

to others, he would be prepared to get over the difficulty by wiping out the whole thing.

Hon. Mr. WOOD said that no such difficulty existed, and he thought he would be able to prove so to the House. Suppose five men borrowed a thousand dollars each from one person; that some of them invested that money better than others, each of them would be equally bound to repay the amount borrowed; would they not? But if some of them showed that they could not possibly pay, might not a generous creditor say—Well, I will let you off by paying one half. And suppose that one of them proved that he could not even pay that, might not that generous creditor say—I will release you still further from the payment of one half of a half? Yet each debtor would be called upon to pay to the utmost of his ability; and so it was with this Municipal Loan indebtedness. Speaking of the allowances made in connection with the Buffalo and Lake Huron Railway, he said that no one had dared say that it was improper for the old Government and for the municipalities to aid the Grand Trunk and other old lines of railway, nor to aid the new railways running transversely; and who would dare say that the same measure of justice should not go to those who helped to construct the Buffalo and Lake Huron railway? The hon. member for London thought that the railway allowance should be in proportion to the cost of constructing the road; but that principle would be contrary to all the principles the House was now-a-days acting upon. Did they tell a railway company "Spend your money, tell us how much you have spent, and then we will give you aid in proportion?" That would be a grand principle. (Hear, hear.) It was just because persons could be determined to throw out objections which they had not properly weighed in their own minds that such suggestions as these were made. These municipalities played towards this railway the part that the Government of the present time is playing to the new railways, and why should they not have refunded to them this miserable pittance of two thousand dollars a mile. (Hear, hear.) It had been said that when that rule was applied there were two municipalities on that line of road which were relieved to a greater extent than what they ought to be by the proper application of that principle—the towns of Brantford and Stratford. He regretted that there were these two municipalities. Stratford borrowed \$100,000; they paid back nearly one-third of that amount, \$32,000; and he thought they owed about \$77,000. It 1857 the town sold its bonds, and it got the money. They supposed the paying ability of the people would increase, but the prosperity of the town did not go on with the rapid progress they thought it would. They expended money on gravel roads, built a market, and invested in other improvements. The money being gone, the present generation, which was not responsible for these transactions, had to meet the want and to tax itself to do so. It was well known that it was not to the interest of the country that the people should be taxed beyond what they could pay; but unless some relief was offered Stratford that would be the case. The Act of 1859, however, enabled Stratford and Brantford to put the Government at defiance. So long as that statute remained unaltered, and not dissented from, these municipalities and all others similarly situated could not be made to pay up the principal of their debt. None of the many Governments that had been in power since 1859 had dared to interfere with that Act, and these municipalities could say: If you choose to remain for ever without having the principal we are willing to go on paying you the interest. The present scheme offered a compromise. An error that was very common was to suppose that municipalities lowered their rate of assessment for the sake of reducing their liabilities. He believed that every municipality in the country was assessed at as high a rate as it could possibly be placed. The proposition now was to say that the assessment should not be reckoned at any higher rate than in 1859, and who was prepared to object to that? Then to whom does that apply? It applied to Goderich, Brantford, Stratford, and Chatham. It did not apply to St. Catharines because of the railway allowances, but the railway and other allowances brought St. Catharines down from \$281,000 to \$165,000. He was very sorry that that town should be dissatisfied with these rules, but he would point out how the matter stood. Comparisons have been made between the mode of dealing with St. Catharines and Brantford. Brantford borrowed in the first place \$500,000; it paid a large sum to the Grand River Navigation Company, aided the Harrisburg Railway Company, built an iron bridge, gas-works, and entered into other improvements. St. Catharines did not tax itself one

farthing since 1859 for the money it borrowed, and he doubted if ever it put a sixpence of tax on the people on that account.

Mr. RYKERT said they had been paying to the Welland Railway for the \$100,000 they had invested in it.

Mr. WOOD said that it would be very little satisfaction to the hon. member for Lincoln if he lent a thousand dollars to John Smith to know that although John was not paying him anything in return that he was carefully paying what he owed to John Snooks (Laughter.) In 1859, according to law, the liability of St. Catharines was \$171,000 and that of Brantford \$184,594. Since then the latter town had paid \$119,988, on in round numbers, not computing interest, \$120,000; while during all that time Brantford paid nothing. Brantford had invested a large amount of its money in public works, and on the whole it would have been wise if it had not done so to so great an extent. It would have been well if all the municipalities had paid up like Brantford township, Paris, Moulton and Sherbrooke, and Bertie. St. Catharines had not paid anything on the \$171,000, and ought therefore to be as humble as ever Uriah Heep was, and say, "I am unworthy; do as you like with me." In reference to the Bytown and Prescott Railway, the construction of that road was undertaken as one of the first leading into the interior of the country, not running parallel with the great line of communication between the east and the west. Ottawa had aided that road to the extent of \$200,000, and Prescott \$100,000, and to that railway was extended the same measure of relief as to the Buffalo and Lake Huron—\$2,000 per mile. There was no doubt that Prescott had been injured by the Grand Trunk Railway. Making a line of road along through a town on the water, like Cobourg and Port Hope, although of advantage to the country in the neighbourhood, was of no direct advantage to the towns themselves, and instead of advancing their prosperity it had an opposite effect. It had been the case with Prescott. Before the construction of the canal that town was the most important one on the St. Lawrence, but as soon as the canal was completed the town began to decay. It might have revived a little by the construction of the ferry to Ogdensburg and the Prescott and Ottawa Railway; but if any one would go along the streets by the water he would find decayed piers, dilapidated stone buildings, and the whole place having upon it the stamp of ruin and decay. There were no manufactories going on to keep a population which would enable the town to pay anything like a heavy tax. The Attorney-General was perfectly correct in saying that by the railways taken altogether and the completion of the canal, Prescott had been going backward instead of advancing in wealth. An Act was passed by the Legislature authorizing the railway to be sold, though it was opposed by Prescott through the late Mr. Clarke, formerly a member of this House. Mr. Shanley also took a warm interest in the matter on behalf of his constituents and spoke against the bill. If aid had not been subsequently given to the railway, Prescott would not have received any benefit. It was more on the ground, however, that Prescott was really unable to pay, rather than on the account of legislative action in regard to it, that he approved of the doing away with the debt of that town entirely. The hon. gentleman went on to refer in detail to the various railways, and the aid they had received from municipalities, and the financial position in which they were now placed by the scheme. The municipalities which had aided railways borrowed \$5,867,400, and had paid back \$2,213,434. Certain members of the House had attempted to gain popularity by denouncing the Government for not giving aid to those townships in Ontario and Victoria which had given bonuses to railways under circumstances different from other townships. The township of Scott, for instance, was to receive nearly \$8,000. It had aided the Nipissing railway, but its money had been expended in the construction of the line to Uxbridge, and it was just as much entitled to its railway allowance as the city of Toronto. The hon. gentleman went on to show the very large amounts that had been expended by counties in the construction of gravel roads, showing that the notion that an allowance should be made on account of these was preposterous. He had no authority from the Government to speak about the scheme, but he had studied it all over and explained it as much as possible to hon. gentlemen, though he did not receive many thanks therefor from certain members.

Mr. RYKERT—It's your scheme.

Mr. WOOD—In one sense of the word it was his scheme, for it had been devised by the Attorney-General, who