to voluntary effort, as it is in England. In this regard we resemble Germany rather than England, and all parties in England are today agreed that something must be done to make the work of secondary education more systematic and effective.

The aim of secondary education cannot be dissociated from scientific pursuits in their practical effects on trade and commerce and valuable, practical mechanical inventions.

In Germany the work of the schools and the expansion of commerce are considered as cognate questions.

No argument is needed, Mr. Speaker, to fortify us in our resolve that we must not by meagre grants stint the work of our High Schools.

SUPERANNUATED TEACHERS.

No less than nine per cent. of all the money we spend for purposes of education consists of payments to superannuated teachers.

These payments in 1898 amounted to \$64,352. This is the largest amount we have paid as yet during any one year.

The first payment to superannuated teachers was made in 1867, the amount being \$4,000.

In 1872 it had more than doubled, being \$11,945. In 1877, it reached \$35,484. In 1882, it had increased to \$51,000. In 1887, it had further grown to \$58,295.

In 1892, \$63,750 was required to meet the payments, and last year high water was reached and the payment was \$64,352. Altogether, these payments since 1867, in the aggregate, amount to the very large sum of \$1,376,697.

This is one of several similar legacies which the Sandfield-Macdonald Government bequeathed to his successors.

The number of worthy, worn-out teachers thus receiving superannuation allowance is now 420. The list includes the names of 62 women and 358 men.

The age of the youngest on the list is forty-three, while that of the oldest is ninety-three.

There are thirty-one of them over eighty years of age, and forty-two between the ages of seventy-five and eighty.

There are

	7 of them	between 40 and 45	years of age.		
13	“	45	“	50	“
34	“	50	“	55	“
48	“	55	“	60	“
97	“	60	“	65	“
74	“	65	“	70	“
74	“	70	“	75	“
42	“	75	“	80	“

and 31 over 80 years of age.

Out of the total number, viz., 420, forty-two reside in the county of York, twenty-nine in Wellington, twenty-three in Simcoe and Muskoka, twenty in Middlesex, fifteen in Wentworth, fifteen in Waterloo and the same number in Huron, fourteen in Leeds and a like number in Carleton, eleven in Northumberland and eleven in Lanark, ten each in Frontenac and Durham, and in smaller numbers nearly all our counties are represented. In Toronto alone, thirty-four of them reside.

The list of those entitled to the allowance, Hon. Gentlemen will remember, will be gradually diminished, inasmuch as this Legislature in 1891

enacted that the provisions touching superannuation, should not be held to apply to any persons who, prior to 1871, had ceased to be engaged in teaching and had not, prior to March, 1885, contributed to the Fund.

PUBLIC INSTITUTIONS.

We spent last year to maintain our public institutions, \$815,745. This very large sum represents more than twenty-one per cent. of our total expenditures for the year.

In 1888, ten years ago, the total expenditures for this purpose amounted to \$721,602. In 1883, five years previously, the full amount expended was \$648,995, while in 1878 it was only \$482,466.

So vast an increase in twenty years, amounting as it does to \$333,279 a year, demands more than ordinary attention.

The bare fact that the maintenance of these institutions consumes almost one-quarter of all our expenditures compels me to speak at some length concerning them.

The daily average of the number of our insane cared for by the Province in our seven insane asylums has been steadily increasing.

For example,

In 1878, the number was	2,006
In 1883, "	2,878
In 1888, "	3,241
In 1894, "	4,334
In 1895, "	4,557
In 1896, "	4,709
In 1897, "	4,867
In 1898, "	5,004

This increase, it will be observed, is at the rate of 150 a year. A bare statement of the fact demands serious and thoughtful attention.

Official returns of other countries disclose a like steady increase similarly alarming. For example, the lunatic population of the State of Wisconsin has been increasing at the rate of 149 a year, that of the State of Pennsylvania at the rate of 552 a year, and that of New York State at the rate of 668 a year.

This increase of necessity involves a rapidly growing public expenditure for this purpose.

The number of the insane for each 1,000 of the population in Ontario is 2.11; in Pennsylvania, 2.25; in New York State, 2.42, and in England, 3.20.

Our per capita cost of maintenance is surprisingly low. In 1893, it was \$125.71 per patient, per year; in 1897, it was \$126.28, and last year it was lower still, viz., \$126.19.

Our weekly per capita cost last year was \$2.43 ; in Pennsylvania it was \$3.57 ; in New York \$3.75, and in Wisconsin \$4.54.

The House will be glad to learn that we continue to manage these institutions more economically than they do elsewhere.

As an illustration let me point to the Pennsylvania State institutions. They are five in number and contain 5,800 inmates. The per capita cost of maintenance in them last year was \$185.64 per year, or \$59.45 per patient per year in excess of ours. These five Pennsylvania institutions are located at Harrisburg, Danville, Norristown, Warren and Dixmount.

