

ONTARIO LEGISLATURE.

THIRD PARLIAMENT--SECOND SESSION.

TUESDAY, Feb. 27.

FIRST SITTING.

The Speaker took the chair at 3 o'clock.

REPORT BY COMMITTEE.

Mr. COUTTS presented the report of the Select Committee on the Bill respecting drainage in certain municipalities.

RETURNS.

Mr. WOOD presented a return of municipal statistics of the Province of Ontario for 1875.

Also—Municipal Loan Fund Surplus Distribution Schedules, showing the objects to which the fund has been appropriated by by-laws, and the payments made upon the same to the 1st of November, 1876.

TORONTO STREET RAILWAY.

On the order for the third reading of the Bill respecting the Toronto Street Railway,

Mr. CAMERON moved, "That the order be discharged, and that the House go into Committee of the Whole to make an amendment which had been agreed to by the parties, to the effect that the city of Toronto would bear the cost of any new kind of pavement over \$2 50 per square yard."

The motion was carried.

The House went into Committee and adopted the proposed amendment. The Committee then rose and reported progress.

RAILWAY AID.

Mr. PARDEE moved that the report of the Committee on the resolutions respecting railway aid be concurred in.

Mr. MEREDITH moved in amendment the recommitment of the Bill to Committee to strike out the clause which provides for the granting of aid to the Credit Valley Railway. He contended that the financial basis of that road as presented by the Company itself was not such as to justify the expectation that the road would be built. The granting of the Government aid would result in the Company asking further sums from the municipalities without any guarantee that the road would pay when built. The House should never have granted aid to a railway running through the section of country through which the Credit Valley passed, as it was already well supplied with railways, some of them being in an embarrassed position. He feared that the result of building so many railways would be that many of them would be obliged to repudiate their obligations.

Mr. PARDEE said that the principle that a reasonable financial basis should be shown by a road before it should receive aid had all along been recognized by the Government. It was some years since the Credit Valley enterprise had first been launched. At that time railway bonds could be readily disposed of, and the Company had every reason to think that they would be able to negotiate their bonds for an amount that would enable them to build the road. Acting on that belief they had applied for Government aid and for bonuses from the municipalities, and the municipal aid had been very liberally granted. Municipal money to the extent of \$1,000,000 had been expended. Since that time a great change had taken place, and it became a matter of some difficulty to negotiate railway securities. If this were a new scheme, the Legislature might be cautious before thinking of aiding this road on the strength of its bonds. The Company now showed that the time had come when the crisis in railway matters had about passed over, and that they were able to negotiate their bonds to the extent of \$7,500 per mile. It should be remembered that it was not pretended that the Company should buy their rolling stock, but they intended to lease it, which would reduce the cost considerably. Assuming that the Company were right—that a favourable change had taken place in railway affairs; that they could realize to the extent of \$7,500 per mile out of \$10,000 of their bonds, then there was good ground for the belief that they would build their road. He did not think it was the duty of the Legislature to construe everything against this road, in the face of the fact that they had expended such large sums. They should rather give them the benefit of their belief that they could negotiate the