

propose to use the debentures received from the municipalities as representing the sums finally debited against them in paying the allowances specified in the appropriating resolutions.

The regulations for creating new debentures and specifying the manner of their distribution are as follows:—

“That new debentures be obtained from the indebted municipalities respectively for the balances due by them; that the debentures shall be in such form and in such respective sums as the Lieutenant-Governor in Council shall direct; that the debentures shall provide for payment by the same sums per annum, as nearly as may be, as the municipalities are now liable to pay; provided that no more shall be payable annually for twenty years than two cents in the dollar on the assessment of 1872; would provide for as aforesaid; and that no debenture shall allow more than twenty years for payment of principal; that these debentures of each indebted municipality shall, so far as practicable, be equally distributed at par, among the municipalities entitled thereto, in proportion to the sums to which the said municipalities are respectively entitled; that the balance going to each municipality shall be paid in money; and that the debentures shall be delivered and the money paid to the municipalities, or to their use, at any time after the first day of February next, under proper statutory regulations fitted to secure the due application of the said debentures or the produce thereof, and of the said money to the purposes specified.”

We have only to add, in order to complete our epitome of the scheme, that those districts which are not yet organized into municipalities will, nevertheless, be entitled to share in the distribution of the two dollar per head allowance for local improvements.

It was not to be supposed that so elaborate a measure of policy could be effectually discussed immediately upon its introduction. The debate will come on at the next stage, probably in a week from the present date. The general result is that, after putting the Municipal Loan Fund indebtedness upon a fair and equitable basis, and providing for the allowances to former unaided railways, there remains for distribution amongst the now unindebted municipalities the sum of \$2,711,335. This amount, we may remark, would represent an annual payment of interest equal to \$135,000, whilst the average payments of principal and interest on the Loan Fund for the past fourteen years have not exceeded \$150,000 per annum.