

ness of the position which he (Attorney-General) had assumed in the matter, and went on to point out that although the Court of Appeal had decided against these townships the equity of the case was in favour of an abolition of their debt, and that it would be unfitting in the House to enforce a demand against which a learned judge had pronounced his judgment. When the House was dealing with this whole matter on equitable grounds, there was, he thought, a stronger ground for a reduction in the case of these municipalities than in any other cases in which he had asked the House to reduce. There were minor points to which he still wished to call the attention of the House, and he would not have occasion to weary it for more than a few minutes. Gentlemen who were familiar with the state of the law in regard to the Clergy Reserve allowance which is made to the municipalities of the Province, knew that it was provided by one of the statutes on the subject that any municipality in default to the Municipal Loan Fund thereby forfeited its claim to the sum that would otherwise be going to that municipality from the Clergy Reserve Fund. That rule had been held under the various Statutes not to apply to counties; but it applied, at all events, to other municipalities than counties. It had seemed to the Government that in regard to those cases to which the Statute of 1859 did not apply in regard to the municipalities that receive no reduction, that it is reasonable that we should not insist upon the forfeiture of that money. If a municipality is prepared to pay up now, receiving its various allowance, it is reasonable that that money should not be forfeited. It was rather an extraordinary provision in the first place. The better plan, apparently, would have been to have applied the amount from the Clergy Fund towards the wiping out of the debts due instead of making the provision as to forfeiture which had been adopted. He asked the House to give credit for the sum, whatever it might be, to those municipalities which received no benefit from the reduction on the Statute of 1859. He had had great difficulty in ascertaining the amount which should be credited on this account. The figures which he had adopted were only an approximation, as the figures were not in the possession of this Province, and could only be obtained from Ottawa after some delay, so that if he had waited to obtain them the hon. member for East Toronto would have been forced to ask his well-worn question several days longer. (Laughter) He had spoken of the division of a certain sum remembered, and he had spoken of the railway allowance, and the result was that certain sums would be payable to certain municipalities. A question to be now considered was who should have the selection of the objects as to which the money is to be applied. The Government had come to the conclusion that the money should be spent upon permanent objects, that it should not go to pay the general expenses of the year, but should go to certain specific objects of a permanent character. For instance, in aid of railways or drainage; for the building or improvement of court houses, gaols, or hospitals; the establishment of an industrial farm, house of industry, or refuge; for building or improving schools, public halls, bridges, harbours, piers, or gravel roads, or in other permanent improvements affecting the municipalities. Then, the question as to the body that is to determine these objects had caused the Government considerable reflection. The conclusion arrived at was that in the case of counties the money must first be given to the counties to be divided among all the local municipalities, to be applied to the payment of the debt. In the first place the county or municipality pay to the Crown, if there is a county debt; but in regard to the balance, if there is a balance, then it is to be distributed amongst all the local municipalities according to population. Then if there is no debt due the whole amount is to be distributed according to the census of 1871. In order to afford time for the necessary matters to be attended to which will require attention, and in order to give the people a chance of having a voice in the disposal of the money, the Government proposed that the amount should be handed over to them on the first of February next, being a little time after the next municipal elections, so that there might be sent to the council such persons as were chosen to deal with this distribution. He had said early in his statement that it was necessary to find some way by which we should avoid the state of things that arose after the passage of the Statute of 1859 with respect to these municipal debts. He had pointed out that the effort was to place all debts on a footing which made it competent to every municipality to redeem