

Canada Land Improvement Fund from the day of the abolition of that fund to the 1st day of July, 1867, \$124,685.18; one-fifth receipts on Crown lands so sold and money so received, \$101,771.68, making a total due of \$231,575.94. To this sum I contend interest ought fairly to be added, as the municipalities are fairly entitled to the interest which is paid on their trust funds. In this connection, I am advised the Government have charged no less than 20 per cent. for the collection and management of those moneys. Whereas section 14, of 16 Vict., Chap. 159, says:

"Provided always that not exceeding six per cent. on the amount collected, including survey and management of Crown Lands Fund, shall be chargeable."

The Hon. S. C. Wood, Treasurer of Ontario, in a letter addressed to the hon. Finance Minister, says as follows:—

"The Government of Ontario are simply the agents through whose hands the money will pass, as when it is received from the Dominion, it will be immediately paid over to the different municipalities entitled to it. The two amounts of \$124,685.18 being one-fourth of the school lands, and \$101,771.68, being one-fifth of the Crown lands, make up a total of \$226,456.86, and as I am in constant communication with the representatives of the various municipalities entitled to receive these funds, I shall be pleased to learn of your intention with reference thereto and as to whether you propose to take a vote in the Supplementary Estimates to enable you to make an early payment of these sums.

"I am, my dear Sir,

"Very truly yours,

"S. C. WOOD,

"Treasurer."

That an Order in Council was made, and that the Dominion Government considered themselves bound by the decision of the award, is further illustrated by a communication addressed by the Hon. E. B. Wood, late treasurer of Ontario, under date 1870, to the then Finance Minister, the Hon. Sir Francis Hincks, which reads as follows:—

"You will recollect the discussions we had on this fund, and the conclusions to which you informed me your Government had come, that inasmuch as the arbitrators in dealing with the Common School Fund would necessarily have to decide as to the allowance or disallowance to the Upper Canada Land Improvement Fund of one-fourth of the receipts from common school lands paid between 6th March, 1861, and 1st July, 1867, on school lands sold between 1st June, 1853, and 6th March, 1861, your Government would be bound by and follow that decision in respect of one-fifth of the receipts from Crown lands sold and paid during the respective periods above mentioned, and you informed me that an Order in Council to that effect had been passed. The arbitrators have decided that one-fourth of the proceeds of the common school lands shall be added to the improvement fund, therefore, your Government is bound by its solemn promise to add to the same fund one-fifth of the proceeds of the Crown lands."

This is now the third time I have brought this matter before the House, and I consider that there should be no further delay in doing justice to the municipalities interested, many of which are interested to a large amount; in Perth, for instance, the amount received by the Dominion Government on Crown lands having reached \$58,265.91, and on school lands \$107,457.57. The award made has been approved by the Privy Council. There is, therefore, no reason why the Government should decline any longer to pay that money to the Province of Ontario, which will then distribute it to the municipalities interested. I do not charge the delay alone against the present Government. The late Government held office for five years during which efforts were made to bring matters to an issue and have the money paid over to the Ontario Government. I can see no advantage to the Dominion Government in continuing this state of things, while they pay as high as six per cent. on trust funds, one-quarter and one-fifth of which respectively belongs to the country—five per cent. for a very large amount, and six per cent. for a smaller portion; while the counties and townships entitled to the money are paying six or seven per cent. in many cases for the money they require to carry on to completion the public works for which this fund was first created. I am further informed, in the communication to which I have already referred from the Hon. S. C. Wood to Mr. HESSON,

the Finance Minister, that it was the intention of the late Government to have brought the matter to a final settlement immediately after the elections. The following is the statement:—

"The Government of Ontario are particularly anxious that a settlement should be arrived at as between this Province and the Dominion of Canada, and for that purpose pressed upon the late Finance Minister the necessity of a final adjustment of the accounts. It was the intention on the part of the late Government to take up that question immediately after the elections."

Not having been elected to office, the late Government cannot be held responsible for the present delay. I trust the Government will see the delay is not continued longer. It is beyond question that since the arbitrators have given their award, since the award has been approved by the Privy Council, this Government have nothing to do but either pay the money, or, at all events, the interest regularly until they are in a position to pay the principal. I am informed the Government are in possession of funds that are now deposited in various banks of the Dominion that are paying four per cent. It would be much wiser to pay that money over to the Province of Ontario, which will repay it to the municipalities. I see that this matter was brought before the Local House only a few days ago, and that the responsibility for the delay was thrown on the Federal Government. I am exceedingly sorry that it should be chargeable with a delay of this nature, when the only reason could be that the matter had not been properly brought to its notice. Perhaps I have not, myself, placed it as strongly before this Government as I ought. I feel on this occasion that I have discharged my duty to my constituents, and I hope I shall have the assistance of hon. gentlemen opposite, as well as that of the Federal Government, in striving to save the various municipalities from being called upon again to make application to this or the Ontario Government for the payment of the dues to which they are honestly entitled.

Sir LEONARD TILLEY. This matter has been delayed in order to obtain from the Deputy Minister of Finance, some information for submission to the House. That officer has placed in my hands a memorandum which I shall read, and then hand to the hon. gentleman (Mr. Hesson). It is as follows:—

"By the 7th clause of the award of the arbitrators, the sum of \$124,685.18 being part of the Common School Fund is to be placed to the credit of the Upper Canada Improvement Fund. The clause is as follows:—

"VII. That from the Common School Fund as held on the thirteenth day of June, 1867, by the Dominion of Canada, amounting to \$1,733,224.47, (of which \$58,000 is invested in the bonds or debentures of the Quebec Turnpike Trust, the said sum of \$58,000 being an asset mentioned in the fourth schedule of the British North America Act of 1867, as the Quebec Turnpike Trust) the sum of \$124,685.18 shall be, and the same is hereby taken and deducted and placed to the credit of the Upper Canada Improvement Fund, the said sum of \$124,685.18 being one-fourth part of moneys received by the late Province of Canada, between the sixth day of March, 1861, and the first day of July, 1861, on account of common School lands sold between the 14th of June, 1853, and the said 6th of March 1861."

"The balance at the credit of the Common School Fund is, by the Dominion balance sheet, \$1,645,644.47, and is derived as follows:—

Balance, 30th June, 1867.	\$1,733,224 47
Less amount, Quebec Turnpike Trust, Debentures	58,000 00
Less amount, Quebec Turnpike Trust, Debentures	29,580 00
	87,580 00
	\$1,645,644 47

"How the amount \$124,685.18 was arrived at I have no means of knowing, as all books, papers, etc., relating to the Crown Lands Department were transferred to the Provinces at the time of Confederation; but, I find the sum is detailed in a return, No. 26, of 1880, rendered by the Crown Lands Department to the Legislature of Ontario. With the exception of one letter from the treasurer of Ontario of the 22nd March, 1879, there is no correspondence, and that letter only mentions the amount payable under the award.

"By the 8th clause of the award the residue of the Common School Fund is appropriated between the Provinces, and it would be incon-