

PROVINCIAL ASSETS.

By the B.N.A. Act the Province was to have for its own use and profit all its Crown Lands, and to receive a subsidy from the Dominion in proportion to its population by the then last census. The Province was also entitled to the trust funds and other moneys owing to the Province by the Dominion at the time of Confederation. Under the provisions of the British North America Act all the Canadian Provinces had an advantage as regards financial matters over all, or almost all, other civilized countries. For these depend for revenue chiefly upon the taxes they levy from year to year. We do not; our revenue is derived, or chiefly derived, from altogether other sources, and in the first four years after Confederation the Province did not even use all its receipts from those other sources. The reason was this: By the B.N.A. Act the Dominion assumed \$62,500,000 of the debts of the old Province, every other of the Confederated Provinces being allowed an equivalent. The debts of the Province of Quebec exceeded the sum named, but by how much was not known. Of the excess, whatever it should be, Ontario and Quebec were to pay each its share. To pay Ontario's share the Government kept unexpended as much as they could of the Provincial receipts, in order to pay such share when the amount should be ascertained. The revenue which was accumulated for that purpose, and either temporarily invested or deposited in the banks, amounted to about three and a half millions of dollars (or more exactly \$3,595,645). Mr. Sandfield Macdonald, the Premier for those four years, is frequently represented as having kept the money with a view to using the interest only in the annual expenditure. That is alleged to have been the policy of his Government, and the Reform party is blamed because of the money having since been used, or partly used, for public purposes. But it is a mistake or a misrepresentation to say that Mr. Macdonald's policy was to keep the accumulated money untouched, and to use the interest only. He had no such thought. The following was his own express and distinct statement on the subject in the House in 1871, as reported at the time:—"For the first time in the history of this country the House had to deal with a surplus, which had accumulated in the treasury of Ontario. . . . The Government had been blamed for not disposing of the surplus before, but they had felt that it would be very hazardous to anticipate in advance the ascertainment of the liability which this Province would be exposed to as respected the disputable sum of the public debt assumed by the Dominion Government. The Government had now ascertained that its proportion of that debt was not so large as to justify the withholding of that portion of the surplus which has to be devoted to the development of the resources of the Province, commercial and agricultural. There being such a surplus on hand, the House would be recreant to its duty if it did not provide means for opening up the country. It had been urged that a portion of the surplus ought to be appropriated to purposes other than those proposed, viz., railway aid. There were, no doubt, a number of things which were worthy of consideration. . . . As to other questions which honorable members in the interests of their constituencies had brought under the attention of the House, while he admired their zeal, they must not hope that the Government would be in a position this year to deal with these other matters. The feeling of alarm, which would be justifiable if it was proposed to devote the whole of the surplus to aiding railways, had no real ground, since it was proposed only to deal with a portion of the surplus, and still leave ample means wherewith to treat these other