

the subject of free grants. What was not yet taken up was comparatively refuse lands. Secondly, in the old townships, there were facilities, in the shape of roads, &c., for getting to market, which people could not expect to enjoy for a number of years in a new country; and there was not, therefore, any special inducement required to get people to go into these old townships. Another reason was, that there were now large sums due the Government with respect to lands sold in the old townships. Up to the 30th Sept. last, from an approximate statement prepared in the department, it appeared there was still about seven millions of dollars due in the old townships—more precisely, \$6,848,000.

Mr. McKELLAR—Can you state what proportion of that is interest?

Hon. Mr. RICHARDS said he could not. On the Crown Lands there was due \$2,560,000; on the Clergy Lands, \$2,219,000; on the School Lands, \$1,740,000; on the Grammar School Lands, \$329,000; altogether about \$6,484,000. It was very important, for the best interests of the Province, that this money should, as far as possible, be collected—an amount, the interest of which would go very far to pay the expenses of the Government of the Province. The Government had felt that, if they attempted to give free grants in the old townships, they would at once be met with demands from the former settlers in those townships, for remission of the amounts they owed on their lands for arrears. He was not prepared to take the ground that this large amount of money could never be collected. He was prepared to admit, however, that there was a considerable sum which never would be collected, as there were particular cases in which to enforce payment would be a hardship. A part of these moneys was due in respect to lands which were claimed to be subjects of special trusts. In the proceeds of the Clergy Reserve lands, the Municipalities of Upper Canada were alone interested. As regarded the Common School lands, it was claimed that they were subjects of a special trust, in which Lower Canada was interested alike with ourselves; but whether that view could be sustained, he was not prepared to say, it was a point which would have to be settled by the arbitrators. The Government hoped to be prepared next session to submit what they might conceive the best course to be taken with regard to the collection of these outstanding amounts. He would not be disposed to make any reduction with respect to lands which would realize the full price; but, where too high prices had been paid, and the parties were unable to pay the arrears in full—in those cases a sufficient deduction should be made to induce them to settle up. He proposed to make a slight change on the phraseology of the second resolution. In drawing it up, the fact was overlooked, that some of the grants were to be on the colonisation roads; he would, therefore, after the word "townships," near the beginning of the resolution, add the words "surveyed or hereafter to be surveyed." In the third resolution in designating the class of persons who should get these grants, they had followed the United States Homestead Act of 1862. He might