

view the surplus was the property of the people of the Province, and that it ought to be disposed of as if our constitution had permitted us to levy taxation. If it should be found that a large sum was available after such a distribution, then he thought the hon. gentleman would be perfectly justified in giving it to public improvements. The hon. gentleman had referred to the Municipal Loan Fund indebtedness. It was known that the collection of this Fund was in the hands of the Ontario Government, yet, although we had taken charge of it, the hon. gentleman thought it was not convenient to deal with the question, and, therefore, the case of those counties that were not indebted to the fund was to be postponed for an indefinite period. He (Mr. Blake) maintained that there was no reason for declining to deal with this question. It was in his opinion putting the cart before the horse to grant one and a half millions to railways, without taking into consideration the question of indebtedness that concerned the entire Province. The hon. gentleman had intimated that at some future time he would deal with this question, and it seemed to him (Blake) that we can get no nearer a just distribution of this accumulated subsidy or surplus than by considering the Municipal Loan Fund question on the basis of population. He did not think the question of surplus ought to be dealt with in the one-sided way proposed. Was this the surplus policy that had been tried in the country, when we were told by the hon. gentleman that, probably not a cent of the fund which he sets apart for roads, would be touched before next session. No word had been heard against the various public improvements that had been assisted; for it was a wise and generous policy, and one which he was anxious to see continued. But he was opposed to having a large portion of the surplus disposed of without touching on the municipal indebtedness, harbor improvements, canal schemes, and other questions of a like useful nature. He believed that the true way of considering the question was to look at it in a broad light, and there then would be no niggard spirit to help public improvements. But to help improvements for the benefits of newly settled portions of the country, without considering the wants of the older communities was a policy that would defeat itself. He had endeavored to ascertain approximate calculations of the population of the various constituencies, although he could not say that it was altogether accurate. The hon. gentleman then read a list of the sums that might be granted to these constituencies out of the surplus, by way of clearing off the Municipal Fund indebtedness; and he contended that that question should be dealt with before the sole question of public improvements could be taken in hand. He would maintain that this was the only true mode of dealing with the surplus. He moved in amendment That all the words after "That" be omitted and the following words substituted therefor: "This House feels bound to express its conviction that the country will have just grounds for dissatisfaction unless some plan is adopted whereby while making all just and necessary provisions in aid of railways and other public improvements of Provincial interest in the thinly settled and the unprovided districts, a large part of the available surplus should be apportioned according to population, and expended in such ways as each of the counties, cities and separate towns shall, as to its own allotment designate, in aid of railways or other permanent public improvements affecting the localities, or towards the exemption of municipal obligations already contracted for such purposes; due precaution being taken for the proper application of the money, and provision being made that the allotment to any municipality indebted to the Municipal Loan Fund should be applied on equitable terms towards the satisfaction of what may be found due by the municipality or an adjustment of the Municipal Loan Fund indebtedness."

Hon. Mr. WOOD said it was well known to the House, that within the course of the last twenty years the Province of Upper Canada had made great strides in commercial progress, in opening up its communications and in other matters connected with its general welfare. The country had a frontier stretching for thousands of miles, and had run trunk lines along a large portion of this frontier. These persons who live on the lines of these railways necessarily received great benefits from them. The money that was spent from foreign capitalists amounted to something like \$100,000,000. Since that time other enterprises had been taken in hand, on which a vast amount of capital had been expended. The Northern Railway had been re-constructed, and under very able management, had as the House and country well knew, been of the most important benefit to the entire Province. Toward the construction of the great frontier road the Province had expended no less a sum than \$15,000,000; in the reconstruction of the Northern Railway \$3,000,000; on the Great Western Railway \$2,000,000; which sum, with interest and other charges, had mounted up eventually to something approaching \$4,000,000. From the Union in 1841 down to Confederation, the Government had also expended something like \$3,000,000 on local roads, and other local improvements in Upper Canada, which roads were all situated in the older sections of the Province. Since that time the back counties had begun to fill, and from the census lists, or the ratepayers rolls, it would be seen that those counties are rapidly increasing in population. Having referred to these facts, he would ask this House and the country to judge calmly and dispassionately of the proposition of the hon. member for South Bruce. In the construction of canals, roads, gravel roads, railways and other improvements, the Province of Canada incurred a debt of no less than \$73,000,000, every shilling of which went to the benefit of the older sections of the country; and the property of those older sections had—it might be said—been benefited to

