

visions of the Assessment Act of 1869 was read the second time.

CONCURRENCE IN SUPPLY.

The House then took up the question of concurrence in the report of the Committee of Supply.

Several items were concurred in.

On the item \$6,000 for improvement of Sengog River navigation,

Mr. CAMERON and Mr. RYKERT asked for plans which they said had been promised.

Hon. Mr. McKELLAR said all the information promised could be found in Mr. Molesworth's report.

Mr. CAMERON claimed that the Government was not carrying out the principles they had maintained when in Opposition, and were rushing into expenditure greater than was warranted by the financial position of the Province.

Hon. Mr. CROOKS replied at length and explained fully the relative position of our receipts and expenditure. He said that when he brought down his statement that the expenditure upon the proposed new Crown Lands offices had not been contemplated. A very large portion of the proposed expenditure was for re-votes, and should be included in the previous year's expenditure. The estimates of receipts had been placed at a remarkably low figure, and he had no doubt that, notwithstanding the many works to be undertaken and the unexpected outlays, the income for this year would prove to be greater than the expenditure.

Mr. RYKERT at length stated his view of the financial position, and warned the Government that they were rushing in the direction of direct taxation.

Attorney-General MOWAT said that the hon. gentleman was so full of finances that, having been disappointed in not having a chance to vent his eloquence on the surplus scheme to-night he had let it off on this item of \$6,000 for Sengog River. (Laughter.) He (the Attorney-General) then went on to show that most of the expenditure this year was for public buildings and such charges as were properly against capital account. Hon. gentlemen must remember that they could not spend the surplus and have it too. They could not eat their orange and carry it in their pocket. The country had already expressed its opinion in favour of entering upon these expenditures.

Mr. FAIRBAIRN thought this question of the improvement of the inland waters deserved more attention at the hands of the Government than appeared to have been given. More information ought to have been obtained as to whether the Town of Lindsay intended to contribute towards the work at that port. Some decision ought also to be obtained as to whether Local or Dominion authority should prevail over these works. At present the authority was mixed.

Mr. CAMERON had not seen the reports, although he had sent to the post-office and the Department of Records for a copy. He asked for information in regard to the river and the sort of craft using it.

Hon. Mr. McKELLAR said he was surprised that hon. gentlemen had not seen the reports, as they had been distributed last Friday. In regard to the craft navigating the waters, they were mostly small steamers, and a good deal of dredging was required.

Mr. WOOD (Victoria) said that there were some eleven steamers navigating the river carrying lumber from Bobcaygeon and Fenelon Falls. Dredging was required, and it was in the interests of the back country that it should be done. An application had been made, not for \$6,000, but for \$25,000 or \$30,000; and though the former amount would do benefit, it would not accomplish

Mr. WOOD (Victoria) said he was unfortunately situated with regard to this scheme. He held strong views on this question in common with his constituents. In 1852 the Grand Trunk scheme was inaugurated, and it was thought that that road and other roads would be paying investments. About £3,000,000 of the public money of the country was given to and lost in that road, equal with interest, up to the present time, to \$30,000 a mile. About the same time £475,000 sterling was also lost in the Northern Railway, and \$1,243,000 in the Great Western. The Municipal Loan Fund was created about this time; and the most unreasonable loans were granted to several municipalities. Those sections of the country through which roads ran aided by the Government were not required to give security, while the contrary was the case in respect of the sections of the country

through which roads run aided out of the Municipal Loan Fund. The Government had not seen fit to draw any distinction between these roads. The Midland Railway during the last five years had carried produce, giving a revenue to the Province of \$303,000. It had also enormously increased the value of the country through which it runs, and he held that it was to a certain extent a national undertaking. The Grand Trunk, Northern and Western had received on an average \$11,300 a mile for 938 miles and the other roads aided by the Municipal Loan Fund received \$11,700 a mile. He claimed as a matter of equity and justice that the security given should have been taken into account. The Government scheme was divided into three heads; one of equity, one of law, and one of public expediency. In the application of these principles, the Government scheme was by no means consistent. He would like to ask upon what basis of reasoning or principle of equity the Government thought \$2,000 was a fair grant for municipalities through which roads aided by the Government ran. The Government should have made the railway allotment in proportion to the cost of construction. He contended that the Act of 1859, inaugurating the five cent rule, was a most unjust one. The Government had accepted that rule, and proposed to do this injustice—that they will not give the \$2 per head to those to which this rule is extended, but they will give that bonus to those who have had railways costing \$20,000 per mile and aided by Government. He argued that the two cent rule basis was also unjust from the same standpoint. He objected to that part of the resolutions which proposed to give the Government power to take up the securities held by municipalities in discharge of their indebtedness, and to sell them and hand the money over. As a Reformer, he was bound to take exception to that proposal, inasmuch as it was not in accordance with Reform principles, that such excessive power should be committed into the hands of any Government. (Hear, hear.) The cash surplus on hand was now \$2,723,726, and he had prepared what he thought was a fair estimate of what our expenditure would be for the next ten years. It averaged \$2,701,000 a year, and he estimated the average revenue per annum for the same period at \$2,435,918. This would give a deficit of \$265,732, or \$2,657,320 in ten years. The cost of public buildings, education, &c., would certainly increase, and the paring off would have to commence somewhere. If these resolutions passed, we would soon have to commence to reduce where we could least afford to reduce. He would have to appropriate less money for emigration, for drainage, and for other essential purposes. Therefore he claimed that it would be most unwise to distribute the surplus. It would be far better and wiser to retain it in the Treasury, accumulating interest, which could be applied to the increase and support of educational institutions. The average salaries of our common school teachers was miserably small, and he would ask was it right to throw away over three millions on roads, bridges, &c., and neglect the educational interests of the Province. He would advocate the increase of the salaries of these teachers, and thus secure for our children increased benefits in the way of education. He claimed that the surplus could be more advantageously used in aiding railways, thus practically telling the intending emigrant that wherever he settled in Canada he would be provided with railway accommodation, than by the manner proposed in this scheme. Another objection to the scheme was that there would be no joint action among municipalities as to the manner in which the money would be spent. One would apply it to education, another to the building of bridges, &c., and thus its effect would be weakened. He objected also to the *per capita* distribution, on the ground that it was inequitable and unfair to the thinly scattered districts. The revenue derivable from the timber of the back townships was large, but it was expended in building asylums, &c., for the accommodation of a large number of the residents of the populous districts. The old settled counties had the benefit of railways which had cost the country enormous sums; yet it was proposed to give them the same sum per head as those that had to toil