

industries at the Soo, that money will be paid back to the Province. And there is another feature. Supposing that money should not come back, if we never receive a dollar of it in that way there is another phase of the question which should not be overlooked in connection with the subsidies of the Manitoulin and North Shore and Algoma Central Railway. A large number of miles of the road are constructed and in operation, perhaps 70 or 80 miles, with great quantities of rolling stock and equipment, and this road was ere this entitled to the land grant voted by this House for the portion of the road completed had they claimed it, and asked to have that set apart as the Act provides. But so far, they have not received one acre of land by way of subsidy in any way that I am aware of. Now, if we should lose \$250,000 we could cancel the subsidies and the Province would be a long way ahead. Therefore, is not it a perfectly fair and reasonable transaction to have placed this expenditure as it is, and not have it charged in connection with the expenditures of last year.

#### The Railway a Good Asset.

Another item, too, which my Hon. friend objects is an item on the first page of our statement of the liabilities in connection with railway certificates which he says are not the amounts which are indicated here. The amount indicated here is \$4,022,810, and Hon. gentleman, as stated in this article, claim the amount should be \$6,675,931, exactly the face value of these annuities, and includes interest to maturity, although these certificates will not mature, many of them, for a great many years. Now, I ask any financier, any man who gives any thought to this question if this is not a very unreasonable and very unfair statement to make. For instance we provide under this statement for the actual amount of cash required to liquidate those annuities at the end of last year. That, summing up all the liabilities that we have at the present moment. Interest is included and it would not be fair if we should pay the interest for 20 years to-day, if

we liquidate the liability to-day. Take, for instance, a man who figures up his business at the end of the year and has a note running, \$1,000, at five per cent, for five years. If he had his interest paid up to date his liability would be \$5,000. Nobody would think of adding the interest for the next five years and calling that a liability. And then, one other item, and that is all that the Hon. gentlemen objected to, as far as I know, in making up the assets and liabilities, and that is the two and a half million dollars expended on the Temiskaming Railway. I do not know whether that is the correct amount, or not, but assuming it to be so for the moment, that, he says, should also be added to our debt. Now, I ask business men on either side of the House if that is a fair thing to do unless you place the Railway, as far as it has gone, on the credit side of the account. We own the railway and I presume it has been reasonably and cheaply built. The Commissioner of Public Works will no doubt refer to that when he speaks. It is good value for the money, and I venture the statement that other railway companies, when that road is completed, would be very glad to get that road for the amount it cost to construct. Therefore I say it is not a fair position to take at all and the Auditor's statement is the one that is reasonable and accurate, that we have a surplus over liabilities, and also a surplus over the year's operations to which I have referred.

#### Bonus for Timber.

Then, we are told that bonus for timber should be treated as capital and should be used, if I understand correctly, in two ways. One way is to pay our debts, and the other is for some very important capital expenditure. I think I quote the Hon. gentleman correctly when I put it that way. Now, I want to call the attention of the House and country to the fact that this is just exactly what is being done now. Railway certificates and railway annuities, the liabilities of the Province, as they mature each year, are