If their cost of maintenance had been as low as ours, the Pennsylvania institutions would have saved last year on maintenance account alone the large sum of \$346,950. If we had spent per patient last year as large a sum as was spent in Pennsylvania our expenditures would have been larger than they were by the considerable sum of \$297,487.

If the State of Wisconsin had maintained its State patients at as low a cost as ours were maintained it would have saved in one year, viz., 1896, the large sum of \$107,040.

The ratepayers of the State of New York paid direct taxes in 1896 for the care of its insane to the amount of \$3,057,057, and in 1897, the latest year of which I have the returns, they paid nearly five millions of dollars.

The ratepayers of Pennsylvania similarly paid for the same purpose \$1,196,491.

The ratepayers of Wisconsin were directly taxed for this purpose to the amount of \$536,549.

Our ratepayers are completely relieved from the burden, the Province assuming it altogether.

Hon. Gentlemen will, therefore, gladly agree with me that our officials have admirably succeeded in keeping down expenses and in reducing the per capita cost for maintenance of the inmates of our various institutions.

The figures I have already given by way of comparison and illustration prove beyond all doubt that much credit is due to our officials in this connection.

As I have previously shown, this increased per capita cost in exactly similar institutions in the United States and elsewhere is due among other things to the fact that they employ a larger staff of officials according to the number of patients cared for, and that they pay them larger salaries.

For example, let us again take the Pennsylvania Hospitals (they prefer the word "hospital" to our word "asylum") to which I have already alluded, and compare them in these two particulars with our own. In Pennsylvania they have on an average an attendant for every nine

patients. In this Province we have an attendant for every twelve patients. They have, therefore, the number of patients being considered, no fewer than 139 more officials of this one class than we have. The same ratio applies approximately to the other classes of officials. The number of attendants is still larger in Wisconsin and in New York. In the former there is on an average an attendant for every eight patients, and in the latter one for every seven patients.

The medical superintendents in Pennsylvania, as well as the accountants, stewards, engineers, carpenters and attendants all receive appreciably larger salaries than we pay in this Province. The same remark applies also to Wisconsin and New York.

Aside from the fact that higher salaries are paid in New York, Pennsylvania and Wisconsin, and I refer to these States because I have been giving the House some comparisons with them, and that they have a larger staff of officials, there is a prominent feature in connection with their management of the insane which we have not found it either necessary or prudent to adopt.

COMPARATIVE COST OF MAINTENANCE.

There is a State Board of Control in Wisconsin exercising supervisory control over all the State charitable and penal institutions, consisting of five members, each of whom receives \$2,000 a year and expenses.

The Secretary of this Board receives also \$2,000 a year, a head clerk receives \$1,200 and two assistants \$720 a year each.

There is a similar Board or Commission in New York State, consisting of five members and eight clerks, all salaried. This Commission costs the State about \$30,000 a year.

Our corresponding work of supervision and control is done as thoroughly and as well as that of any of these States and at, comparatively speaking, a trifling expense.

Our capital expenditures alone in connection with these institutions have been enormous.

Our opponents, including all my honorable friends opposite, have, since I last addressed this House, been addressing audiences throughout the country, and in their speeches they have pretended to explain our exact financial condition.

Is it not surprising, Mr. Speaker, that on these occasions they never allude to the manifest and very pertinent fact that the Province has from year to year been making very large permanent investments out of its yearly revenues in erecting public buildings, the usefulness and immediate necessity of which no one at any time seeks to deny?

Hon. gentlemen opposite take special pains to state that we collect large revenues from our forests, but they religiously conceal the fact

that the sums thus collected have been expended in providing accommodation for our afflicted classes and in maintaining them from year to year, and in this way relieving the municipalities of what would otherwise be a very serious burden. My hon. friends know well that these large expenditures have been made solely in the public interests, that they have been wholly unavoidable, and they do not pretend to name a single institution which to-day could be dispensed with.

CAPITAL EXPENDITURE.

There has been expended, Sir, on capital account for buildings alone for the insane and idiotic since the Mowat Government first assumed office \$3,104,616. I am not now including the buildings erected for the blind or for the deaf and dumb.

We have expended during the last ten years for these buildings \$1,850,013.

These amounts would be increased by \$264,191 if I were to include the cost since 1873 of the buildings at Brantford, where the blind are cared for and taught, and those at Belleville, where similar provision is made for the deaf and dumb. We have spent on capital account at Brantford and Belleville during the last ten years \$83,507.

We must also remember, Mr. Speaker, that, altogether apart from the bare erection of new buildings, we have in recent years made not a few considerable improvements, structural and otherwise, which have involved a considerable outlay.

