

ties to grant aid where disaster by fire has taken place, and possibly in other entirely exceptional cases, this House is of opinion that the door has been opened too wide, and that hereafter a discrimination should be exercised which will confine the granting of legislation to cases of such an undoubtedly exceptional nature as loss by fire, and that special legislation shall not conflict with the spirit of these resolutions; and further, that such special legislation shall not confer power on any municipality, in the case of such industrial disasters, to grant relief by more than a limited loan or exemption from taxation for a period of years.

And that this House is further of opinion that in any such undoubtedly exceptional case special legislation should be granted, the requirements of the repeal provisions of the municipal amendment act of 1888 should be insisted upon, and that the bill should contain without modification the following clause:—

"The vote of two-thirds, in the affirmative, of the ratepayers who are entitled to vote upon any by-law granting aid to a manufactory or manufacturing establishment, or for lending money to such company, person or establishment shall be necessary in order to the carrying of the by-law for such loan or exemption from taxation to an establishment destroyed by fire."

Speaking to the motion, Mr. Pattullo claimed his own opinion was that the time had arrived to prevent municipalities granting aid to industries either directly or indirectly. The proper domain of municipalities lay in civic and corporate affairs; they had no business to interfere by way of bonus or other privileges with any business that might be carried on in the municipality. The legislation which permitted bonuses was class legislation in the interest of the manufacturers, and the effect was to foster certain industries at the expense of others. He believed in the promotion of the industries of the country, but he protested against the selection of a particular class to receive special aid from the municipalities. The bonus system was contrary to British precedent and practice, and he was glad to know that that was a fact that would have weight with all parties in this country.

May Be Ultra Vires.

He believed there was a doubt as to whether it was constitutional for the Legislature to confer upon municipalities the right to bonus industries. The Dominion enjoyed exclusive power with reference to matters of trade and commerce, and what would be the opinion of a court if it were asked to decide whether the granting of public moneys or the remission of taxes related to trade and commerce or municipal government? In his opinion, if the question were taken to the courts it would not be at all sure that municipal debentures issued for bonus purposes could not be called in question. To carry the point further: If municipalities could aid particular industries at the expense of other lines of business, and of the people of the country,

why could they not levy duties at their boundary lines the same as was done in the City of Paris? Look at what had been done on the other side of the line. There in about thirty States of the Union the constitution had been amended so as to make the bonusing or aiding of municipalities illegal. The rule in these constitutional amendments was that the taxation should be uniform and equal. For the same principle he was now contending. A judicial decision in the State of New York had in effect declared that municipal bonds, to be paid by taxes, could not

be issued under legislative authority as a bonus to secure the erection of a factory by private individuals. It was said that unless the bonus system were permitted in Ontario our industries would be attracted to Quebec, but he desired to point out that there was a bill before the Legislature of that Province having in view the same object as he desired to see carried out here. The bonus system had worked hatred and rivalry among municipalities where there ought to be nothing but friendly good-will and emulation. It was capable of demonstration that in very few cases where the system had been tried had it worked any good to the municipalities; in most instances they had received nothing but harm. Most of these municipalities would have been very much better off if they had never given a bonus, and they would have had millions of dollars to spend upon public improvements, better fire protection and better streets. A very strong objection to the system was that it had been cruel to labor. It had worked great injury to the workingmen, and had caused cruel injustice in many instances. He desired to protest against the practice of railways and other great corporations holding up municipalities, and demanding favors which they did not need and ought not to receive. These tactics were invariably successful because of the competition between municipalities, and it was a sad reflection upon that Legislature that such privileges could easily be obtained by way of special legislation. He had no hesitation in saying that the demands of some of these institutions, and which had been acceded to, were infamies legalized under the forms of law. Another bad effect of the bonus system was that it had injured the real estate business of the country. Owners of real estate felt that the condition of things which existed by the presence of a particular industry might be disturbed at any time by the removal of that industry, in consequence of special inducements, to another municipality. The bonus system had caused injury to the manufacturers themselves.

Loss to Manufacturers.

It resulted in very great loss and confusion, and prevented the permanency of conditions which was necessary to industrial success. It was not uncommon to find men going into manufacturing industries for which they were not suited because they saw a profitable means of investing their capital without exercising the special knowledge they possessed, but simply because they were tempted by bonuses, loans or exemptions. But for that they would never have entered the business. There were three conditions in-