that amount and increased in value to an enormous extent. About \$62,500,000 of this debt had been assumed by the Government of Canada, and the payment of the interest of this debt—at least two-thirds of which was contracted in building and forwarding works, thereby benefitting the frontier or older settled portions of the country—was entailed for all time to come, not only on those counties receiving direct benefit from the expenditure; but also on those counties that lay to the rear of the counties most directly benefited. And yet we have the cool proposition that no consideration shall be given to these back counties, but that the older counties shall share, as well as the others, in the benefit of this fund. (Hear, hear.) There was no doubt that any country, in order to keep pace with the advancing age and with the general progress, must have railways; and Canada must have something besides the two or three Trunk lines and have more leading arteries. Like leading arteries, also, they must be fed and sustained by minor arteries, and if you would develop the country, you must afford the means by which they can be fed and sustained—not from and by railways in the United States—but from railways in our own country. (Hear, hear.) The proposition made by the Government furnishes the means, and supplies a way by which they can be supplied. He had listened to the arguments advanced by the hon. member for South Bruce, and he believed that he (Wood) knew when he heard logic and when he did not, as well as any other man—and he was struck with one fact in the hon. gentleman's speech, which was that the hon. gentleman seemed to be in the position of a wheel that is too much flooded with water. (Laughter.) There seemed to be something wrong which kept him back from the subject under discussion. The Government went on the principle of supplying the wants of the country, but it did not give them the money and tell them to spend it, but told them that if they came up to a certain mark, and advanced and progressed to a certain stage, they would be entitled to help from the revenue that had accumulated—and that was the great principle which had been adopted with such immense advantage in Great Britain and other countries that were the most prosperous and the wealthiest in the world. (Hear, hear.) We say to the counties—"We will give you certain sums of money for your own benefit, provided that you will construct a line of road that will feed or intersect our branch lines of railway, and you must build your line on certain plain and easy conditions which we have laid down for your guidance." The age of the county makes no difference at all. We hold out the same advantages to all who undertake to build railroads that benefit the Province. We say to them—"Construct your works, and that there may be no apprehension or doubt about the matter, we set apart \$1,500,000 as a fund for your aid, and if you complete your work on the very easy conditions set down, then you will be entitled to receive aid from that fund." The hon. member for South Bruce had undertaken to criticize the power given to the Government by this scheme, but he (Mr. Blake) confessed himself that after all there was no other way of effecting the object which the resolutions had in view, and he would ask the House if any of the arguments put forward by that hon. gentleman were sound reasons for voting against the scheme proposed by the Government. The only way of success in railway enterprise was to leave free, human will and enterprise. The plan proposed by the Government was one of the best that human intellect could conceive, and nothing to the contrary had been shown to-night. The hon. gentleman had destroyed his own argument by saying that if the House reserved for itself the right to vote aid to these *bona fide* schemes, because that would be practically the same as was now proposed. The truth was that in these matters local considerations would prevail, and persons must be put in the attitude of judges to a certain extent who are to decide, or no satisfactory decision would be arrived at. The hon. gent. said the resolutions were vague, and the term inland waters was vague. There was no vagueness about it whatever. The general principle was that those lines of railway which are to be constructed, and which shall lead to the back country or the waters of the lakes that surrounded the Province, which shall open up counties which are now deprived of Railway facilities, which shall be feeders or tap the great channels of the Railway system which now exist, which shall contribute one with another to weave a network of railways over the Province, whether leading to the shores of the Ottawa or Ontario or intersecting the Grand Trunk or Great Western Railways shall if their final destination be transversely or obliquely leading back into the agricultural portions of the country, these railways are intended to be aided and he thought the hon. gentleman after talking himself nearly hoarse upon the subject must come to the same conclusion. The hon. gentleman thought also that the proposition of the Attorney-General to grant from two thousand to four thousand dollars a mile was vague. Could not the hon. gentleman see that in the old settled country in constructing a railway where the people were able to contribute a considerable sum towards its construction, so large a vote was not necessary as where the country was more sparsely settled. Certainly, it needed no very great exercise of judgment or discrimination to see the difference. (Hear, hear.) The hon. gentleman had another objection—that the resolutions would not aid those railways whose contracts had been entered into prior to the 7th December. The hon. gentleman was entirely mistaken. Contracts covering particular portions of the line perhaps were signed, but contracts covering the whole of a line were seldom entered into. It was only those lines which started from the great centres of trade and commerce that would be affected. The branches and continuations of those

