

Act of 1873 (which he quoted) had assumed as that debt the whole amount of the debt that it had against the late Province of Canada, which that Act declared was then ascertained to be over \$73,000,000. Examining the accounts he found that in addition to the debt that had been assumed by the Dominion on behalf of the Province, the latter had been charged as at date of Jan. 1, 1873, with a surplus debt over and above the \$73,000,000 which was assumed by the Act of 1867, \$5,371,439, and it would naturally be expected that in 1873, when the debt was assumed, we would be credited with our full proportion of the amount assumed. Of this, the Province had only been credited with \$5,113,618 as its proportion of the debt, or a difference between the amount charged and that credited of \$257,821. In looking into the matter he found that certain charges were brought into account as against the late Province of Canada, which made a difference in the debt of \$678,069. The interest upon that at 5 per cent. compounded as was done in these accounts would now give the Province a sum of over a million dollars, interest and principal combined. While there were no doubt a great number of items which helped to make up this difference, still he found it was mainly made up of one large item. Referring to the Act of 1873, which stated that the 112th section of the B. N. A. Act should be read as if the words "\$73,006,088 84" were substituted for the words "\$62,500,000," he took the position that under that Act it was intended that the debt of the Province was to be assumed by the Dominion, as at the date of 1867, and not at that of 1872. If they were able to make good that contention—and Quebec was also pressing that view of the case upon the Dominion Government—

IT WOULD MAKE A DIFFERENCE

in favour of the Province of Ontario in the settlement of the accounts with the Dominion of over two and a half millions of dollars. (Cheers.) He found also in these accounts a claim against the late Province of Canada that had not appeared in the public accounts of the Dominion as such since Confederation, viz., a charge for arrears of payments to Indians under the Robinson treaty of \$140,800. ("Hear, hear," from Opposition.) Hon. gentlemen opposite said "hear, hear," but he had always noticed that when any statement was made in public that militated in any way against the rights or the interests of the Province it received the approbation of that side of the House. He hoped that not only the people of this Province, but their representatives in this House, would always be found standing up for the rights of the Province in regard to financial as well as to other matters. (Hear, hear.) He found that there was a charge of arrears of payments to Indians under Robinson treaty of \$140,800, and also a capitalization of annuities of \$302,380, altogether a total sum as at date of 1st July, 1867, of \$444,080. If hon. gentlemen would calculate the interest on that at five per cent. they would find that in 1873 it would amount to very nearly a million of dollars, and the discrepancy in the accounts was mainly accounted for in this way. The Hon. Treasurer then briefly explained the nature and extent of the treaties with the Indians, showing that they were two in number, one being with the Indians of Lake Huron, and the other with the Indians of Lake Superior. They were made in 1850, by Hon. W. C. Robinson on the part of the Province of Canada, and the Indians of those districts. The provisions of the treaties were such that under one \$2,000 and under the other \$2,400, were to be paid annually to the Indians, making a total annual expenditure under these treaties of \$4,400. At the time of Confederation these amounts and others that were due to Indians under other treaties were capitalized, the whole amounting to \$701,280, which was charged against the late Province of Canada as a part of the debt assumed by the Dominion. They in Ontario had supposed this was an end of this matter, but the treaties contained a provision that if in future years the revenues of the Province should warrant it, the subsidy paid to the Indians

MIGHT BE INCREASED

to the extent of four dollars per head. No move in the direction of making a demand for this additional subsidy was made until 1873, when those acting on behalf of the Indian population made such a demand, which was transferred to the Province of Ontario. The hon. Attorney-General was then, as now, in charge of the Government of the Province, and he repudiated the liability of the Province for the payment of this claim, declaring that it must be considered a liability as against the late Province of Canada, and suggested that the matter be referred to the Court of Chancery to be by them decided. Mr. Blake, on behalf of the Dominion, concurred in this view, that the question as to who was liable for the payment should be submitted to the courts, and that in the meantime the payments should be made without prejudice to either party.

Mr. MEREDITH—Was the proposed case ever tried?