I will hurriedly give some illustrations, and will confine myself in each case to the last five years.

The electric light plant at Mimico, including engines, boilers, etc., has cost us \$8,790. At the same institution, for an intake pipe stretching out under the lake and a duplicate pump in connection with our water supply, we spent \$4,640.

At Brockville the provision we have made for sewage disposal has entailed a heavy outlay, and in order to make adequate provision for water supply at this institution we have found it necessary to spend nearly \$10,000.

We have put in entirely new flooring at the north building, London, (three storeys,) at a cost of \$4,800, and on new metallic ceilings in the same building, to replace the old falling ceilings, we have spent \$1,050.

At Hamilton we have altered the dining-rooms to great advantage in every way, securing additional room, increased comfort, light, etc., at a cost of \$4,000. At this institution the expense in connection with water supply, fire protection, etc., has been considerable.

Similarly, on water supply at Kingston, including new boilers, we have spent \$2,000, and at considerable outlay we have provided for sewage disposal and drainage.

We desire to make from time to time further similar alterations and improvements which would necessitate increased expenditures outside of ordinary maintenance charges.

For example, better hospital facilities are much needed at the Queen street asylum, and at London. The Hamilton and Kingston institutions having commodious and well-equipped hospitals apart from the other buildings are favored in this regard. Each one of our asylums should have its separate hospital, with all modern appliances and equipments. A new hospital at Queen Street and one at London, to accommodate say fifty patients each, would cost at least \$60 000 (\$30,000 each).

A chapel and recreation room are needed at Brockville. The useful part such a room plays in a well-equipped institution for the insane is too manifest to need even a word of explanation. This much-needed improvement would cost from \$4,000 to \$5,000.

The spray bath system proved to be so successful and economical in the other parts of the building is needed in the west wing at Kingston.

I could readily add to this partial list of desirable alterations and improvements.

The Superintendents from time to time press upon me the extreme desirability of incurring considerable expenditure in this and that direction outside the ordinary expenditures the House provides for, and I confess I often wish that I could accept their suggestions *in toto*, and make provision for them in our estimates.

We have recently spent such large sums for new buildings, so as to provide beds for patients whose friends kept clamoring for their admission, that we have been reluctantly compelled to delay making improvements, alterations and extensions in the different directions to which I have alluded.

We have provided new beds during the last ten years for 1,635 patients, at a capital cost of no less than \$1,238,267.00. I regret to be compelled to say that the question of additional accommodation is even now again demanding our immediate attention. I must ask the House this very session for a grant which will enable us to finish the attics of our Brockville cottages. We can in this way make room for, say, sixty new admissions. During the year we must consider and decide how best to provide for still further accommodation.

FUTURE ASYLUM NEEDS.

If it were not our policy to be rigidly careful as to all our expenditures we could readily add largely to our annual asylum expenditures, and in ways and directions which everyone would approve of, if we had unlimited means at our disposal.

I will at present give one or two illustrations only. We have not made as yet any special provision for epileptic patients. The dividing line between epilepsy and insanity, as experts inform us, is very narrow.

In New York, for example, what is called an epileptic colony was opened three years ago, and it has accommodation now for 350 patients.

It is universally admitted that this class of unfortunates should not be confined in poor houses and asylums. They require special care, attention, and treatment. Regular and constant employment, out-of-doors work on farm or garden, is what they specially need. With suitable surroundings and proper care their sad condition can be greatly ameliorated. Having a large fertile farm, their cost of maintenance would be very light.

It has been confidently stated that there are more than 100,000 epileptics in the United States. Beyond any question we have hundreds of them in this Province who would be greatly benefitted if we were able to provide for them as their special needs demand.

Our Institutions have fewer nurses and attendants, the number of inmates being considered, than similar institutions elsewhere. Our Superintendents perform their duties intelligently, zealously, and well. They are of the opinion that an increased staff—I am speaking of nurses, guards, and attendants—would be a distinct advantage.

In some of the best of the Institutions in the United States they have comfortable homes, located on the asylum premises, but apart from the other buildings, for the nurses when not on duty. No one will question the desirability of making special provision for epileptics, for the employment of more nurses and attendants, or for building commodious and cheerful homes for the nurses and attendants, if we had unlimited means at our disposal.

STATE CARE VERSUS COUNTY HOMES.

The pressing need to which I have referred, of providing additional accommodation for our insane at a very early date, remembering that we have within the last ten years erected three new buildings at such considerable cost, naturally suggests the enquiry as to whether there is any other system of caring for the insane more economical than ours, whether as regards building accommodation or mere ordinary maintenance from day to day.

