

with the difficulties and trials experienced in opening up the back counties. He referred to the blessings conferred on Lincoln and Welland by expensive railways, canals, &c., and asked if it was fair to give \$2 per head to the residents of these counties, and also give an especial allowance to the Welland Railway? He then read figures to prove that the rate of aid granted per head, and per acre for railways, roads, &c., in the counties of York, Brant, Northumberland, Middlesex, and other old settled counties, was greatly in excess of the rate received by those occupying newer districts, and in the face of these facts and figures he would ask was it just or fair that \$2 per head should be distributed all round? Then the city of Toronto, obtaining as she does great advantages from railways and public institutions built at the public expense, was to receive her \$2 per head. It was quite true that that city had been very liberal towards railways, but had she not been more than repaid by the increase that had thereby been effected in the value of city property, and was it fair in the face of the many benefits conferred on her that she should receive as much per head as newer districts? It was said by Messrs. Blake and Mowat that nothing but "rough" justice could be meted out by any scheme devised to settle this Loan Fund indebtedness. He agreed it was rough justice, but rough only on the new districts. (Laughter.) He would ask hon. gentlemen whether they did not lessen the value of the back country by millions every year that they derived a revenue therefrom of thousands? This fact also illustrated the huge injustice which would be done the residents of the back country if the surplus were distributed at an equal rate *per capita*. He referred to the injustice proposed to be done by the present scheme to the northern townships of Victoria. While \$1,000 per mile was to be allowed to the townships along the line of the Nipissing Railway up to Uxbridge, the townships north of that were to get nothing, though all had aided the road by bonuses. He concluded by expressing his regret that he was obliged to oppose the scheme of the Government, of whose general policy he was a supporter. In the interests of his constituents he could not, however, do otherwise.

Mr. RYKERT said in times past he had taken ground against settling the Municipal Loan Fund question as impolitic until the financial position of the Province was established by the award. (Hear, hear.) He had also held that it was unwise to distribute the surplus according to population, as working unjustly in the interests of the country. The Government were forced to undertake this scheme by the action taken by Mr. Blake when in Opposition. If that hon. gentleman had not given a political aspect to the question the Government would not have handled the question at all. (Hear, hear.) He represented a very large constituency unindebted to the Fund, and a town deeply indebted to the Fund which could not extricate itself from its difficulties by the scheme now proposed. To-day the Province was not in a position financially to deal with this question. The House was called on by this scheme to wipe out \$13,861,000—(hear, hear)—simply to gratify those who, for political purposes, mixed up the two questions. For the first time in the history of this Province, the revenue this year would fall short of the expenditure by \$750,000. The Treasurer tried to make the country believe otherwise, but he had not given the matter proper consideration. The whole assets apart from the railway funds amount to \$3,023,000, in which is included \$352,000 cash on hand. Take that amount out and there would be left \$2,670,000. The Treasurer boasted that there would be a surplus this year; and yet the other night the House was asked to vote \$398,000 supplementary estimates, making the total estimated expenditure \$3,169,000, exclusive of railway subsidy \$100,000. There would be a balance against the revenue of at least \$226,000. The House had also voted \$400,000 for drainage purposes. The \$200,000 drainage debentures might bring in a small revenue—perhaps \$10,000 or \$12,000 a year for twenty years. Taking into account the drainage appropriations, there would be a deficit of \$400,000. In accordance with the present scheme there would have to be a draw on the surplus of \$738,000, and it was a low estimate to say that the debentures of indebted municipalities would take \$500,000 to bring them to par value. After providing for this scheme, there would not be a balance on hand of over \$750,000. (Hear, hear.) In this light, he did not think it was right to take up the Municipal Loan Fund question now. We owed about \$6.

000,000 to the Dominion, and our special funds did not exceed \$2,750,000. He had examined the question now before the House in every light, and he was satisfied that the Government had acted without proper information. Between the first schedule and this one there is a difference of \$750,000 as to the amount to be drawn from the surplus. He held that the Government, before attempting to settle the question, should have in their possession full and accurate information, which they did not now possess, as was evidenced by the extraordinary discrepancies between the schedules. He had no hesitation in predicting that before a year elapsed the scheme would again be materially altered. The arbitrary principles laid down were not applied properly, nor could they be applied justly. Feeling that the question could not be finally settled without the fullest information, he thought the Government should wait until another session. He did not wish to deal with the question from a Party point of view. There was evidence in the scheme to show that votes had been influenced in the House by the alterations in the scheme. He trusted that the Government would procure the fullest information. It should be remembered that the Government by the Municipal Loan Fund Act, was responsible for the advances made to municipalities, and that the Government had gone far beyond the terms of the Act, which limited the amount of the loans to twenty per cent. of the investment. The history of the Fund showed that but few municipalities complied with the Act, and that the Government seldom applied the machinery provided for bringing pressure to bear upon the municipalities. The terms of the Act inflicting compound interest on arrears, were most unjust. It was also unfair, under the scheme now before the House, to charge the municipalities interest at 6 per cent. up to 1861, and 5 per cent. compound interest from that date. (Hear, hear.) The scheme proposed to refund the clergy reserve moneys withheld, but no interest was allowed on these moneys from the date when they were withheld. (Hear, hear.) Some municipalities were very much benefitted by the Act of 1859, while others with high assessments received no benefit, and the unjust principle of that Act was carried out and continued in this scheme. The Premier had said that the friends of the Opposition were responsible for the Municipal Loan Fund indebtedness, but the Premier himself was in power for a time and made no attempt to handle the question. Both Parties were responsible for it. The history of the Fund showed that in many cases the safeguards of the Act had been ignored. He could not conceive why the Government should regard the Municipal Loan Fund as an asset only worth about \$3,000,000. The municipalities which were in arrears would not pay up even when the late Attorney-General (Mr. Crooks) issued his mandamus, threatening the County and Municipal Treasurers with the terrors of imprisonment if they did not pay up. The Government had made a great mistake in attempting to appease the indebted municipalities with a *per capita* grant of \$2. The Government had laid down the Act of 1859 as the basis of the scheme, but they had entirely ignored it in many cases. He could not see any reason in that part of the scheme laying down the railway allotment. In times past railways cost four, or five, or six times what they cost now; but the Premier proposed to give the same allotment to the old roads as to the roads lately built. There was neither equity nor justice in that, nor was there any reason in allowing the roads not benefitted by the Railway Act \$1,000 a mile. The amount of money expended for colonization roads since Confederation was \$800,000, so that the back country could not complain of the old counties being illiberal. He also complained of the *per capita* grant simply according to population. The member for South Victoria had also objected to this feature of the scheme, but from a different point of view to that he (Mr. Rykert) took. He held that the feature was unjust, because some municipalities had shown enterprise and had taxed themselves for improvements of a general public nature, while others had not done so. The town of St. Catharines had taxed itself to build a road which had helped contiguous counties, and had even greatly benefitted Hamilton and the County of Wentworth, while St. Catharines received no benefit therefrom. Well might the representatives of these counties come down here and worship the Premier when he agreed to allow them the same sum per head as those who had been taxed heavily to benefit them. He contended that, in the solution of this question, common justice would dictate that, in the distribution of the surplus, the indebtedness of municipalities and the cause of those indebtednesses should