

LEGISLATURE OF ONTARIO

Second Parliament - Second Session.

TUESDAY, March 2.

Mr. SPEAKER took the chair at one o'clock.

SUMMARY CONVICTIONS.

On the motion of Hon. Mr. CROOKS the order of the bill respecting summary convictions was discharged.

MUNICIPAL LOAN FUND.

Hon. Mr. MOWAT moved the House into Committee on the resolution respecting the Municipal Loan Fund. He said if the Government had failed to please everybody they had failed because absolute success was impossible. Mr. Blake's idea was to distribute the surplus according to population, at \$1.50 or \$2.25 per head. But the Government now thought that \$2 a head was enough. He wished it to be distinctly understood that the Government did not recognize any moral claim of the indebted municipalities to have their indebtedness struck off. He believed that the Government scheme had somewhat tended to weaken the moral standing of the indebted municipalities. He went on to recapitulate the explanations and arguments which he had made on the introduction of the scheme. The reductions made by the five cent and two cent rules, whether necessary or not, were made by Governments supported by hon. gentlemen opposite—(oh, oh),—and therefore the present Government could not be charged with the difficulties growing out of those reductions. The substantial question involved in the solution of this matter was the extent of the ability of indebted municipalities to pay. As with individuals, there was great difference of opinion among municipalities as to their respective abilities to pay. As a rule it was conceded that municipalities were not able to pay more than two cents on the dollar of assessed value over and above what is required to be raised to meet current local expenses. He contended that the Government were doing their whole duty when they applied to the solution of this problem the five cent and two cent rules, and that by the application as proposed of these rules, the best measure of justice would be meted out to municipalities. The basis of aid to railways was fixed at \$2,000 per mile, with the exception of the Welland Railway, which seemed to call for especial consideration, and \$3,000 per mile was fixed as the proper allowance to make in respect of that railway. It was argued, with reference to the bonuses given by municipalities to aid railways before the passing of the Railway Aid Act, that there was no doubt that had that Act been in force those bonuses would have been much less; and the Government had come to the conclusion that \$1,000 per mile would be sufficient to allow under such circumstances. With reference to the allowance to be made to municipalities who had become indebted by reason of public improvements of various kinds, there was much difficulty in contriving an equitable arrangement. The deputations which had waited upon him with reference to this scheme had nearly all pressed upon him the necessity of making due allowances to municipalities who had constructed gravel roads. But there was this insurmountable difficulty in connection therewith—that if an allowance were made to those who had built these roads, a similar allowance would have to be made to others in order to enable them to build, and so to all the municipalities of the Province. One advantage he claimed for the scheme was that this settlement would be final. (Hear, hear) The debentures would have to be redeemed, and at no future period would the application of the scheme be required. The Government proposed to modify the scheme, as at first explained in this—that municipalities would not be required to accept debentures at more than their market values. Some exceptional relief was intended to be extended to Port Hope and Berlin. It was proposed also in modification of the scheme, as at first projected, that power should be given the Lieutenant-Governor in Council to sell the debentures and hand the money over to the municipalities, if it was found that such a course would be expedient. He concluded his remarks by expressing a hope that the scheme, as modified, would prove acceptable to the House and country, and that thus this embarrassing problem would be