

cipality was only to be measured by the assessed value of its property in 1858, and all beyond the rate of five cents in the dollar was effectually wiped out by the operation of that Act. Some hon. gentlemen have discussed the question without being properly informed, so I will refer to the two sections of the Act which show what the true liability amounted to when the Hon. the Attorney-General introduced his resolutions. Section 88 of chapter 83 of the Statutes of Canada says:—

88. A sum equal to the amount of five cents in the dollar on the assessed yearly value, or a like percentage on the interest at six per cent. per annum on the assessed value of all the assessable property in every municipality which has raised money by debentures issued under the Acts mentioned in the preamble to the last preceding section, shall be paid by such municipality to the Receiver-General, on or before the first day of December, in the year one thousand eight hundred and fifty-nine, and every year thereafter, unless and until the total amount in principal and interest payable by such municipality to the Receiver-General under the said Acts by reason of such loan have been paid and satisfied, or a smaller sum shall be sufficient to satisfy the same in any year, in which case such smaller sum only shall be so paid.

Then section 91 decides that the assessment shall be that of 1858 :—

91. The sum aforesaid shall be *instead of the payments which the municipality would otherwise be bound to make* to the Receiver-General under the Acts hereinbefore mentioned ; But if it be not paid as hereinbefore required, the municipality shall be held to be in default, and shall be liable to be dealt with in the manner provided by this Act, with regard to municipalities in default.

So that the first principle on which the Attorney-General offered his resolutions to this House for sanction, was to take the debts capitalized on the assessment of 1858 at 5 per cent. This effect of the Act brought down these debts to three millions odd, and the next step was a very easy one. It was to do in favour of municipalities aiding railways before Confederation what we have been doing for railways since, and to refund them the amount of aid they gave to railways, to the extent in which this was rather public and general than municipal or local in its character ; to allow them something for their public contributions on the basis of what the Legislature has assumed as its minimum, namely