

bidding. He thought his hon. friend did wrong in introducing into this debate, the selection made by the Government of an arbitrator. If the hon. gentleman really found fault with it, the Government were willing to take a test vote of the house on that appointment. As regarded his interest in Upper Canada, he thought that Mr. Macpherson's election by the large division of Saugeen by 1,000 majority, was a sufficient evidence that he possessed the confidence of the people. He thought it ill-became the Opposition to attempt to throw obstacles in the way of Mr. Macpherson's usefulness as an arbitrator. The hon. gentleman threw out the idea that somebody else should have been selected. The hon. gentleman might have his own opinions on that subject. He (Mr. McDonald) had his, and he did not retract any of the opinions he had ever entertained. When he bent, he broke. (Laughter). He asked the house to consider that this amendment would postpone this measure until a time when the Government would no longer be in a position to ask for this stock. He repeated that he did not wish to discredit the banks. In the late crisis, this Government placed \$20,000 in the Royal Bank. This act, by showing the confidence of the Government, was a matter of great importance to the banks, and stopped the run upon them. Why then should they be told to-day that they were against the banks? He had as much confidence in them as any man could have, but he had still more confidence in the stock of the Dominion.

Hon. Mr. McMURRICH in approaching this subject disavowed any feeling of hostility to the Government. For himself, he had confidence both in the banks and the Dominion stock. He did not hesitate to say that, but there were various considerations which should be taken into account in discussing the subject. It was proposed to invest a surplus. But that surplus had not been properly ascertained; and would it not be wise to delay investing till they knew what they had to invest. How much had they to invest?

Hon. J. S. McDONALD—Half a million of dollars.

Hon. Mr. McMURRICK—Free of obligation?

Hon. Mr. WOOD—Yes.

Mr. BLAKE—Free of interest obligation, (Cries of No).

Hon. Mr. McMURRICH would be glad to know they had so much to their credit; and if they had he was convinced that the money would be best invested in the banks of the Province. In the Dominion stock their surplus bore interest at 6 per cent. Invested in the banks of Ontario it would yield 4 per cent. Now would not the use of that half million dollars in the Province be worth more than the two per cent difference to Ontario? He maintained that it would be worth more than double the amount to the Province. In the one case the profits went to Quebec and in the other to Ontario.

Hon. J. S. McDONALD—If you invest in the Dominion stock you get 6 per cent.

Hon. Mr. McMURRICH—But leave the money to be used in Quebec.

Hon. J. S. McDONALD—Not at all.

Hon. Mr. McMURRICH said, that the Hon. the Attorney-General need not think to throw him (Mr. McMurrich) off the track in that way. (Laughter). Their money would go into the hands of the Bank of Montreal to make a profit on it, and to New York; whereas he contended it would be for the benefit of the trade and commerce of Ontario that surplus should be left in the Province. He stood up for the interests of Ontario. But he would allude to one other point. If he understood the Hon. the Attorney-General aright, he had on a former occasion thrown out the suggestion that they could not get the cash and would have to take debentures.

Hon. J. S. McDONALD said the whole amount could be got.

Hon. Mr. McMURRICH—But you would be afraid to ask the Bank of Montreal for it.

Hon. S. McDONALD—No; at all.

Hon. Mr. McMURRICH replied, that hon. gentlemen knew of one instance where that bank had sought to injure a rival institution. (Hear). He (Mr. McMurrich) would cheerfully consent to the proposed management of the half million dollars if that sum were to be joined to other moneys to be applied by the Government of the Dominion to paying off the Bank of Montreal.

Hon. J. S. McDONALD said that the money would be so applied. It was intended that the money should be raised in the Dominion to pay off the floating debt.

Hon. Mr. McMURRICH had his own notion as to the practical working of the thing. Instead of being placed as a permanent investment, it seemed to him their surplus funds should be invested in reduction of the public debt. But in what form would they get that surplus?