

favorable terms. In discussing the rate of interest, and in making comparisons with the rates paid by the Dominion Government, for example, on its bonds, we must not overlook the fact that, while we are at no expense whatever in the way of brokerage, stamp duties, exchange or commission, the contingent expenses under these heads attached to Dominion loans, their issues being payable in England, make up a formidable item. In one of the recent Dominion budget speeches the Finance Minister states that these contingent charges increase the rate of interest by 1-3 per cent., and Sir Leonard Tilley, in his budget speech of 1884, in dealing with this very question uses these words, "Taking money at par in Canada, the interest and principal paid here is as good as at two or at two and a quarter premium in England." We have had so far five sales of these annuities. The first of these, namely, that of 1834, was effected on a basis of a little less than 4-1-2 per cent., while as to each of the others the rate is a trifle under 4½ per cent. The exact figures as to each of these transactions I will place in the hands of hon. members. Had we effected a sale in England at 3½ per cent., the brokerage, exchange and other charges incident to it, together with the expense incurred in transmitting the half-yearly payments from time to time, would more than counterbalance the difference in the rate. While on this subject I must not forget to mention that the next issue of annuities, if another issue be required, will be for a much smaller sum than each of the existing issues. If hon. gentlemen will notice the schedule of railway liabilities in their hands they will see the reason of this.

RAILWAY AID EXPENDITURE.

We have, I am delighted to say, arrived at the time when our railway aid expenditures will rapidly become noticeably less. This year our payment will be \$141,218 as against the payment last year of \$252,179, or a saving of more than \$110,000 in a single year. At the end of five years the payment will be again reduced by a large amount, while for the next five years there will be annual reductions most welcome to our ratepayers.

We may well congratulate ourselves on the fact that we have already successfully rolled off by far the heaviest part of this burden. Our payments for the last ten years have averaged over \$271,535 a year; during the next ten years the average payment will be less than \$107,808 a year, a difference on the right side of more than \$163,727 a year.

Mr. H. E. Clarke—Say more grants to railways.

Hon. Mr. Harcourt—I am dealing with facts as we have them now. The House will decide whether there will be further grants or not. I am speaking of existing facts, not of possibilities or probabilities.

All this reminds us of the early legislation of the Province, and especially of that of 1871, that being the year when the railway aid policy was inaugurated. A brief summary of it, both as to grants and results, may not be out of place.

In 1871 a fund of \$1,500,000 was set apart to aid railways on certain conditions. In the same year \$400,000 was added to this fund, and a railway subsidy fund created by setting apart \$100,000 a year for twenty years. These twenty years in the meantime have swiftly rolled by, and during the past year we made the very last of these payments of \$100,000 each, and therefore it is that this year's burden will be much lighter than that of previous years.

In the session of 1874, to continue my summary, authority was taken to substitute annual payments for a period extending over twenty years in lieu of a fixed sum per mile.

Particular roads were singled out for special aid in the sessions of 1876, 1877, 1878, 1881, 1889 and 1890. In 1879 we passed an act authorising the issue of railway scrip or certificates for railway grants, and in 1884 power was taken to issue the annuities we have been speaking of for retiring

railway scrip. In these various ways the Province has directly appropriated to and spent in assisting railway construction about \$7,000,000, besides an indirect appropriation by payments to municipalities under the Municipal Loan Fund settlement of \$1,336,997. This very liberal measure of aid stimulated enterprise on the part of the municipalities, the result being municipal subsidies amounting to about \$14,000,000. We have completed since Confederation 4,450 miles of railway. The roads now under construction and receiving aid are the Port Arthur, Duluth & Western Railway and the Parry Sound Colonisation Railway. I placed in the hands of hon. members last year, as I have again done to-day, a statement showing the amounts payable annually for certificates issued by the Province in aid to railways. The statement of last year differs very widely, I am glad to say, from that now in your hands.

During 1891 we paid to six of these railways the very last instalment due them, so that all our obligations, as far as these six roads are concerned, have been paid in full. These roads are:—The Brantford, Norfolk & Port Burwell Railway; the Canada Southern Railway; the London, Huron & Bruce Railway; the Midland Railway; the Prince Edward County Railway, and the Toronto, Grey & Bruce Railway. We have paid to these six roads, taken together, the large sum of \$1,475,146, made up as follows:—

B. N. & P. B. Railway.....	\$129,353
Canada Southern Railway.....	244,559
London, H. & B. Railway.....	268,839
Midland Railway.....	215,511
P. E. County Railway.....	155,520
Toronto, G. & B. Railway.....	461,364

Last year we made payments in aid to twenty railways; this year the list is reduced to fourteen. In 1893 there will be only eight, while in 1904, only twelve years from now, the solitary survivors of this long and honored list of Provincial pensioners will be the Port Arthur, Duluth & Western Railway and the Parry Sound Colonisation Railway.

Remembering the enormous load of obligations already discharged, this glance into the future, with its rapidly-diminishing burden, is certainly reassuring. In a word, we have these two pleasing facts to place side by side: first, that the Province started out over twenty years ago with a vigorous, liberal and successful policy in the direction of aiding railways, the municipalities, too generously it may be in some cases, rendering prompt assistance; that our facilities in the matter of railway travel are, all things considered, extremely creditable to us; and, in the second place, that we have without difficulty or embarrassment met these large railway obligations, that they are rapidly decreasing in amount, and that those yet to mature are very small as compared with those which we have already paid.

Further, these early railway obligations are, be it remembered, as far as we are concerned, the post obits of the first Parliament of Ontario, handed down by it for its successors to discharge.

RAILWAY OBLIGATIONS.

One more remark and I will conclude what I intended saying upon this branch of my subject. From time to time it has been contended by hon. members of the Opposition that in order to ascertain what our surplus is we should first capitalise our maturing railway obligations and treat the capitalised sum as a present liability. We have refused to do this, contending that we could as reasonably capitalise our different yearly receipts and class the capitalised sum as a present asset. We have further pointed out that the Dominion Government has aided railways in the same way, and that maturing railway obligations of this kind are not treated by the Dominion Finance Minister as a part of the existing debt of the Dominion. What I wish, however, now to point out is this: that our opponents in adhering to this argument are, it would seem, deliberately keeping out of sight the history of the legislation relating to railway aid; that