

itself to an expenditure, or a proportionate liability for guarantee of interest, of ten millions for railways, and for the other purposes comprised in these proposals.

Its pressure, if all paid in cash.

This would mean an expenditure, at the rate of present population, of £40 a head; or for interest, at  $5\frac{1}{2}$  per cent., of about £2 per head per annum supposing the whole amount was expended, or an average on the ten years of, say, £1. This supposes that the cost is all to be paid in cash, and that there are to be no returns to reduce cost or interest. If the railways are inexpensively constructed and worked, I contend that a considerable portion of them will soon be self-supporting, that is to say, will yield sufficient, beyond working expenses, to cover either interest or guarantee, according to the principle adopted for raising the money for their construction.

But proposed that cost should be met in various ways.

But there is another source from which to anticipate a reduction in the money cost—the land should be made to bear a considerable portion of the burden. We propose that authority should be given to contract for the railways by borrowing money, by guaranteeing a minimum rate of profit or interest, by payments in land, by subsidies, or by a union of any two or more of these plans. I am inclined to think that, judiciously combined, they will enable us to obtain our railways to the greatest advantage. The contractors may want some money, but they should be glad to receive some land to yield them a profit consequent upon the effects of the railway; and, similarly, if the routes be judiciously selected, the contractors should be glad to keep the railways with the security of a minimum guarantee. I will not dwell further on this part of the subject, because I am sure honorable Members will see that almost every agreement must possess its own special features.

I now come to the question from what source the payments, if any, are to be made. We may at once concede that the Colony is to be primarily liable; but the question is, should the Colony find the money finally, or should the charge be made a local one? I do not submit an arbitrary rule on the subject. Two courses suggest themselves,—

1st, That any money paid should be charged at once to the Provinces; or

2nd, That if the Colony make the payments, it should, on contracting the liability, take possession of land of commensurate value.

Expenditure might be Provincially charged, and collateral security taken;

Against the first, it may be urged that a Province might be unable to meet its liability; that the Colony would have to pay it; and that the local charge would be merely one of account. I answer this objection by suggesting that in making any agreement the Government would not be bound solely by the wish of the Province. They would have to be satisfied that the work was one which it was prudent to undertake; and that the means of the Province justified it. I have already endeavoured to show that, spread over a term of years, the liability would not be enormous; and looking at the vast benefit each Province would enjoy, it seems to me that special taxation, to be resorted to if necessary, would not be a hardship.

In some cases, the Government might take as a collateral security the results of a special tax, or a mortgage over particular properties, such as railways in course of progress, or over rents and tolls. If the Provinces are to be made liable, each work would have to be constructed in accordance with their wishes, the General Government approving. There would, in fact, be at once constituted a mixed tribunal of the General and Local Governments.

or the Colony might pay, and take land as security.

There is much to be said in favour of the second plan, that of the Colony taking land as security; but, on the other hand, there may be urged against such a plan, that it would involve, in each case, a duplication, so to speak, of Provincial Government.

Provincialism not inconsistent with proposed operations;

I have already said it is desirable to avoid as much as possible mixing up organic political changes with the great colonizing question. I would not shrink from declaring that if the existence of the present institutions of the country are inconsistent with the promotion of Public Works and Immigration, and a choice must be made, I would infinitely prefer the total remodelling of those institutions to abandoning that stimulating aid which, as I believe, the condition of the Colony absolutely demands. But violent political changes are much to be deprecated, and in the present case they would not answer