

Legislature of Ontario.

PARLIAMENT—FOURTH SESSION

TUESDAY, Feb. 7, 1871.

The SPEAKER took the chair at 3:20

REPORTS.

Hon. J. S. MACDONALD presented the report of the Railway Committee.

Mr. BLAKE presented the report of the committee on private estate Bills as follows:

Honourable the Legislative Assembly of the Province of Ontario:

The Select Committee, to whom were referred the resolutions of the House touching private Bills, with instructions to consider and report to the House what rules and orders should be made in order to carry out the same, they have the honor to report that your Committee have duly considered the matter to be referred, and report the following proposed standing rule as the results of their deliberations:

From and after the appointment of Commissioners for the purpose, every Estate Bill, when read a first time, shall, without special reference, stand referred to the said Commissioners for their report, and a copy of such Bill and of the petition on which the same is founded, to be furnished by the petitioner, shall be forthwith transmitted by the Chief Clerk of Private Bills to the said Commissioners. From and after the said Bill, and petition, are to be transmitted by the said Commissioners to the Chief Clerk of Private Bills; and the same are to be submitted to the Select Standing Committee on Private Bills, which is not to consider the said Bill before the delivery of the said Report, Bill, and petition to the chairman of the said committee.

All of which is respectfully submitted. EDWARD BLAKE, Chairman.

Committee Room, Tuesday, 7th Feb., 1871.

Mr. SCOFF (Grey) presented the report of the select committee to whom was referred the Bill respecting the planting of trees on highways.

GRAND RIVER NAVIGATION COMPANY.

Hon. J. S. MACDONALD moved the third reading of the Bill to enlarge the powers of the town of Brantford respecting the Grand River Navigation Company.

The Bill was read a third time and passed.

TOWNSHIP OF WEST OXFORD.

Mr. OLIVER moved the third reading of the Bill to legalize and confirm a portion of the survey made by William Smiley, Deputy P. L. S., of that part of the township of West Oxford and other divisions and boundaries lying on the southerly part of the said township, known as the fifth and sixth concessions.

The Bill was read a third time and passed.

THIRD READINGS.

The following Bills were read a third time and passed:

To authorize the trustees of the Presbyterian Church in the township of Nottawasaga, in the County of Simcoe, in connection with the Church of Scotland, to sell the west half of lot number twenty-four, in the seventh concession of the said Township.—Mr. Mount.

To enable Sullivan Caverno to convey certain lands in the County of Welland.—Mr. Beatty.

To amend the Act incorporating the Niagara River Improvement Company.—Mr. Hooper.

To incorporate the Glenwood Cemetery Company of the Town of Picton.—Mr. Anderson.

To incorporate the Pembroke and Ottawa Railway Company.—Mr. Murray.

To establish and declare the mode in which the side lines of the lots in the township of Huntley, in the county of Carleton, have been, and shall be run.—Mr. Lyon.

HAMILTON AND LAKE ERIE RAILWAY COMPANY.

The House went into committee on Mr. Williams' (Hamilton) Bill to amend the Act incorporating the Hamilton and Lake Erie Railway Company.

The Bill was reported with amendments. Third reading to-morrow.

TOWN OF ST. THOMAS.

The House went into committee on Mr. Luton's Bill to extend the limit of the corporation of the town of St. Thomas.

The Bill was reported with amendments. Third reading to-morrow.

PORT WHITBY AND PORT PERRY RAILWAY COMPANY.

Mr. PAXTON moved the second reading of the Bill amending Acts relating to Port Whitby and Port Perry Railway Company. Carried.

GOVERNMENT AID TO RAILWAYS.

