

THE RAILWAY SUBSIDIES.

Though the surplus, in respect of the Ontario's Treasurer's special items, is upwards of five millions of dollars after deducting all liabilities presently payable, and though our surplus is more than fifty millions, when all our revenue-producing assets are taken into account, and all liabilities deducted, including those not presently payable, yet Opposition speakers and writers choose to say, and they sometimes get the unthinking to believe, that any supposed surplus is a myth, and that the true state of the assets of the Province is to be ascertained by setting off against the special items mentioned in the Treasurer's annual statement (omitting all other assets) the total gross amount of our liabilities for railway annuities and certificates, though not presently payable, and without even making any deduction in consequence of these liabilities not bearing interest before becoming payable. Other opponents are still more wild in the same direction, for they would also exclude from the account of assets all the funds of the Province in the hands of the Dominion, except any represented by debentures. As to the railway certificates and annuities, they say that, though not yet payable, they are debts of the Province. I agree that, in an account setting forth (as I have been doing) all our assets on one side, all our liabilities of every kind should be set down on the other side, and at whatever sum may be proper. But if in the account or balance sheet you only set down some of our assets, and, in fact, but a small part of them, what then? Why set future liabilities against these special assets? Why set future liabilities, which bear no interest, against items which bear interest, when the account leaves out all other assets? Why not set future accruing liabilities against future accruing items of our assets? The accruing interest on the items of interest-bearing assets will be far more than enough every year to pay accruing annuities and certificates coming due in that year. The interest received on the items specified in the Treasurer's last financial statement, amounted on the 31st December, 1892, to \$336,729, while the railway certificates and annuities due in 1893 were \$219,616 only. The amount for the Province to pay in 1897 will be considerably less than it was in 1893, and there will be a further drop in subsequent years.

So, again, even if we had not that interest coming in, we shall have an annuity accruing to us every year from the Dominion Government of more than five times the railway annuities and certificates which we shall have to pay in that year; and this annuity is not amongst the assets from which is shown the surplus of five millions or more. What common sense, then, is there in saying that the annuities which in future years we have to pay are not to go against either the annuity to be received, or the interest accruing in those years, but against our cash capital only?

THE DOMINION VIEW OF RAILWAY SUBSIDIES.

The Opposition pretence, that, in stating the amount of our debts presently payable, these other liabilities should be added as ordinary debts, is specially curious in that the argument is in the direct teeth of the practice of their own party at Ottawa, as I have already intimated, and though the Dominion practice has not the support of any accruing revenue worth speaking of from timber or Crown lands, or from other sources, corresponding with the items of Provincial assets which the Treasurer names in his statement. The Dominion treats all annuities, whether terminable or permanent, as on the same footing with the pay-