

omission in the scheme in reference to municipalities on the line of the Canada Southern Railway. St. Thomas had given \$25,000 towards the construction of that line, Elgin County \$200,000, Townsend Township \$30,000; Derham, \$15,000; South Norwich, \$15,000, and Essex County a large amount; and these municipalities had a just right to the \$1,000 a mile allowance, even though the road did not run in the direction of the inland waters. There were other municipalities which were not fairly dealt with, such as Eldon, Bexley and Somerville, which had given large bonuses in aid of the Nipissing Railway, and they were told they could not receive anything on account of their bonuses, because the road had been given Government aid. Surely they were entitled to as much consideration as the townships of Scott and Thoron, which received their share. He thought the rule might be strained a little, for the Premier had strained rules in favour of Prescott and Dundas. There was another gross act of injustice contemplated by the scheme, and that was in not allowing certain eastern municipalities—Lanark and Renfrew, Elizabethtown, and Brockville—the \$2 per head according to population, and their share of the clergy reserve money. What debt had been wiped away in these municipalities was not so much for their benefit as for that of railways. There was another important feature of the scheme which worked unjustly, and that was that nothing was given to municipalities which had expended large sums in gravel roads. It was held by the Premier that these works could not be taken into consideration, and that no municipalities but those who assisted railways should receive compensation; yet Dundas was to be allowed for the construction of the Welland Canal. Huron, Grey, Perth, Hastings, Northumberland, and Durham had spent money liberally in gravel roads and should receive something therefor, as these roads tended to the benefit of the whole Province. Lincoln county was also not accorded justice, although as much entitled to consideration as those municipalities which had borrowed money from the Municipal Loan Fund to assist railways. The indebtedness of St. Catharines outside of the Loan Fund was \$150,000, and the town had aided the Welland railway believing that it would be a benefit; but on the contrary it was an injury. Injurious legislation also had affected the town, and its securities had been swept out of existence. St. Catharines was just as much entitled to \$3,000 a mile as any other municipality. If the scheme should be enforced as it stood at present, the result would be that St. Catharines would become crippled financially, and utterly ruined. The town would not pay the \$165,000 whatever the consequences might be. The machinery of the law might be enforced, but the town would not pay the amount demanded. The speaker concluded his remarks by stating that he objected to the whole scheme because its provisions were not called for on account of our present financial position, and there had not been sufficient information given to enable the House to come to an intelligent conclusion in regard to the matter. The result would be that before another year amendments to the scheme would have to be made, altering it materially. There were inequalities in it which should be adjusted before it received legislative sanction.

Mr. MEREDITH said that the question must be looked at not as between an ordinary debtor and creditor, but as involving the most important interests that could affect the different portions of the Province. He believed that in the first place the Government which first loaned these moneys was, to a great extent, responsible for the present unfortunate position of the fund, because they had not placed a limit upon the amount to be borrowed by municipalities from the fund. He believed that the present Government had not taken the proper spirit of the Act of 1859 in taking it as the basis of the scheme which they submitted to the House. He did not believe that the Act of '59 was considered at the time as a final settlement of the indebtedness. He contended that the two cent rule, although on the face of it a fair one, would practically work most unjustly in the case of cities. It did not provide for an equitable assessment. And when the assessment of 1872 was taken as the

basis of the rule, it became still more unfair. He then read a statement showing the debts of several large towns, the rate of taxation chargeable, and the amount left for ordinary expenditure, from which he argued that there existed the greatest want of uniformity in the rate of assessment. He strongly objected to taking the assessment of last year as the basis upon which to work the two cent rule. He thought that \$2,000 a mile was a totally inadequate allowance to municipalities which had aided railways, and furthermore, he said it was unjust no consideration was had to the proportion which the amount granted bore to the whole cost of the railway. He thought that the legislation affecting the town of Prescott should be proved to be not only injurious but unjust before the relief should have been claimed on that ground. He also claimed that Hamilton had been relieved on wrong grounds. It had not even the same claim that Prescott had. It had been fully aware that the legislation was about to take place. He then proceeded to object to the mode of dealing with Peterboro', Brantford, and the Huron and Goderich division. He claimed further consideration for the city of London. If exception was made in any case it should be made in favour of that city, which had been most liberal in the aid which it had given to all public works. A short time since a Bill was passed through the House, granting aid to the Port Perry and Whitby Railway on account of a technical difficulty which did not bring it under the provisions of the Railway Aid Act, and that also was a technical difficulty in connection with London's debt which he had alluded to. He did not think that the scheme was a fair one, so far as the city he represented was concerned in particular.

Dr. WILSON said the Government were deserving of great credit for bringing down a scheme of such magnitude, which had given satisfaction to a large majority of the people of the Province. In reference to the case of London, referred to by the previous speaker, he bore no ill-feeling towards that city, but, on the contrary, was prejudiced considerably in its favour, and he did not think that the proposed legislation would injuriously affect its prosperity. According to Mr. Wood's statement, London held \$175,400 of first mortgage and \$200,000 of second mortgage bonds. He now learned for the first time that London held \$275,400 of first mortgage bonds, as had been stated by the previous speaker. The London and Port Stanley road had been of absolute necessity to London, and as it had been running for years a revenue must have been derived from it. Now, the county of Elgin's bonds, on account of that road, were worth \$45,000, with the same interest upon them as those held by London; and he thought it would be found that that city was not too heavily burdened by the \$486,058 now due by her to the Government, and she held bonds of the railway to a far greater amount than Elgin. It would have been far better if the town of St. Thomas had adopted the course taken by other municipalities in regard to their debts, and then better provision would now be made. The whole debt of that town had been incurred on account of the London and Port Stanley Railway, and her prosperity had been greatly retarded by it, so that if London claimed further consideration in respect of that road, St. Thomas had a still greater claim. He was not disposed, however, to find any fault with the scheme, which he thought on the whole was justly framed.

Mr. SEXTON said that all were agreed that the settlement of the Municipal Loan Fund debts should take place as early as possible, and the Government should be accorded every assistance in dealing with the question. He disagreed with the member for South Victoria that the older sections of the country would be dealt with more liberally by the scheme than the new districts. He reminded the House that the early settlers of the country had undergone great hardships and had opened the Province by settlement. The claims of the older sections should be fairly considered, as they had been. The member for South Victoria was in favour of having the surplus applied as a fund for Common School purposes, but by doing that the indebted municipalities would not be relieved. The member for Lincoln had made many objections to the scheme, but he had not proposed one himself. Mr. Rykert said he thought that the question should be allowed to remain untouched until the Arbitration matter between the provinces of Ontario and Quebec was settled; but by that method of procedure it might be many years before a settlement could be had, and in the meantime the indebted municipalities would be dragging along under the weight of