

vince. As previously stated the assessment roll of these localities is for the most part stationary, if not falling off, and the real value of the debt to the Government is consequently no more than the five cents on the dollar of annual assessed value, capitalized. If we capitalize at six per cent., which is the least rate we ought to assume, the sum will be just five per cent. of the total assessment, which would give the following as a very close valuation of the loans made to the railroading municipalities aforesaid:—

	\$		\$		\$
Brantford	82,849	<i>Brought forward...</i>	567,774	<i>Brought forward...</i>	1,428,498
Brockville	53,770	Lanark & Renfrew ...	253,093	Peterboro	56,335
Cobourg	62,536	Niagara	15,402	St. Catharines	122,038
Chippewa	12,060	Norwich	66,904	Simcoe	21,259
Chatham	51,465	Ottawa	200,000	Stratford	36,714
Elizabethtown	38,672	Ops	18,525	Windham	34,918
Hope	40,727	Port Hope	59,672	Woodhouse	37,634
London	225,695	Perth	216,368	Woodstock	38,059
		Prescott	30,760		
<i>Carried forward.</i>	\$ 567,774	<i>Carried forward.</i>	\$ 1,428,498	Total ...	1,775,455

But the principal of the loans to these municipalities being no less than \$5,593,400, and the arrears being already \$3,853,232—together \$9,446,632—it follows that \$7,671,177 of the amount should be written off, even under existing legislation. Going into particulars, it appears that 84 per cent., or, including interest, 89 per cent. of the debt due by Brantford is irrecoverable; 87 per cent., or, including interest, 92 per cent. of that to Brockville, and so on with the rest.

The debts of the municipalities in the first of the above two tables, which are marked (r) as having given aid to railways, amount to \$566,000, less \$225,164 at the credit of their Sinking Fund, or say \$340,836. Thus the whole sum which the Province of Ontario would be called upon to assume, in order to relieve the municipalities from their railroad debts, would be:—

	\$	\$
1st. The value of the payments by (r) municipalities paying 5 cents in the dollar		1,775,455
2nd. The sum still due by solvent (r) municipalities		340,836
		2,116,291
LESS—Amounts expended by these municipalities on local improvements, viz :		
Port Hope, \$180,000, but take the capital value of the 5 cents in the dollar	\$59,672	
Chippewa, Village	6,000	
Huron and Bruce, Counties	8,000	
Perth, County	88,000	
St. Catharines, Town	90,000	
	251,672	
LESS—Amounts realized or held in productive bonds by borrowing municipalities, to which the following is an approximation:—		
Guelph	\$ 19,000	
Port Hope, say	100,000	
Niagara, Town	45,000	
Brantford, Town	360,000	
St. Catharines, Town	28,000	
Stratford, Town	85,000	
Peterboro', Town	80,000	
	717,600	
LESS—The amounts set down as the capitalized value of the 5 cents in the dollar due from Woodstock, Simcoe, Woodhouse, Norwich and Windham, the court of Chancery having prevented the Province from collecting amount due from them until the Niagara and Detroit Rivers Railroad shall have been constructed	198,774	
		1,168,046
Net	\$	948,245

It would be easy, then, to close the Fund, as a fund, at once, for the Province could take the ordinary 6 per cent. debentures of all the municipalities in payment of their indebtedness, relieving them from their obligations to the Fund, whether definite or indefinite. Of these 6 per cent. debentures, a certain amount, (about \$1,000,000) should be handed to municipalities which made advances to railroads prior to 1861 from the proceeds of their own debentures, and the balance could be held as a fund of which the interest might go in aid of railway construction in parts of the Province which do not as yet enjoy it. The municipalities could be allowed to deal with these debentures as with their ordinary bonds, and the prompt way in which all the counties, townships, cities and towns in Ontario have always met their regular debenture obligations should prevent all suspicion that interest and principal would not be duly paid. Were this done, which the rich Province of Ontario is well able to do, since the total burden to be shifted from the shoulders of municipalities to those of the Provincial Government would not exceed two millions, the localities which are now oppressed with debt would again begin to thrive,* a reproach to our finance would be wiped away, railway construction would again commence under better auspices, so that collateral as well as direct advantages would result to the whole Province as well as to the municipalities most deeply interested.

Coming now to the Quebec Fund, it becomes at once apparent that the same necessity for Provincial interference does not exist, for whereas in Ontario 80 per cent. of the Loan Fund of \$7,300,000

* The annual value of the assessed property of the municipalities of Ontario subject to the assessment of 5 cents in the dollar appears from records kept in the office of the Receiver General to have gradually decreased from \$2,580,000 in 1858 to \$2,357,000 in 1863, when the record ceases; but the annual value of the property of the same municipalities appears from the above assessment to have further decreased in 1867 to \$2,050,000