lines and the portions of them not under contract would come within the purview and meaning of the resolutions. The hon. gentleman also objected to the resolutions, because he said that by them it was the companies that were to be aided. Surely this was trifling with the whole matter. What was meant was that the railways should be aided, and the people who wanted the railways. (Hear, hear.) It needed no great perspicacity to find out that from the words of the Attorney-General or from the resolutions themselves. In order to aid railway projects, they must be called something. The very lifeblood of the railways was the people through whom it ran. The greatest injustice would be done by the proposition of the member for Bruce. Every one who had considered the matter must know that every labouring man in the country paid as much taxes as the member for Bruce himself with all his thousands. Every man who uses tea and tobacco pays as much to the revenue of the country through customs, &c., as his master, and now the hon. member for Bruce proposed that this taxation should be paid back by being given to the masters—by taxing the poor man for the purpose of handing the proceeds to the rich man. (Applause.) A more monstrous proposition was never uttered since the world began. You might search the dusty annals of antiquity, you might run through all the works of those who have written wise things and foolish things on Government, every proposition promulgated by the wildest theorists in the world, and yet you never could find that a proposition had been made to distribute back to the people money raised by indirect taxation for the purpose of allowing it to be applied for municipal purposes. In the United States some years ago, they had a surplus revenue. This they distributed to the different States, not for municipal purposes, but for the purpose of founding schools. Some years later they distributed another amount for the establishment of agricultural colleges for the education of the mass of the people; but such thing as to give back money to municipalities for the purpose of distributing it among the heads of the people, among the assessed roll which had been collected from the masses, was a proposition which remained for the member for South Bruce to conceive. But the hon. member said he was in favor of aiding any legitimate public improvement. He would make this general distribution, and then he would subvert the particular locality by making the work. Would the hon. gentleman undertake the construction of any railway? Would he undertake it as a public investment? Was that the mode by which he would rouse the activity of the people of the country? If this was his mode he (Mr. Wood) dissented from it *in toto*. He would rather hold out inducements, by which localities, if exerting themselves, might be possessed of the facilities of the older counties by the contributions of comparative small sums. The hon. member for South Bruce said that the country had practically the control of the Municipal Loan Fund. That was all quite true; but the hon. gentleman forced him to say that if they had undertaken to deal with that question at all it would probably not have been so. How could any person tell what was to be done by the arbitration? He had not dared to deal with this fund; he could not even consider the basis upon which the settlement was to be made. The hon. member said the Government might have had time since the settlement of the arbitration to deal with this matter. The members of the Government had been considering this matter. He himself (Wood) had been considering it and he thought he had a scheme, which would meet the approval of every candid gentleman in the House or in the next that might come, by which while doing justice to the other municipalities will act justly with those who have been paying money thereon for many long years. Between three and four million dollars had been paid in on this account. He called the attention of the hon. member to the fact—but no doubt he knew all about it as he did about everything else—that in 1859 a provision was made that when the credits carried to the indemnity account should be equal to the arrears on the Municipal Loan fund then the annual payments equal to those made to the seignors should go into the Clergy Reserve money and be distributed among the municipalities. The whole machinery for doing justice to all municipalities was already shaped and framed for anyone to take hold of it and close up the whole thing. There was no difficulty about it, and all that was wanted was time to consider as to the amounts that shall be allowed to the municipalities which have paid up or abated from those which have not. The hon. gentleman said he did not want the surplus dealt with piecemeal. Was the mode in which it was proposed to deal with it a piecemeal one? Not at all; but it was very flattering to think that there was so much more left behind. The Government were not depriving the municipalities of their dues. There was now in the Treasury three and a half millions of ready cash, and he had no doubt that as fast as these railways are constructed so fast will our Revenue swell up, and that we need not touch the cash lying there at all, but that the entire aid to these schemes would be paid out of the ordinary revenues of the country. Besides the cash deposits the Government had on hand trust funds to an amount which would swell the total surplus to nearly seven millions of dollars (hear, hear) ready to be distributed and paid away in such a manner as he hoped would, in a short time, make this country what it was destined to be, the greatest in the whole Dominion. (Applause.) He presumed that some hon. gentleman had expected him to say the greatest country on the continent. He dared say that some were here to-night who would see the day when we shall extend our borders to the far Rocky Mountains, and take in the great intervening country, and when with the

