

The Daily Telegraph

TORONTO, WEDNESDAY, FEB. 8, '71.

THE ONTARIO LEGISLATURE

Fourth Session—First Parliament.

AID TO RAILWAYS.

Hon. Attorney-General MACDONALD rose to move that the House go into Committee on the following resolutions:—

1. 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.

2. 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 tracks, and leading to our Free Grant Territory, or to our island 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 markets eagerly seeking the same.

3. That, towards securing these desirable objects, it is expedient that the sum of _____ dollars be set apart from and out of the Consolidated Fund in this Province, and be designated the "Railway Fund."

4. That no Railway Company shall be entitled to such aid, until they shall furnish proof to the satisfaction of the Lieutenant-Governor in Council:—

1. That their railway charter authorizes the construction of a road, in the direction of our Free Grant Territory, or pointing to our inland waters.

2. That the *bona fide* subscribed capital, together with any bonuses or loans by Municipal Corporations, and the proceeds of bonds to be issued or authorized by such charter, leave 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 the _____ day of 1870.

5. That the sum to be granted to any Railway Company, coming under any of the classes hereinbefore mentioned and authorized by order of the Lieutenant-Governor in Council, to be entitled to receive the same, shall not be less than _____ dollars or more _____ dollars per mile.

6. 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 have completed their road, in accordance with the conditions and requirements contained in the 4th preceding resolution.

He said that before he moved that the Speaker leave the chair, he begged to announce to the House that His Excellency the Lieut.-Governor had authorized him to say that he concurred in the resolutions, and recommended their passage through the House. The hon. member for Bruce had suggested that a message should come down from his Excellency, signed by himself, but this was not the invariable custom, and he had found that on a former occasion, to which he should presently have to refer, and on many occasions, the purport of the message was simply announced by a member of the Ministry.

The position occupied by the Government in relation to these resolutions was, he said, a singular one in this respect, that for the first time in the history of our country it had to deal with a surplus. There was now an accumulation in the treasury of Ontario whilst formerly in dealing with these matters, the difficulty was to find ways and means to meet the expenditure caused by aiding public enterprises—an aid which now seemed to be required, not only as necessary, but which the Government had been blamed for not anticipating before this period. The House would remember that the Government have been taunted with a desire to increase its resources unused, whilst the country required outlays to be made for its progressive advancement and benefit. The Government felt that they were only carrying out what was expected of them as trustees for the people in husbanding these resources—these resources which were accumulated, not by taxation upon the people, but received through channels which did not increase the taxation, but through those legitimate arteries which swell and increase the resources of the Province. True it was that they had one or two resources which were derived and flowed from taxation—he meant taxation in regard to Tavern Licenses and from the Stamp Act; but these two sources had only been under this government control for a short time. The other sources were mainly the subsidy from the Dominion and the income from our public lands and arrears due on sales thereof. The position held by the government was an anomalous and new one, and it appeared to him that those who had the task of distributing that surplus or a certain portion of it had a very formidable one before them. The justification which the government were prepared to offer for husbanding their resources, and which they thought would be acceptable to the House and country, was that it would not be right, that it would be hazardous and imprudent in them to have embarked in any scheme however laudable in advance of the ascertainment of the liability which this province would be exposed to arising from the disputed sum of ten millions and a half of dollars in excess of the public debt assumed by the Dominion Government. The Province was now happily in possession of that knowledge. The Government, within a few months, ascertained that its proportion of that debt is not so much as to justify it in withdrawing a portion of the surplus which it has on hand to be used to the advancement and improvement of the commercial and agricultural interests of the country. (Hear, hear.) While the Government was in this position to-day it was not unmindful of the difficulty which presented itself in making a distribution under the scheme now before the House for the aiding of railways—an aid that had always been considered of great importance, and which, as far back as twenty-two years ago, induced the Government and Legislature of the day to embark in schemes and undertakings to assist railway enterprise, even though that aid was granted at the expense of a direct taxation upon the people of the country. (Hear, hear.)

The Province at that time, although considerably in debt, and relying upon the chance of raising the money in the London market felt that the progress of the country justified the Government in asking the Legislature of the day to impose direct taxation for the purpose of accomplishing this good end and establishing railroads. If that were the progressive idea of twenty-two years ago when the treasury had not a surplus, when taxes had to be imposed, when difficulty stood in the way from various causes, when difficulties were likely to occur between England and the neighbouring Republic, if under all these retarding circumstances, railways were established which are now the glory and boast, and at the same time, the convenience of the Dominion, if the duty of the country was then so imperative, how much more is it so at this period, when we have, as he said before, no necessity for the imposition of taxes, but when we have a surplus at our disposal, and the ready means of meeting the liabilities cast upon us. (Hear, hear.) He said that unfortunately he was old enough to remember the time to which he had alluded, but in order that the House might fully understand the matter, he read them extracts from the Act passed in 1849, to provide for the granting of the guarantee of the Province to railway companies on certain conditions, and for rendering aid to the construction of the Halifax and Quebec railway. The preamble of this Bill fully set out the opinion entertained by the House of the advantages to be derived by the construction of railways as the best means of opening up the wild lands of the Province. This Act provided not for the payment of a bonus to the railways, but for the guarantee only making it obligatory on the company to provide a sinking fund—the money only to be paid on the Commissioner