Attorney-General MACDONALD then rose to move the resolutions respecting the

by stating that he had to announce the concurrence of his Excellency in these resolutions, and then observed that the position the Government occupied in relation to these resolutions was a singular one. It was singular in this respect—that, for the first time in the history of the country, the House had to deal with a surplus which had accumulated in the Treasury of Ontario. The Government had been taunted with a desire to increase its resources regardless of the progress and development of the country; but the Government felt they were only carrying out their duties as trustees for the people in husbanding the resources of the Province—resources which had accumulated, not by taxes on the people, but derived through channels that did not increase the taxation. True it was that we had one or two resources that followed from taxation—ho meant taxation as regarded tavern licenses and the Stamp Act. These two resources, however, had only been placed under our control for a very limited period; and our other resources were mainly derivable from the subsidy granted by the Dominion Government, the income from our public lands, and the arrears due on sales. The position, on the whole, was an anomalous one; and the task of distributing the surplus was a formidable one. The Government had been blamed for not disposing of this surplus before; but they had felt it would be very hazardous to anticipate in advance the ascertainment of the liability which this Province would be exposed to as respected the disputable sum of its public debt assumed by the Dominion Government. This Government had now ascertained that its proportion of that debt was not so large as to justify the withholding of that portion of the surplus which was to be devoted to the development of the resources of this Province—commercial and agricultural. He might remark that even in times past the necessity for taxing the people of the country—making them assume liabilities they were unable well to bear—was recognized by the Legislature in the matter of public enterprises. As far back as twenty-two years ago, the old Province embarked on a scheme of indebtedness for railroad enterprises—at a time, too, when the Province was considerably embarrassed in finding money for the purpose. If it were then felt that the advancement of the country imperatively demanded increased taxation, how much more readily should the House now favour the Government scheme, especially when it carried no taxation along with it. It was necessary to establish that the scheme proposed by the Government was no new idea; and that this was not the first attempt made by a government to control the outlay of such a large amount of money. The Attorney-General proceeded at great length to refer to the past railway legislation of the country, dating back to 1849, in order to establish an analogy between the enactments of that legislation and the scheme now before the House. He referred to the railway legislation introduced in the time of Baldwin and Lafontaine, and said that the Reformers of that day did not think it was asking too much to confide to the Government a sum of money three times beyond the amount this Government asked to be entrusted to them; and now he would see what would be confided to a Government like the present, animated by Reform principles (Hear, hear, and laughter) He only referred to this past legislation to show that this Government were taking precisely the same action as the old Reform Governments of other times, to prevent the formation of bogus companies. He hoped that the power which was asked to be conferred on this Government would not be refused. He thought that what the Government were asking did not embrace anything like unjust control over the public moneys; and he might say that the Government should not be suspected of any desire to make capital or patronage out of the great trust confided to them. He would now proceed to comment on the resolutions. The great object with this House and the people of the country was to encourage immigration, and develop the agricultural interests of the Province. It was idle, however, to talk of providing immigrants with homes in the country unless they were afforded facilities for reaching these homes, and communicating with the older settled parts of the Province. There being such a surplus on hand, this House would be recreant to its duties if it did not provide means for opening up the country. It might be said that perhaps the best aid to railway enterprises would be land grants. In the Province of Quebec millions of acres had been granted for railway purposes, but this was no guide for us. He had never been an advocate of granting lands to railway companies, whose private advantage it was to keep such lands unsettled. It was far better that the Government should have the control of the lands; and thus preserve the mineral rights, and also the timber from the designs of speculators. He was prepared to find the language of his resolutions distorted; for even the language of the Bible was distorted, but he would do everything in his power to present in clear language to the House the nature of the scheme he was bringing down for its consideration. He would now refer to the resolutions before the House. The first read as follows:—"That the aid granted in the past by the late province of Canada to railroad enterprises, connecting with each of the great centres of population and trade, has been largely instrumental in increasing the development of the wealth and resources of this province." There was no doubt about the truth of this statement, for however large might be the amount contributed by the country in aid of the Grand Trunk, there was no doubt that if it had been doubled the country had received corresponding benefits. With regard to the second, it required some further comment. It read—"That looking to the beneficial results growing out of that policy, the necessity becomes apparent of no longer denying or delaying the like assistance to similar well considered and bona fide enterprises that may be undertaken through sections of the country more remote from existing thoroughfares, passing through thinly settled tracts, and leading to our Free Grant Territory, or to our inland waters, thus creating feeders to our main system of railroads, largely contributing to a more extended settlement of our domain by a hardy and industrious population and greatly facilitating the transport of the products of our agriculture, and of our mines and forests, to mar-