Exactly the same difficulties and problems have presented themselves in other countries, and have led to the same inquiry. The problem important everywhere is of special importance to this Legislature, inasmuch as while we assume the whole burden of caring for the insane, it is in almost every other country borne wholly or in part by the municipalities.

The States of New York and California seem to be the only States in the Union in which the total cost of maintaining the insane falls upon the State at large.

I do not know whether Hon. Members have reflected on the fact that very many of the inmates of our asylums are aged people, comparatively speaking quite harmless, their affliction being largely that of mere senile decay, and but little else.

The official records disclose the fact that 282 deaths occurred last year in the seven Institutions of which I have been speaking. Of these 282 no fewer than 51 were over 60 years of age, 32 were over 70 years of age, and 16 over 80 years of age.

Of our present inmates (numbering more than 5,000),

603	are over 60 years of age.
245	do 70 do
44	do 80 do

and 1 is over 97 years of age.

At first blush it might be argued that many of these old patients, if placed together in cheaply constructed cottages, could be maintained at a much lower cost than at present, since they would require but little care or supervision. Or again, it might be argued that our asylums are not the most suitable places for them, that they could be as well cared for in county homes and at considerably less expense.

THE WISCONSIN SYSTEM.

Indeed, Mr. Speaker, such a system is in vogue in Wisconsin. This State, it will be remembered, has about the same population as our Province. It has two State Hospitals for the insane, accommodating 500 and 600 patients respectively. It also has at Milwaukee a county hospital for the insane, which is partly a State and partly a County institution.

For nearly 20 years there has been in operation in Wisconsin a system of caring for the insane, the leading and most conspicuous feature of which is an offer on the part of the State to pay to counties or localities \$1.50 per week to meet expenses in connection with the care of each indigent insane person, who may be cared for in the County Home or Asylum of such county or locality.

It is claimed for this system that it has worked out successfully and that the cost of maintenance has been greatly reduced. Twenty-three counties out of seventy in the State, accepting the offer, have built county asylums, and hundreds of the quiet chronic insane have been transferred to them from the State Asylums. The weekly cost of maintenance at the county institutions has been less than one-half of that at the State Asylums.

The counties to which the inmates of the State institutions belong pay to the State \$1.50 per week for their maintenance, and provide for the clothing of the patients as well.

It is claimed for the county institutions that emulation between the counties leads to good results, that it is a desirable thing to have the patients near their friends, that the pecuniary advantage is considerable, that while incurable and acute cases should remain in the State asylums, the county institutions are more suitable for the quiet, harmless and chronic insane.

The State of Pennsylvania has recently copied this Wisconsin system, and its legislation providing for it has been also favorably received.

On the other hand, the Wisconsin system is vigorously condemned as retrograde and unsatisfactory by not a few expert alienists whose great reputation entitles their opinions to the very highest respect. In support of their views it is contended, for example, that the extremely low price at which patients are supported in the county asylums of itself proves that they are not properly cared for.

Moreover it is a fact that in these county asylums what is called "curative treatment," which includes medical care, as well as the amusement and entertainment of the patients, is not even attempted. In other words, the inmates of them are not even supposed to be under treatment, nor is it pretended to give them that constant care and supervision which the State institutions so successfully give.

Further, it is alleged that the county institutions in very important details, such as making the rooms and corridors bright and cheerful, in wall decorations, in so furnishing the dining rooms as to make them cosy and inviting, are altogether lacking. It is said that the rooms and corridors are bare and cheerless, that the dining rooms are uninviting and depressing.

The county institutions do not provide for thorough daily medical inspection, and it is said that to keep down expenses the number of attendants is so reduced that the patients are neglected and, it is feared, not infrequently subjected to abuse. These defects we would regard as fatal to any system.

It does not require much thought to come to the conclusion that a good and wise system of caring for the helpless and insane demands, first of all, close, constant and efficient State supervision. There appears to be a noticeable lack of this in the County system.

A fundamental idea in the care of the mentally afflicted is what is called "the hospital idea," and this means that the inmates should be treated as sufferers from disease.

The hospital idea has no place whatever in the county system.

All things considered, Mr. Speaker, I am fully convinced that we could not with either profit or advantage depart from our present system.

The mixed system, part State institutions, part County institutions, of Wisconsin and Pennsylvania, even if we could make a change, would not I am sure be an improvement.

Under the county system less individual care is given to the patients, the treatment generally is less humane. They do not receive that individual daily care, inspection and medical supervision which they receive in this Province. We cannot even think of giving up the curative feature of our institutions, nor in the interests of broad humanity could we afford to relinquish or even relax state control and authority over them. The rights of the insane, as to person and property, are so sacred as to constantly demand the most vigilant State supervision.

It must be remembered further, that under the mixed system of the two States I have named, the cost of maintenance considerably exceeds ours. No financial advantage therefore would accrue from such a change.