great rivers and inland seas of the East, we shall march south upon the great republic lying to the South. He expected yet, old as he was, to see the day when he could pass from the Atlantic to the Pacific, on a railway built on British territory, (applause), and when that railway shall be the principle means of conveyance from the east to the west. In reference to the municipal loan fund, he said that the pledge of the leader of the Government had been given that if he is in the House next session he will deal with it. It could not be dealt with this session, because there had not been sufficient time to deal with it. A matter of so vast importance and of such interest to the country, might surely occupy the attention of the Government during the recess. The hon. member for Bruce was certainly consistent in one thing, and that was in his desire to dislodge the Attorney-General and his colleagues. He would quite willingly expend the seven millions of surplus to accomplish that, and think it cheaply purchased at that. (Laughter.) He said that the municipal loan fund ought to be dealt with, but he did not say how. Not a single scintillation of his wit had he thrown on the point. Surely he might have twinkled. (Laughter.) He (Wood) denied that the proper mode of aiding public undertakings was to distribute the money to municipalities who would fritter it away for nothings. What great monument had ever been left to show the enterprise of municipal authorities? The energy of the people would be very much weakened, and the life blood of the whole community would be dried up if the plan proposed by the hon. member was pursued. He said this had been unfortunately displayed in Lower Canada, where no great public undertaking was now commenced, unless the indomitable old English enterprise was at the bottom of it, arousing the people to the execution of something great and beneficial to themselves and posterity. And so it would be here if the people were taught to lose that self-reliance which now brings them higher and higher in the estimation of themselves and every one dealing with them, and which has earned for Ontario the name of being, all things considered, one of the most pushing and promising people belonging to the Anglo-Saxon race. Never give the people money with which to pay their local taxation. He hoped the House would, by its vote, allow the country to remain in as prosperous a condition as it now stood—a great portion of which prosperity was due to the favorable result of the Arbitration—and he claimed a great deal more credit for that result than the hon. member for Bruce was inclined to give him. He hoped that now that the judgment day had come, and the country had been left in a flourishing condition, that it would be allowed to remain so.

Hon. Mr. CAMERON said as he understood, his hon. friend took two positions, first he approves of the Government aiding railway enterprises; the second position assumed is that the Government in their resolutions have not gone far enough. The hon. gentleman has exhibited some of those great qualities of statesmanship for which he is so lauded, and what is this statesmanship? That a large sum of money should be handed out to be grabbed for by the municipalities. He says population should form the principle of this distribution, but he forgets that at the time that this money was collected, some of the present populous districts were uninhabited wastes. Yet he would give those places man for man the same amount as he would give to the older sections. The hon. gentleman says there are eighty-two representatives in this House, representing so many ridings, and he throws so many sops to these gentlemen, and thinks that they would not have the moral courage to refuse the scheme that would put money into the pockets of their ridings—this in his statesmanship! How vague the amendment placed before the House, which the hon. gentleman would have us follow. What does he mean by distributing it to counties and towns; why not to villages? What are the "other permanent improvements?" A new road through the town of Carriek in the County of Bruce! The hon. gentleman puts his amendment vaguely that it may mean anything or nothing, just as it may suit his followers. He was happy that there was so much in the scheme that met the hon. gentleman's approval. He really thought he was going to praise the Government, and consider them fit for their office; but his old feeling led him into his usual abuse before he had done. The hon. gentleman praised the Attorney-General's conversion to railway enterprises yet speaks of his association with such old fossil Tories as himself (Hon. Mr. C.) and the Hon. Mr. Cairns. He (Hon. Mr. C.) contented that by aiding railway enterprise they would increase the importance of the Province, not only in the views of the Dominion, but also in the eyes of the whole world. He was surprised to hear his friend repeat that the taxation came from the people. No one denies this; but if his argument means anything, it means this, that the moment we have any surplus we must return it to the coffers of the Dominion to reduce the taxation of the people. We know that we are using the taxes of the people; but he would not pay it back into the pockets of the people as the hon. member proposes, because it could not be done equitably. The hon. member no doubt thought he was doing a clever trick, and hoped to carry away the members by his amendment; but he (Hon. Mr. C.) trusted to the honour of the House not to be carried away by such a trick.

Mr. CRAIG (Glengary)—When he placed his resolution on the paper to elicit the opinion of the House, not one member of the Opposition opened their lips; but now, when the Attorney-General brings down his measure, they are all for municipal distribution. He said that whenever the Government made a pledge he could rely on it. It was said that he dare not vote against the hon. member's amendment and go back to his constituents; but he could tell the House that he would vote against it and go back to his constituents; and the