Mr. ROSS said no case had ever been submitted. In 1876 an appropriation of \$11,000 additional was taken by the Dominion to provide for the increased subsidy, and up to the present time a like sum was appropriated every year for this purpose. He (Mr. Ross) could not under-

stand how this amount of \$140,800 charged by the Dominion for arrears for payments to Indians was made up, when the demand for additional subsidy was not made until 1873 and was not recognized until 1875. (Hear, hear.) In addition to this sum of \$140,800 the Dominion charged the Province with a capitalization of \$303,280. This capitalization was on the basis of twenty years' purchase of the annuities paid. Multiplying therefore the \$11,500 paid annually by the Dominion since 1875 by twenty, and assuming that it was a proper charge, it would amount only to \$220,000, instead of \$303,280. This statement of account had evidently been made up and furnished with the intention of making every possible charge against Ontario, leaving the Province to make the contention that these charges were not properly made, and he was adducing these things to show that they could not take the accounts as furnished as even measurably correct. (Hear, hear.) They must of necessity contain many errors, many inaccuracies, and many charges which the Province could not submit to, and which it should contend against. (Hear, hear.) In a speech that had been made in a place not very far distant from the chamber where they were now sitting, it was contended that in the whole of the territory affected by the boundary award there was

"NOT ONE STICK OF TIMBER,

one acre of land, one lump of lead, iron, or gold" that did not belong to the Dominion, or which would go to the Province of Ontario on account of the extinguishment of this Indian claim. The Lake Superior treaty covered the whole territory from Batchewaning Bay to Pigeon River and back to the height of land, which included the whole of the disputed territory south and east of the height of land. By that treaty the territory was ceded by the Indians to Her Majesty the Queen, and who, he asked, represented the Queen in this Province? Was it not the Lieutenant-Governor of the Province? And under the Confederation Act any portion of these Indian lands that were found to be within the bounds of any Province belonged to that Province. (Hear, hear.) The award between Quebec and Ontario, in which the Dominion arbitrator took part, provided that the Indian lands, with regard to which the annuities were capitalized and assumed as a portion of the debt at the date of Confederation, should belong to the Province in which they were situated, free from any claims from the other Provinces. (Cheers.) Hon. gentlemen would find that it was stated that up to December, 1871, there had been received by the Dominion on account of Ontario the sum of \$597,458, and disbursed for the Province the sum of \$943,473, making an excess of disbursements over receipts of \$346,015; but the responsibility of this excess of disbursements over receipts lay not with the present Government, but with the Government who at that time had charge of the Province of Ontario, viz., that of Mr. Sandfield Macdonald.

THE SURPLUS.

It had been charged repeatedly in the House that the surplus was being exhausted, and the expenditure was rapidly and alarmingly increasing, and that this increased expenditure was owing to extravagance. He had a statement of the surpluses reported in the budget speeches for the last ten years, because 1873 was the year in which the surplus debt was assumed and the surplus trusts funds were taken over as a portion of the assets. In 1873 the surplus was \$4,332,294; '74, \$5,756,352; '75, \$5,096,376; '76, \$4,873,203; '77, \$4,752,798; '78, \$4,430,993; '79, \$4,309,027; '80, \$4,220,088; '81, \$4,509,591; '82, \$4,509,591; and in '83, \$4,384,241. By following these figures it could be seen that such was not the case. Of course there were the ups and downs. They might have large receipts from the timber sales and other sources from year to year — (hear, hear, from Opposition) — and there might be exceptional expenditure, and the surplus would go down. The charge which had been made, that the surplus was systematically, gradually, and alarmingly being reduced, from these figures was unfounded. (Hear, hear.) When he said there had been an increased surplus from the sales of lumber limits, hon. gentlemen opposite had said "Hear, hear." It was true that the policy of Mr. Mowat's Government had not been to accumulate a surplus. (Hear, hear.) They did not consider this the aim of the Government. They considered that the end and aim of the Government was to use the finances for the people's benefit and to the best possible advantage. (Hear, hear, and cheers.) The charge had been made that the Government were, by these timber sales, selling their property. The hon. gentlemen opposite had condemned these sales. Were they going to permit that timber to be burned and destroyed and not take the means they had of bringing these lumber limits into the market to preserve rather than waste them? The parties buying the limits were interested in preserving these districts from fire. The hon. member from West Toronto had made a statement the other day with reference to the sale of timber lands. He would say that it came with ill-grace from any representative of the city of Toronto to speak of the disposition being made of revenue from woods and forests and Crown Lands' revenue, as a large portion had been used to enable all these railways to come to the city of Toronto. (Hear, hear.) Would the people of Toronto allow this to be said?