

mistaken.

Mr. WOOD said that before the debate closed he would like to make a few remarks by way of explanation. He would first speak of the reference made by the member for Essex to the Agricultural Commission. The Commissioners had received from members on both sides of the House names of persons who, they thought, ought to be examined. The Commissioners, chosen from all parts of the Province, were best able to judge who were most competent to give evidence, and therefore it was that persons whose names were submitted by members on both sides of the House were not examined. As far as Essex was concerned he had no doubt that the best representative agriculturalists in that county had been examined. In regard to the question of the surplus, he pointed out that hon. gentlemen opposite had attacked only one item. They admitted that the Dominion bonds were part of the surplus, and that the deposit in the bank was an asset, but they denied that the Trust funds were an asset in such a sense as to form part of the surplus. They went further, and submitted that they were not available funds, and could not be disposed of—that they were trust funds. He thought it very inconsistent on the part of the member for East Grey (Mr. Lauder) to make this contention, because he had voted for a statute that made the interest on these funds part of the Consolidated Revenue. Hon. members opposite took the ground that these were trust funds, but here was an Act of Parliament which took the very opposite ground.

Mr. LAUDER—We do not deny that the revenue from these funds is part of the Consolidated Revenue, but that it is not available as capital.

Mr. WOOD—If the argument applied to the principal it also applied to the interest. He did not intend, however, to rest his case upon that alone, but upon the value of the assets. The hon. gentleman had differed with the hon. Commissioner of Public Works when he said that there was a surplus equal to a cash surplus of four million odd dollars. He agreed with hon. gentlemen opposite, but for a very different reason, and from a different standpoint. These funds represented more than half the surplus, whether they looked upon them as cash or not. The member for Glengarry had held that the Dominion bonds which mature in 1885 were badly sold at 105½. Now if these bonds of the Dominion were badly sold at 105½, he would ask of what value were funds which formed an interminable security? Were the hon. gentlemen prepared to find a broker who would risk his reputation by saying that these trust funds were not worth more than their face value? They knew they were worth more than their face value, and they also knew that if the Dominion Government offered to pay over those funds the Ontario Government would not dare to accept the offer, because they could not re-invest and get the same interest. Now, if they had funds in their hands bearing 5 per cent. which, if offered to them in cash, they dared not take, then he was right in holding that these funds were worth more than their cash value. As the population of the Province increased every ten years their share of the interest on the Common School Fund would also increase. On the first of January last, while Dominion bonds maturing in 1885 were worth only 104½, the same Dominion bonds, 5 per cent., but maturing in 1893, were worth 110 and 112. English capitalists wanted permanent security, and if these bonds maturing in 1893 were worth 10 per cent. above par, then the same obligation to the Province of Ontario, lasting, not till 1893, but for all time, was just as valuable to capitalists. If they could use the interest of the funds just as they pleased then that was an interminable annuity, and they had a right to sell it, and they could get more over a quarter of a million for it more than its face value. If that fund was not worth more to them than par value while it bore five per cent. interest, and the Dominion liable, how was it that Ontario scrip running from one to twenty years was sold the other day for 104½? Then they would say that the scrip of the Dominion was worth more than the scrip of the Province of Ontario. With reference to the liabilities he went on to say that he had been charged very unfairly with understating the liabilities of the Province. He had always given the liabilities at a larger sum than was really necessary, and he had assumed some liabilities which at a close calculation were not chargeable as such. It had been said that they did not assume as a liability direct payments on account of railways. For years they assumed the liability with reference to the 'Cobourg, Peterboro', and Marmora Railway, the grant to which road had lapsed. He also had assumed as a liability the grant to the Montreal and Ottawa Railway. The amount so assumed was

\$176,000 although there was nothing doing on the road and there was no guarantee that it would ever be completed. Still because the money had been voted and would be paid, should the road be completed, it had been placed as a liability. They had also assumed as a liability Quebec's portion of the Common School Fund. He was not aware of any liability beyond that at the time to which his statement referred, viz., the 31st December last. But hon. gentlemen said that the Government had authority to make a grant to assist in building a road from Gravenhurst to Lake Nipissing. At the same time hon. gentlemen knew that the Act granting such authority stated that it should have no force or effect until ratified by the House. With the knowledge that no agreement had been made or ratified by the House, still hon. gentlemen wanted the contemplated subsidy to be placed as a liability. They went further, and said although the Government had received no offer to erect the new Parliament buildings, and had entered into no agreement and approved of no plan, that they were in debt for the Parliament buildings. Would the hon. member for North Grey say to whom they owed this money?

Mr. CREIGHTON—I said that this Legislature had voted the amount and put it beyond their control.

Mr. FRASER—Could we not repeal the Act to-morrow?

Mr. CREIGHTON—I wish you would.

Mr. WOOD—If the hon. gentleman contracted to build a house to cost \$4,000 would he say that, before the work was commenced, he owed that \$4,000? Hon. gentlemen further say that because they had taken authority to grant aid to the Kingston and Pembroke Railway, and one or two others of a kindred character, that they should place that as a liability, although they knew that it might be years and years before the first of these payments became due, and although they knew that the increased receipts from the lumber trade would enable them to meet all obligations for railway scrip. It was also contended that he had not treated the figures fairly. For their information he would give the figures with respect to the annual surplus of the receipts of the Province over the expenditure under the Bill of Supply. That surplus could be used for aid to railways. These surpluses were as follows:—

1872.....	\$1,212,791
1873.....	501,303
1874.....	1,101,220
1875.....	1,202,515
1876.....	335,631
1877.....	9,834
1878.....	deficit 154,113
1879.....	35,913
1880.....	surplus 202,271

The total receipts for these years amounted to \$24,563,000; the total payments, \$20,170,550, showing a surplus of receipts over expenditure of about \$4,000,000. He quoted these figures to show that they had reasonable expectations that the surplus receipts of the Province would be sufficient to pay for annual payments on account of railways, and they only failed in two years in this expectation. The prospect was that for many years there would be increased receipts from the Crown Lands Department. It made no difference, so far as the Province was concerned, whether they estimated the amount for this railway scrip and pay it out of the receipts of the Province, or whether they did not estimate the amount and yet paid it out of the Provincial receipts. The question of estimating the amount was not a factor in the case, but the question was, whether they would be able to meet the annual railway payments out of the receipts. Would the hon. member agree to that?

Mr. CREIGHTON—Yes.

Mr. WOOD—Very well. He would follow out the proposition. Ontario had a guaranteed liability amounting to \$186,000, payable annually for an average of fourteen years. Hon. gentlemen said if you desire to arrive at the true liabilities you are bound to capitalize those yearly payments, because they have to be met every year. Now at Ottawa under an obligation equally strong, and under the Confederation Act equally binding, the Dominion Government had to pay annually the sum of \$3,472,207 to the various Provinces. That sum capitalized represented \$69,456,000. He would ask if hon. gentlemen had ever denounced the Ottawa Government for deceiving the people because, being bound to pay this large sum, the Finance Minister had never capitalized it? But he supposed one system of bookkeeping would do for the Conservative Government, and another for the Reform Government; and that because we, having guaranteed the small sum of about \$186,000, and knowing it will be paid out of the ordinary receipts, have not capitalized it and treated it as a liability, that therefore we have done wrong. Would the hon. member for North Grey deny