

the arbitration, because that fund, the proceeds of the sales of those lands, might be determined by the arbitrators to be in some measure the property of Lower Canada as well as Upper Canada. But the position thus, as he conceived properly, taken by the Government upon this subject, was one which, in his judgment, rendered it necessary that they should have a policy upon it, although it might not be necessary that that policy should be explained in this House—that they should have such a policy anterior to the arbitration. He had heard with great satisfaction, the view expressed by the Government as to the good faith which ought to prevail with reference to all transactions between the Crown and the subject, and between the Crown and the immigrant, as to the representations made to them, and the carrying these out in the dealings with them. The member for Algoma, discussing the question as to the future policy of the Government with respect to mineral lands, had justly contended that it was the duty of the Government to pay regard to their obligations to individuals who had proceeded on the faith of Orders in Council. And it was on that view that he (Mr. Blake) placed the case, with reference to this Improvement Fund. This fund was derived from a certain proportion—one-fourth, as regarded one class of lands, and one-fifth, as regarded another—of the moneys received from year to year from the sales of lands; the proportion received from the sales in any particular county included within the provisions of the orders in council and Acts relating to the subject, being consigned to that county to be expended in local improvements, highly necessary for the advancement of the county. Of the faith of those Orders in Council, which in fact provided that one-fourth or one-fifth, as the case might be, of the price of the lands, should be applied to local improvements, very large sales were made in the county, one of the ridings of which he had the honour to represent. The people were charged \$2 an acre in the front townships, and \$1 50 an acre in the back townships, on the understanding—for such was the law—that that proportion of the price should be returned, not to the individual, but to the county, to be applied to local improvements. It thus amounted to this, that, in that new county, where they would necessarily have to tax themselves for their local improvements, such as gravel roads and bridges, and where they had in point of fact taxed themselves to a very large extent, they distinctly understood that part of the price of their lands was to be received back again, and applied in such a way as to be an equivalent for a certain amount of local taxation, which they would otherwise have had to bear. Sales were made on these terms, and for a number of years the fund was continued, and the prescribed proportion of the annual proceeds was duly applied in the way he had stated. Then the policy was changed, and it was decided to discontinue the Improvement Fund. As far as new sales taking place after that period were concerned, he had nothing to say, except that it was a matter of policy for the Government to determine whether the proceeds of these new sales should be subject to a deduction for the benefit of the county. But he did say that there rested an obligation on the Government to carry out in good faith the contract with the settler, with reference to the proceeds coming in year by year of the sales of all the lands, for which certain prices were paid on the faith of that contract. That was the position taken by the people whom he had the honour to represent, and having regard to the great difficulties with which they had had to struggle, the enormous debt they had had to undertake for the construction of roads—the amount necessary to be raised in the county of Bruce this year to meet its obligations being no less than \$75,000—having regard to the magnitude of this charge on the people, he thought it would not be dealing justly with them to deprive them of the relief to be given by their receiving their proportion, in accordance with the terms of the order in council, of every shilling which came in from the sales of these lands made while the order in council was in force. If upon due consideration—and he did not ask a definite answer at this time—the Government should think this argument to be a forcible and sensible one, it would then be their duty to see that the point was urged before the arbitrators, when they considered whether these school lands were in part Lower Canada's or not—the point that good faith between the Government and the purchasers required that, with so much of the lands as were sold under the orders in council, the price of the lands should be applied

according to the terms of those orders. But whether that conclusion was recognized by the arbitrators or not, he would urge that such was the true policy of the Government, the only policy which in honesty the Government could pursue.

Hon. J. S. McDONALD said he had just one remark to make. It was quite consistent with the relations in which the hon. gentleman stood to the county which he represented, that he should urge his views. But the hon. gentleman must not forget that in past years, when there were members from these counties in the late Parliament of Canada, Mr. Macpherson and others, who supported the Government—it was not urged upon the Government that they should do anything in the matter.

Mr. BLAKE—Yes, it was.

Hon. J. S. McDONALD said he knew that on one occasion, Mr. Dickson strongly argued for a reservation of the Improvement Fund, but he forgot with what result. The hon. gentleman asked the Government at this time of day to have a policy in the matter. Perhaps they might consider it, but he would make no promises, nor hold out any hopes. He could not say whether they would be able to show that relief had already been extended to a liberal amount. He did not think the Treasurer was at present in a position to show how much had been expended under these orders in Council, in that section of the country.

Some members attempted to discuss the point, but there was no motion before the chair.

Mr. BLAKE then said that if members desired to discuss the matter, he would not withdraw the motion then.

The motion being put,

Mr. SINCLAIR said that he could fully confirm what had fallen from the hon. member for South Bruce in relation to the improvement fund. At the time the lands in Bruce were sold, the impression among the first settlers was that they would get one-quarter the purchase money returned to them for public improvements. And in that belief they were, he believed, strengthened by the Crown Land agent, who gave the people to understand that they were only paying \$1 50, and not \$2 per acre for their land—as their 50c would be returned to them. The people of that part, he would add, were very much surprised when the Government refused to continue this appropriation. That county, entering at once into municipal government, had had a heavy burden from the outset. They had not been long connected with Huron until they were called upon to pay some of the debts for constructing the Buffalo and Lake Huron Railway—a road from which they derived no advantage. They had also to pay their share of Provincial expenses. Hence they felt bad, because they felt that something like a contract had been entered into with them by the Government, but the latter had not kept their portion of that contract. The people of that county, he might explain, did not ask any favours at the hand of the Government in this matter. They only demanded their rights. And in pressing these he would distinctly repudiate any idea of desiring to embarrass the Government. But he thought it was owing to his constituents, and those of the member for South Bruce, that they should fairly bring a matter of this kind to the notice of the Government, so that in the arbitration the claims of the settlers of Bruce would be attended to.

Mr. HAYS said that his constituents also had an interest in this matter. They felt that the money derived from this Improvement Fund were justly theirs, and he would insist in their being paid the quarter to which they were entitled. The member for North Bruce was right in claiming a share for his constituents, too, but he was wrong in complaining that they had derived no benefit from the Buffalo and Lake Huron road; for they had certainly been repaid six times their outlay on that line. He (Mr. Hays) would be most happy to join the member for South Bruce any time in insisting on the rights of the settlers.

Mr. McKIM complained that great injustice had been done by the Government in taking away this fund, and settlers were inquiring anxiously every day about it. There was no justice in depriving them of a fund expressly set apart as theirs, and on the faith of receiving which public improvements to a large extent had been undertaken.

Hon. Mr. McMURRICH rose to say one or two words in favour of the motion. He had had the honour of bringing this matter be-