

sary to complete and equip the Railway. The Directors were influenced by their desire and that of many active and zealous promoters of the undertaking, that the Subscription in this country should not be less than that in the United States.

If the feeling of this country, however, is not favourable to the undertaking, and any of these Shares ultimately remain unsubscribed for, the completion of the whole Line, it is evident, is still secure. The deficiency will be made up, and more than made up, by the issue of guaranteed Debentures.

In this event, an addition may be made, when these Debentures are paid off, to each Subscriber's Stock, in the form of *bonus* or otherwise, with the further advantage of a corresponding increase in the market value of the Shares, resulting from the diminished number capable of being thrown on the Stock markets of this country and America.

Of the Shares appropriated for subscription in Canada and the United States, nearly the whole have already been subscribed for; at the same time, the payments upon them have been sufficient to warrant the Directors in extending the works for the construction of the Line. A force equal to three thousand men, besides the necessary engineers, agents, &c. &c. is now employed, and sanguine expectations are entertained that some portions of the Road will be open for traffic in the course of the present year, and that the whole line will be completed by the close of the ensuing year.

A brief statement will show the value of the Subscription of the Municipalities of Upper Canada, connected with the Line, and the ample security provided for the holders of the Debentures of these bodies.

Upper Canada is divided into Counties. These are subdivided into Townships. Each Township is a distinct corporation. The Counties are also corporate bodies, governed by a Council, composed of the Reeves or heads of the several Townships within their respective limits. The Cities and chief towns are likewise incorporated.

All these Municipalities have, by statute, certain specified powers to incur pecuniary liabilities for *local purposes*. These local purposes do not of course comprise the construction of Railways, or contributions to the Stock of Railway Companies; but by an Act of the Legislature of Canada, which received the Royal Assent on the 23rd July, 1850, the Municipal Corporations of the Province were *specially* empowered "to subscribe for any number of Shares in the Capital Stock of THE GREAT WESTERN RAILROAD COMPANY," and of that Company only,—or to lend any sum of money to "the Company, or to guarantee and become security for any sum of money borrowed by it."

The same Act empowered the municipal corporation "of any County, City, Town, Township, or Village, who shall subscribe for the Stock of THE GREAT WESTERN RAILWAY COMPANY, or shall lend or guarantee the payment of any sum of money by it,—to cause to be assessed and levied, upon the whole rateable property of the Municipality, sufficient sums to enable them to discharge the debts and engagements contracted in regard thereto."

The Legislature of Canada, which has thus empowered the Municipalities of the Province to subscribe to the Stock of THE GREAT WESTERN RAILWAY COMPANY, has also provided the most stringent remedies for the payment of municipal liabilities, and for protecting the holders of municipal securities against the *possibility* of loss.

For the General Municipal Act, 12 Vic., c. 84, provides:—

That no Municipality shall pass a By-law for the creation of any debt, or the negotiation of any loan, without inserting a provision for a special annual rate (in addition to all other rates) for the payment of the debt or loan.

That such rate shall be sufficient, according to the value of the rateable property as shown by the then last assessment returns of the Municipality, to pay the loan and interest within TWENTY YEARS.

That the Municipality shall not repeal such By-law, or discontinue such rate during the existence of the debt.

That the rate, when levied, shall be first applied to the payment of so much of the debt as shall then be due, and the surplus funded in securities selected by the Governor in Council, for the special purpose of extinguishing the debt.

That any By-law, by which it shall be attempted to repeal any By-law for raising, or to alter or diminish the rate for the payment of, such loans and the interest thereof, shall be absolutely void.

That any Municipal Officer acting under such invalid By-law shall be guilty of a misdemeanor, and be punished by fine or imprisonment, or both.

In case of default in payment, judgment may be recovered against a Municipality as against an individual, by a speedy and inexpensive process; and the judgment creditor has the option either of selling, under execution, the goods and lands of the Corporation, or of ordering the sheriff, by endorsement on the execution, to levy the debt by rate; or he may first sell the Corporation property, and afterwards levy any unpaid balance by rate.