I may say here, Mr. Speaker, by way of parenthesis, that the number of the idiotic in our institutions is about one-seventh that of the number of the insane.

COMPARISONS WITH QUEBEC.

Another statement or two in connection with these institutions, the merciful and beneficial work of which from day to day, cannot be over-estimated, and I will pass on to another subject.

We spent last year for the maintenance of our asylums \$626,141. The Province of Quebec spent only \$295,000.

During the last five years the cost of maintenance in Ontario has been \$2,993,989.

During the same period the cost to the Province of Quebec has been \$1,454,875 a difference of \$1,539,114 or \$307,821 a year.

The whole system of public institutions in the Province of Quebec, as regards their maintenance is altogether different from ours.

The Quebec Government has no reformatory, prisons or lunatic asylums, and does not maintain public institutions in the sense in which we maintain them.

The grants of money in Quebec representing the cost of maintenance of lunatics as well as of the reformatories, so far as the Province is concerned, is paid each year to religious or other organized corporations under contracts.

As I have already said, this Province has expended over \$3,000,000 in erecting asylums for the insane. The Province of Quebec has never expended any money for this purpose. It has never erected a single building either for asylum or reformatory purposes.

The Protestant Asylum for the Insane at Montreal belongs to a private corporation. The various Roman Catholic hospitals and asylums in Quebec are owned by the Sisters of Charity.

The Government has contracts with the proprietors of all these institutions under which a fixed annual sum per head is paid quarterly for maintenance of the inmates. These contracts contain stipulations, as to the food, clothing and medical attendance to be supplied to the patients.

Reformatory schools are attached to some of the convents. The Government pays for the maintenance of the youthful offenders and collects from the municipalities from which they are sent one-half of the cost of their maintenance.

Of the 5,000 patients in our asylums only 770 contribute anything towards their support.

Of these paying patients 264 are in Toronto Asylum, 149 at London, 144 at Hamilton, and the rest are found in almost equal numbers in the other four institutions.

We received on account of their maintenance from these paying patients last year \$75,805.

At my suggestion, Mr. Speaker, hon. members were invited during the recess to visit the institutions of which I have been speaking, that they might personally examine their working, and directly obtain from the Superintendents and other officials that full information which can be best obtained by personal inspection.

Several hon. members availed themselves of the invitation, and I hope that during the coming recess they will in greater numbers repeat the visit.

I have, Mr. Speaker, detained the House a considerable time over this one matter of the maintenance of our asylums. Our expenditures in this one direction have been so large, aggregating \$2,993,989 in the last five years alone, that I feel amply justified in doing so.

Our total expenditure for this purpose since Sir Oliver Mowat first became Premier has been no less than \$10,760,229, or about ten per cent. of all the expenditures of every kind of the Province.

Aside from the matter of expense, the whole subject is one of such vast importance that I feel fully warranted in asking the House to give it most careful and patient consideration.

Hon. gentlemen will observe that we have kept our expenditures for the year within the main appropriations for Civil Government, Administration of Justice, Public Buildings and Public Works.

SPECIAL EXPENDITURES.

Our Miscellaneous Expenditure, though kept within the vote of the House, is the largest of any year since Confederation. It amounted to

\$218,000, but of this sum no less than \$99,000 was spent in connection with the general elections held during the year, the contested elections and voters' lists revision. These same three items in 1894 amounted to \$88,944.

As in all former years, hon. Members will notice very special expenditures in 1898, such as \$5,000 granted in relief of sufferers through forest fires in the Counties of Prescott and Russell, and \$2,500 in relief of sufferers through a like cause in New Westminster, British Columbia.

There was an over-expenditure in connection with Legislation, chiefly due to two items, viz., stationery, printing and binding, and indemnity to Members.

The holding of an extra session of the House in August last of course partly accounts for this over-expenditure.

I earnestly hope, Mr. Speaker, that the Printing Committee will seriously attempt to lessen the expense of printing and binding. I have always thought that the number of returns ordered to be printed can be safely reduced, that many of our reports can be condensed without taking from their value, and that a smaller edition of them will suffice.

The cost of printing and binding of eight of our reports alone was no less than \$14,240.

The report of the Agricultural College cost \$3,673, and the Report upon Loan Corporations, \$2,775. The Live Stock Report cost \$1,827, and the Fruit Growers' Report, \$1,869. Altogether the printing and binding of the Agricultural Department cost \$18,986.

The Public Accounts for the year in the hands of hon. Members, printed with considerably more detail than ever heretofore, give such full particulars concerning our expenditures that no further explanation is at this time necessary.

We commenced the past year with a credit cash balance amounting to \$605,849.

Our total revenue for the year was \$3,647,353.