Mr. BLAKE—What do you mean by inland waters? Atty-General MACDONALD said they intended the inland lakes, the Ottawa river, &c. Mr. BLAKE—Does the term include the Erie and Ontario Lakes? Atty-General MACDONALD—No, they are frontier lakes. Mr. BLAKE—What about Lake Huron? Atty-General MACDONALD said that Georgian Bay and Lake Huron were included within the terms of the resolution. Of course he was aware that the Grand Trunk had a station at Sarnia, and another at Goderich, and the Great Western had a terminus at Windsor; but it was not proposed to include this part of the lakes. It was not necessary to offer any encouragement with reference to this district. Hon. Mr. WOOD—Not to lines running east and west. Atty-General MACDONALD said it was only to those in a more northerly direction that aid was proposed to be given. The third resolution had reference to the amount to be set apart, and was as follows:—"That towards securing these desirable objects, it is expedient that the sum of \$1,500,000 be set apart from and out of the Consolidated Fund of this Province, and to be designated the "Railway Fund." The Government proposed to fill in the blank with the sum of \$1,500,000, but the interest which would accrue to the fund would form part of the consolidated revenue of the country, and would thus be for the benefit of the whole people. It was quite clear—at least, so far as he could see—that no portion of this money would be required before the assembling of the next Parliament. The Government only proposed to set apart this fund to be a means of aiding those undertakings which the enterprise of private persons and municipalities should see fit to do, and not to be appropriated to any other purposes. The fund would remain there secure, and if the promoters of any of these enterprises should fail—if the exertions put forward in that chamber and elsewhere failed—to result in starting a company, as set forth in the resolutions, then the fund would remain untouched. And if, in the course of two or three years, there was found to be no enterprise which was in a position to make a raid upon the fund, then it would be for the wisdom of the Legislature to say whether the fund now proposed to be created should be set aside for any other purpose. He calculated that the sum now proposed to be set aside would be amply sufficient to meet all the claims which might be made under the resolutions. Atty-Gen. MACDONALD, in reply to Mr. Blake, said that the Government proposed that before the roads which had already a charter, or which were proposed to be chartered, were to be entitled to any benefit from this fund they were to submit to the Lieutenant-Governor in Council evidence that they had a reasonable prospect of completing the road, that it was going in the directions indicated in the resolutions, towards the inland lakes or free grant territory; and then, upon the completion of the road so as to be ready for the rolling stock, it would become entitled to the grant of \$2,000 or whatever might be the aid to be given. Mr. BLAKE—They are to be put upon the list at the earlier period? Atty-Gen. MACDONALD said this was so. He should be glad to see any of the undertakings which were now proposed, completed before the next meeting of the Legislature, but he did not expect that this would be so. He wished the House to understand that the resolution did not give the Government that power, patronage, nor the elasticity which some hon. members might argue pertained to the words of the resolutions. Supposing that two rival roads were seeking bonuses, or having got bonuses, came to the Government to be put upon the list as entitled to aid when the road was completed, they might reject one and approve of the other. Mr. BOYD—Will the rejection take place before the road is commenced or after it is completed? Attorney General MACDONALD explained that the Government intended to consider the position of the companies, and then it would say what amount of aid should be granted. If the road was carried out then the company would receive the aid stated; but if they refused to give aid, in consequence of the road not complying with the requirements of the grant, although the promoters might insist that it did this, then the road would be notified of it before it commenced its operations. Of course if a road was dissatisfied, there was a remedy. It could come to this House, and if its promoters were satisfied of the justice of their position, they could go on with their operations, feeling confident that the House would support their equitable claims. He had no doubt that many of the undertakings which were now before the public would not be constructed, notwithstanding the urgent manner in which their claims were urged by their promoters. He found on referring to the railway legislation of the past thirty years that but one in thirty of the schemes had been carried out. (Hear, hear.) This might happen in the present case. They proposed to leave the list open and hold out the bait so long as any enterprise responded to it. The list would be kept open until the House should find railway enterprise dead, and then it might set aside the fund to any other purpose. The mode proposed was not a novel one, and the Government claimed the same confidence at the hands of the members and the country as had been accorded to them for their acts in the past, in regard to the distribution of the large sums of money which had been placed at their disposal, or in the selection of sites for public institutions. They did not expect to please the whole country, but he claimed that they had discharged their duty in this matter with justice and fidelity to the country. With regard to the next resolution, which provided:—"That no Railway Company shall be entitled to such aid, until they shall furnish proof to the satisfaction of the Lieutenant-Governor in Council—1st. That their railway charter authorize the construction of a road, in the direction of our Free Grant Ter-

