

summer were sold at 3 1-4 per cent., and in answer to a further inquiry stated that the present value of the annuities and railway certificates discounted at 3 1-4 per cent., the rate at which he sold the annuities, was \$3,125,347, or \$356,189 more than his statement as to the value in his budget speech. This statement of surplus is also incorrect, inasmuch as he does not deduct the amount from the assets.

#### The Treasurer's Reply.

Mr. Harcourt, in his reply, asked Col. Matheson to show how the public was misled, either in what was stated or what was not stated. He reminded the House that in his budget speech he had given only a partial statement of assets. The Government could readily prepare a statement of assets which would swell up the total by millions of dollars. There were unpaid balances on account of Crown lands aggregating \$800,000, an amount two and a half times greater than the deficiency complained of by Mr. Matheson. The old Parliament buildings property was worth \$600,000, and a Yonge street property belonging to the Government was paying 4 per cent. on a valuation of \$100,000. So that while Mr. Matheson complained that the liabilities of the Province had been understated to the amount of \$300,000, the assets might be increased by \$1,500,000. If the argument was good on one side, why not on the other? That the people had not been misled was proved by the fact that not only was the whole indebtedness on account of railway certificates and annuities given, but the basis of computation was also given. The Auditor had put the basis of computation at 4 1-2 per cent., and the reason why he had done so was because when the first sale of annuities was made the interest yield to the purchaser was about that figure. The interest yield to the purchaser had been reduced from year to year to 3.24 per cent., and that figure

would be the future basis of computation. Mr. Matheson was speaking of liabilities which would not mature for 40 years. On the other hand, the Province had a subsidy from the Dominion payable in perpetuity, and if he desired to be just in contending that the annuities were a present liability he would capitalize the Dominion subsidy and add it to the assets of the Province.

Mr. Marter took issue with the Provincial Treasurer's statement that the people of the Province have not been misled. The people, he said, should be able to have and should put their faith in the Ministers of the Crown. He referred to a statement of the Provincial Secretary, who, in addressing a public meeting, had pointed to the surplus of \$5,000,000 which, he said, had been saved by the Government, and characterized the statement as untrue and misleading. The trust funds held by the Dominion Government are not, he asserted, available; the Government cannot put its hands upon one dollar of it, and, therefore, must certainly hold the same relative position as the liabilities which are not, according to the Treasurer, presently payable and therefore are not included in the statement of liabilities, but the Treasurer takes good care to include these trust funds among the assets. That is where

the statement is misleading, as the term surplus is generally accepted as indicating the amount available over and above the liabilities. Many of the people do not know that this surplus is composed of trust funds, but expect that it is cash.

#### An Old Member's Reception.

Next to Dr. Baxter of Haldimand the honor of being the member who has held his seat longer than any other member of the House belongs to Mr. Gibson of Huron, who has signified his intention of voluntarily retiring from public life at the close of this Parliament. Mr. Gibson, on rising to reply to Mr. Marter, was greeted with hearty applause from the Government benches. He made an excellent speech replete with instructive reminiscences of the Legislature during the 25 years he has been a member of it, and indicating a thorough and complete knowledge of the financial affairs of the Province during that time. He contended that the land improvement fund, although a trust fund, has not to be paid, inasmuch as the Province has paid it out and distributed it already amongst the municipalities, so that sum is a good asset. He reviewed the history of the various grants to railways during the Sandfield Macdonald and Blake Governments, and emphasized the fact that Hon. G. B. Wood, when making the statement concerning the surplus that has been frequently referred to during the budget debate, that the \$1,500,000 voted could be spent in railway aid and that the surplus would be intact, was not so foolish or so misleading as to say that he could, as this Government has done, grant \$10,000,000 to the railways, and it was in this respect that a misapplication of Hon. Mr. Wood's statement had been made by the hon. member for North Toronto. At that time there was no contemplation by the Government of spending one dollar more than the \$1,500,000 appropriated. But that was not the policy of the Reform Administration; had not the Blake Government gone on and spent more there would have been \$8,500,000 in the treasury, which would have amounted by this time to at least \$12,000,000 or \$13,000,000. But the country had received the benefit of the railways, and it is useless for the Opposition to talk any more about Sandfield Macdonald's surplus, even if it really was a surplus. At the time Mr. Blake moved his resolution for railway aid the County of Lanark was owing to the Province \$1,400,000 for money borrowed to encourage railways. Other counties also borrowed money, but his own county (Huron) repaid the whole amount. It did not, like the county represented by his hon. friend (Mr. Matheson), repudiate the obligation, thereby lowering the credit of the county. The policy in regard to the sale of timber lands was settled by the unanimous consent of the House in 1873, so that the Opposition had no cause to criticize the course which the present Government had pursued in regard to the management of this important part of the Provincial heritage. Mr. Gibson made a most effective comparison of the methods pursued by the Liberal Government of Ontario with those of the late Government at Ottawa in regard to the disposal of public timber lands. Coming down more particularly to the ques-