We expended altogether during the year \$3,803,081, so that we drew on our cash balance during the year to the extent of \$155,728.

Estimating for the year we kept in mind of course the pleasing fact that we had this cash balance exceeding \$600,000 on which in case of emergency we might draw.

FAVORABLE CASH BALANCE AT END OF THE YEAR.

It must be very gratifying to the whole House to know that we closed the year with a credit cash balance in our banks amounting to \$450,121.

It is very satisfactory to learn, that although more than thirty years have passed since Confederation, having made most liberal provision for

the varied and increasing demands of a growing Province, having extensively aided railways and public works, having erected public buildings commensurate with all our needs and at great cost, we are able to announce that we begin the year 1899 with a credit cash balance in our banks amounting to no less than \$450,121.

Review carefully, Mr. Speaker, the financial transactions of these intervening thirty years and you will agree with me that they constitute a brilliant record, one to be proud of, a record a parallel to which, all things considered, Hon. gentlemen opposite cannot point, search when or where they will.

ASSETS OF THE PROVINCE.

1.—DIRECT INVESTMENTS :—

Drainage, debentures invested 31st Dec., 1898.	\$115,583 96	
Tile, " " " "	120,728 64	
Drainage Works—Municipal amounts.....	77,388 09	
		\$313,700 69

2.—CAPITAL HELD AND DEBTS DUE BY THE DOMINION

TO ONTARIO, BEARING INTEREST .—

U. C. Grammar School Fund (2 Vict., Cap. 10)	\$312,769 04	
U. C. Building Fund (18 Sect. Act, 1854)	1,472,391 41	
Land Improvement Fund (see Award)	124,685 18	
The Capital Under Act, 1884 (Award '93)	\$2,848,289 52	
Less estimated balance due the Dominion....	2,000,000 00	
		848,289 52
		\$2,758,135 15

COMMON SCHOOL FUND :—

Collections by the late Province of Canada, held by the Dominion, pursuant to the award of 1870	\$1,520,950 24	
Collections by Ontario during the years 1867-1896 inclusive, paid over to the Dominion in 1889, 1890 and 1897, after deducting Land Improvement Fund and 6 per cent. for collection.	1,000,420 86	
		\$2,521,371 10

Ontario's share according to population, 1891	1,479,656 10	
		4,237,791 25

3.—BANK BALANCES :

Current Accounts.....	\$271,722 48	
Special Accounts.....	178,398 77	
		450,121 25
		\$5,001,613 19

LIABILITIES OF THE PROVINCE AT PRESENT PAYABLE.

1.—BALANCE DUE TO MUNICIPALITIES <i>re</i> SURPLUS DISTRIBUTION . . .		\$1,291 30	
2.—LAND IMPROVEMENT FUND :—			
Balance due to Municipalities under 45 Vict., Cap. 3, and 49 Vict., Cap. 6	\$3,256 57		
Balance due to Municipalities under 54 Vict., Cap. 9	2,771 64		
			6,028 21
3.—QUEBEC'S SHARE OF COLLECTIONS BY ONTARIO ON AC- COUNT OF COMMON SCHOOL LANDS IN 1897-98 :—			
Collections on lands sold between the 11th June, 1853, and 6th March, 1861	\$17,145 68		
Less 6 per cent. cost of management	1,028 74		
		\$16,116 94	
Less one-quarter for Land Improvement Fund		4,029 23	
			12,087 71
Collections on lands sold since 6th March, 1865	\$3,141 14		
Less 6 per cent. cost of management	188 47		
		2,952 67	
			\$15,040 38
Quebec's proportion according to population, 1891			6,213 99
Total			\$13,533 50
Surplus of Assets after deducting Liabilities presently payable.			\$4,988,079 69

The schedule of assets and liabilities does not vary much from that of last year.

Our investments in drainage debentures have been reduced by \$53,000, and the next item, the Common School Fund, part of it I mean, changes the other way (that is, in our favor) to the amount of \$38,000.

This last change is due to the fact that the Common School collections up to 1897 have been paid over to the Dominion.

As I have already explained, our credit cash balance has been diminished during the year to the amount of \$155,723.

LIABILITIES.

The liabilities side of this schedule has been narrowed down to \$13,533, the variation from last year being due to our paying into the Common School Fund the collections we have made from 1890 to 1896 inclusive.

Leaving out of consideration our future railway obligations, the present value of which is shewn in the Public Accounts, it will be seen that our surplus of assets at the end of the year over all our liabilities amounted to \$4,988,079. (Loud applause.)

Now that the elections are over, Mr. Speaker, nearly over I mean, I know that my Hon. friends opposite without a single exception placing the high financial credit of the Province above all considerations of mere party advantage, will receive this very favorable announcement with unfeigned pleasure and delight.