ritory, or pointing to our inland waters. 2nd. That the bona fide subscribed capital, together with any bonuses or loans by Municipal Corporations, and from the proceeds of bonds to be issued or authorized by such charter, leaves no reasonable doubt that such road shall be commenced and completed, including sidings and station houses, at least so as to be ready for the rolling stock, within the period mentioned in such charter, provided that no Railway Company shall be held to be entitled to such aid for any portion of their road for the construction of which a contract has been entered into prior to day of , 1870." The Government had in view in the latter clause of this resolution those companies who had entered into contracts, and it held that contracts which had been entered into previously to the 7th of December, 1870—the date of the Lieutenant-Governor's speech—should not be eligible for aid, but that beyond that time lines for which contracts had been entered into—as well in respect of the lines now in course of construction, running towards the free grant district or inland lakes, as to the new lines in respect to which no movement had been made—would be eligible for Government aid. He took it that parties might have entered into engagements since the date of the Lieutenant-Governor's message, relying upon the strength of the Government, and he was not disposed to betray their confidence with regard to the fifth clause, which provided "that the sum to be granted to any railway company coming under any of the classes herebefore mentioned, and authorized by order of the Lieutenant-Governor in Council to be entitled to receive the same, shall not be less than or more than the amount specified in the charter." After mature deliberation, the Government had come to the conclusion that \$2,000 should be fixed as the minimum, and that \$4,000 should be the maximum. This last sum would only be paid to any company which, promoted as a feeder to existing lines, should run into the free grant territory; but he did not apprehend that there would be any great extension of the roads in this direction. Then there was the case of a line which ran partly through a well-settled country which was able to contribute by bonuses, and partly through more thinly settled districts. The Government proposed that in such a case the grant should be \$2,000 for the district which was well settled, and from \$2,500 to \$3,000 for those parts which were less settled. The settlement of this question must be left to the Government, and which would be giving this increased encouragement to roads through districts either thinly settled or consisting of wild lands, be aiding powerfully to ensure the settlement of such districts. The sixth resolution read:—"That before any part of the said Railway fund shall be paid to any company, the commissioner shall report, for the information of His Excellency in Council, that such company has completed their road, in accordance with the conditions and requirements contained in the 4th preceding resolution." Mr. SINCLAIR said, before the Attorney-General proceeded to discuss this clause, that he would like to know whether the contract referred to in the preceding resolution meant the contract entered into by the municipality with the railway company, or that entered into by the contractor with the company? There were several municipalities which had given bonuses to companies, on condition that the road should run a certain distance; and he would like to know whether the grant was to aid the companies or the municipalities which had granted the bonuses before these resolutions were spoken of? Atty-Gen. MACDONALD did not consider that it would come within the province of the Government to enquire what bonuses had been granted to a company. This was a matter for the company and the municipalities. The Government would not be mixed up in the disputes which would arise from this question; but would pay the grant to the company which completed the road. They thought that municipalities would not grant bonuses unless it were for certain objects, the securing of which was their compensation. The gratuity would be as an encouragement to the road, and to secure its earlier completion. Of course, a company might come to some terms with the municipalities interested in its district, either in the way of remitting so much of the bonus as otherwise; but the Government would not be intermeddling in the squabble, nor interject any terms of its own. Mr. GOW—Do I understand that the date referred to in these resolutions is the date of the contract with the company to construct the road, and not that of the company with the municipality? Atty-Gen. MACDONALD—Yes. He believed the Government would receive the confidence of the House in this matter, and that both it and any Government which might succeed it would exercise the same degree of watchfulness as had been done in the past over the expenditure of the public funds. He had now disposed of the questions involved in the resolutions, and wished to say a word or two on another matter. It had been urged that a portion of the surplus ought to be appropriated to purposes other than those proposed. There were, no doubt, a number of other things which were worthy of consideration. With regard to the position of the Municipal Loan Fund, it might be regarded as having been but two months in their pockets, and the Government had not had sufficient time to consider and deal with so important a question. The hon. Treasurer had, in conversation with himself (the Atty-Gen.) indicated a scheme whereby it could be treated on principles of equity and justice to all parties. As to the other questions which hon. members, in the interests of their respective constituencies, had brought under the attention of the House, while he admired their zeal, they must not hope that the Government would be in a position this year to deal with these other matters. The feeling of alarm—which would be justifiable if it was proposed to devote the whole of the surplus to aiding railways—had now no real ground, since it was proposed only to deal with a portion of the surplus, and still leave ample means wherewith to treat these other claimants with full liberality, and meet every contingency. There would also be sufficient, should another railway fever set in to assist future enterprises of this character in the way proposed by the resolutions.