1899—FORECAST.

Thus far, Mr. Speaker, I have been referring to the past year and to our present position.

A word as to the current year, as to our estimates for this year, and as to our hopes of being able to supplement our revenues to a considerable extent.

Our expenditure estimates for the year it will be seen by a reference to the schedule in the hands of hon. Members amount to \$3,409,567.

These estimates have been carefully framed with a view to curtailment wherever possible.

We estimate that our receipts for the year will reach \$3,201,987.

ESTIMATED RECEIPTS, 1899.

Subsidy		\$1,196,872 80
Interest on Capital held, and debts due by the Dominion to Ontario	\$272,414 48	
Interest on Investments	25,000 00	
	<hr/>	297,414 48
CROWN LANDS DEPARTMENT—		
Crown Lands	115,000 00	
Clergy Lands	2,500 00	
Common School Lands	10,000 00	
Grammar School Lands	500 00	
Woods and Forests	675,000 00	
	<hr/>	803,000 00
PUBLIC INSTITUTIONS—		
Toronto Lunatic Asylum	40,000 00	
London "	15,000 00	
Kingston "	4,000 00	
Hamilton "	12,000 00	
Mimico "	3,500 00	
Brockville "	3,800 00	
Orillia "	3,500 00	
Reformatory for Females	1,700 00	
" Boys	700 00	
Central Prison	22,000 00	
	<hr/>	106,200 00
Education Department		60,000 00
Casual Revenue		125,000 00
Succession Duties		220,000 00
Tavern and Brewers' Licenses		272,000 00
Law Stamps		60,000 00
Algoma Taxes		4,500 00
Fisheries		35,000 00
Assessments, Drainage Works		15,000 00
" Insurance Companies		3,000 00
" Removal of Patients		4,000 00
	<hr/>	
Total		\$3,201,987 28

This amount I expect to receive from the usual ordinary sources of revenue of previous years.

I hope that we will be able to supplement this amount, to the extent of any deficiency which may arise owing to reduced Crown Lands receipts, from sources to be indicated in a day or two, when a measure for this specific purpose will be introduced.

I estimate that we will receive \$803,000 from Crown Lands. This is about \$150,000 less than our average receipt since Confederation.

Hon. gentlemen will notice that my estimate as to other sources of revenue does not vary much from last year.

Our actual receipts last year it will be remembered exceeded my estimate by \$334,000.

A mere glance at our cash balance at the close of each year, say for six years past, proves that we have provided very deliberately and very satisfactorily for the needs of each succeeding year.

We have provided not only for ordinary every day needs, but for extraordinary and special needs as well.

We had at the close of 1893 no less than \$1,000,016 of a credit cash balance.

At the close of the following year it was reduced to \$610,674.

But in 1894 we spent on public buildings alone \$403,023. Of this sum we spent \$197,829 on the Brockville Asylum Cottages, and on other buildings \$205,194.

We had the cash in the banks, the buildings were needed, and as individuals or private corporations would do under like circumstances, we drew on our cash reserves, erected the needed buildings, and thus met a pressing public want, and at the same time added to our permanent assets.

And so on from year to year we drew on our cash reserve to meet this or that pressing public need.

We invest, to use other words, some of our cash in hand in meeting this or that much needed Provincial want.

At the end of 1897 we had a credit cash balance of \$605,850 and at the end of last year it was reduced to \$450,121. The credit cash balance from time to time varies, but we invariably have new permanent assets in its stead.

This last named credit balance of \$450,000 with our average ordinary revenues, would more than meet our wants for the current year 1899.

NEW REVENUES PROVIDED FOR.

We have therefore up to the present time had no occasion for looking about us in order to provide for increased revenues.

We are now face to face, however, for the first time with revenue conditions such as heretofore have not existed in the history of the Province.

Next to our Dominion subsidy our main source of revenue is that from our Crown lands and forests.

Our much-debated policy touching the lumber question has met with universal approval. Rather than even think of receding from the safe vantage ground we occupy, that of preserving for our own people the cutting of our logs, we prefer to face the possibility of a largely decreased revenue from our timber and make provision for meeting the deficiency in some other way.

Our Crown Land revenues this year may be considerably below the normal or average yield.

To meet this year's expenditures we would, keeping in mind the fact that we have a cash balance of \$450,000 on which to draw, need to receive at least the average yearly yield of Crown Lands' revenue,

The present existing conditions surrounding our lumber trade, with our restrictions as to manufacture, make it impossible for us to expect this average yield, and therefore, Mr. Speaker, as announced in the Speech from the Throne, we purpose introducing legislation this session which will, we believe, appreciably increase our revenues.

We could readily have lessened our expenditures by curtailing the grants we have given from year to year in relief of the municipalities. For example, our grants for education and agriculture in 1898 exceeded those of 1893 by \$110,594. By keeping these two grants alone at the level of 1893 and not increasing them year by year as we have done, we would have saved in five years \$322,498. But the saving would have been at the expense of the School Boards and Agricultural Societies of the Province.

And there have been similar increases in our grants for other services.

In the last few years we have increased our grants in aid to the extent of at least \$250,000 a year.

Had these grants remained stationary we would have had three or four times as large a credit cash balance as we had at the close of last year.

Our policy is not to increase the amount of cash we have in hand but to relieve as best we can the municipalities of the Province. We do this by undertaking work which otherwise would fall on them. Municipal relief, and not increasing our cash in hand, has been our constant policy.

We secured additional revenue for all time to come by passing The Succession Duties Act in 1892. I have already shown that this Act has been received with almost universal approval and that it has year by year yielded a rich return.

In our attempt to increase our revenues this session, we hope to be able to do so with the minimum of irritation and the maximum of good results.

If this House continues to demand increased votes for education, for agriculture and other services; if the large measure of relief we have heretofore given to the municipalities is to continue to grow in the future as it has grown in the past; then Sir, even aside from the question of a probably lessened revenue from our woods and forests growing out of the restrictions we have placed on the manufacture of our logs, it would still be wise and prudent to anticipate any possible lack of equilibrium which might arise hereafter between our receipts and expenditures by making safe and immediate provision for additional revenue.

We hope Mr. Speaker, to make suitable provision during the session, in a fair and equitable way, to meet any emergency which may possibly arise.

I move, Mr. Speaker, that you do now leave the Chair.

APPENDIX.

STATEMENT showing amounts payable annually for Certificates issued by the Treasurer of the Province of Ontario for "Aid to Railways" and "Annuities."

Year.	Railway Aid Certificates.		Annuities.	Year.	Railway Aid Certificates.		Annuities.
	\$	c.			\$	c.	
				<i>Forward ..</i>	1,210,865	00	2,058,000 00
1899	115,757	05	102,900 00	1919	52,838	06	102,900 00
1900	109,684	04	102,900 00	1920	52,838	06	102,900 00
1901	77,878	63	102,900 00	1921	52,836	06	102,900 00
1902	61,721	33	102,900 00	1922	52,838	06	102,900 00
1903	53,253	35	102,900 00	1923	52,838	06	102,900 00
1904	52,838	06	102,900 00	1924	52,838	06	96,200 00
1905	52,838	06	102,900 00	1925	52,838	06	82,500 00
1906	52,838	06	102,900 00	1926	52,838	06	69,350 00
1907	52,838	06	102,900 00	1927	52,838	06	56,950 00
1908	52,838	06	102,900 00	1928	52,838	06	50,700 00
1909	52,838	06	102,900 00	1929	52,838	06	50,700 00
1910	52,838	06	102,900 00	1930	52,138	46	50,700 00
1911	52,838	06	102,900 00	1931	48,640	46	43,700 00
1912	52,838	06	102,900 00	1932	41,644	46	32,700 00
1913	52,838	06	102,900 00	1933	38,846	06	28,700 00
1914	52,838	06	102,900 00	1934	36,747	26	28,700 00
1915	52,838	06	102,900 00	1935	24,854	06	24,700 00
1916	52,838	06	102,900 00	1936	18,815	53	16,700 00
1917	52,838	06	102,900 00	1937	8,185	32	9,200 00
1918	52,838	06	102,900 00	1938	4,687	32	2,850 00
<i>Forward ..</i>	1,210,865	00	2,058,000 00	<i>Totals</i>	2,066,642	59	3,216,850 00

NOTE—

Present value of Railway Certificates—(interest $1\frac{3}{4}$ per cent. half yearly) \$1,223,904 60
 Present value of Annuities—(interest $1\frac{3}{4}$ per cent. half yearly) 1,932,522 37

C. H. SPROULE,
Provincial Auditor.

INDEX.

	PAGE.
Appendix	35
Assets	28
Annuities.....	10, 35
Agriculture	15
Capital Expenditure	20
Casual Revenue	11
Cost of Asylum Maintenance compared	19
Estimated Receipts, 1899.....	31
Expenditures, 1898.....	12
Forecast, 1899	30
Future Asylum Needs	21
Favorable Cash Balance	27
Interest Receipts.....	6
Liabilities	29
License Receipts	7
New Revenues provided for	33
Public Institutions.....	17
Quebec comparisons	26
Receipts, 1898	4
State Care vs. County Homes.....	22
Succession Duties	9
Special Expenditures.....	27
Sale of Annuities	10
Superannuated Teachers	16
Wisconsin System	24

