

Mr. LIONEL GIBBORNE said, having practised in Ireland for nine years, he was in a position to give some information to the Institution, on the subject under discussion. He would not now enter into the general question, whether the railways proposed by the Commissioners in 1836, or those constructed since that period, were the best that could be adopted; but he would briefly advert to the system of guarantees, because he thought it had not been fairly treated by the legislature. He was of opinion, that if counties and baronies had been allowed to tax themselves, as they were willing to do, in order to obtain for the district the benefits of railway communication, by insuring a certain return, upon a fixed outlay, to the shareholders, great good would have resulted from the measure. When the lines were promoted by the landowners, the Irish landlords, not being so rich as those in England, wished to adopt the modified system of guaranteeing a certain rate of interest, upon money which they were not in a position to subscribe. Nothing could be fairer than this way of showing confidence in the undertaking, and of becoming, to that extent, partners in it. But he believed, that with one, or two exceptions, the House of Lords had invariably struck out the guarantee clauses from the Bills. The attention of the Institution having now been called to the subject, he hoped it would be the means of eliciting from the Government, a statement of the grounds upon which so beneficial a measure as guarantees to railways in Ireland had been refused. In France, the railways had been taken up by the Government, chiefly for military and political purposes. Such, happily, was not the case with regard to Ireland, but the recommendation was, what profits the line would earn, in the district intended to be accommodated. He contended it was unjust, that the Government should be opposed to the principle, that a man might make a railway through his own land. As had been said in the Paper, taxes were levied, by duly authorized bodies, for gas, for water, and for roads; and he was at a loss to know, why the landowners of Ireland should be refused the right to impose a tax upon themselves, in the shape of a guarantee to a railway, which was calculated to confer important benefits upon the district in which they were principally interested. There was no country in which railways were more wanted than in the west of Ireland. He had been there four times lately, at the instance of grand juries, to examine and report on different railway projects, and in every case the guarantee clauses had been thrown out, when the Bills reached the House of Lords. The difficulty, with the promoters of railways in Ireland, had not been to prove their case before a Committee of the House of Commons, by whom the guarantee clauses had been continually passed; but after the Companies had been at the expense of carrying the project up

to a second reading in the House of Commons, the House of Lords immediately struck out the important guarantee clauses from the Bill, without listening to the arguments of the promoters in their favour. This seemed to be so unjust, that he advised the preparation of a memorial, for the signature of those Members of the Institution who considered, that the legislature had taken a wrong course, upon the subject of county and baronial guarantees to railways in Ireland.

SIR CUSACK RONEY said, he could confirm what had been stated, as to the effect of the guarantee system in Ireland. He should be glad if some impression could be made upon the House of Lords, with reference to that question, for he had no doubt, the withholding of that system had operated to the disadvantage of those districts which were willing to give guarantees, but had no other means of encouraging the formation of railways. The proprietors were not rich enough to become shareholders, although it was possible for them to pay for the construction of railways in the shape of taxes. Under the system of guarantees, railways would be greatly extended in Ireland, and would be highly beneficial in facilitating the cheap transport of the useful, and varying produce of the west to the east coast. There was one point incidental to the railway system to which he would allude. The Irish were not usually regarded as the most punctual men in the world; but the effect of the introduction of railways had, in that respect, been remarkable. He remembered having heard it said, that there need be no hurry to catch a train, as it was sure to be half an hour over its time: but now invariably, although the trains did not run at high speeds, punctuality was strictly maintained in the conduct of the traffic, and this punctuality produced an important effect upon the general habits of the country. There was a large interest worked in connection with the Irish railways, the property in which was almost entirely held by Irishmen. He alluded to the steam trade from the east coast of Ireland to England and Scotland. This had, on the whole, been a most successful business; and in fact, the shipping in connection with the railways was in a state of great prosperity.

Mr. T. WEBSTER thought the question of guarantees to railways was one which, as affecting the advance of practical science, it was quite proper for the Institution to entertain, and was well deserving the attention of the Members. He doubted, however, the propriety of adopting a memorial on the subject, as had been suggested; though he believed they were quite as competent to deal with obstructive laws and men, as with obstructive matter. A somewhat similar case had occurred in another department of the Government, when a great deal of good was effected, in the proper quarter, from the discussion of the subject of 'Par-

liamentary Ships,' at a meeting of the British Association. He believed the objections to the guarantee clauses existed, mainly, in the person of one noble individual, whose influence in the Committees of the House of Lords need only be hinted at. He would suggest, as a practical mode of treating this subject, that those Members of the Institution who possessed the requisite power and influence should, in their individual capacities, endeavour to induce a large body of noblemen to take up this matter, simply as a standing-order question, which he believed it to be, and to determine what were proper clauses. To deal summarily with an individual who was pertinaciously wedded to certain opinions was not an easy matter; but it was not likely the noble lord alluded to, would oppose a decided expression of opinion on the part of his compeers in the House. There were instances in which a direct attempt to overrule standing orders had failed; but the object had been accomplished, by creating a unanimity of feeling against the regulation in question, and then obtaining an express resolution of the House rescinding the obnoxious order, by which the Chairman of the Standing Orders Committee was not brought into collision with the other members of the Committee, or with the House itself. It was worthy of remark, that the result of the action of the Encumbered Estates Courts had been to produce nine and a half proprietors where only one formerly existed. That fact spoke well for the success which had attended the measure.

Mr. P. W. BARLOW believed, if the guarantee system was better understood, it would be more appreciated, and by that means many districts, in England as well as in Ireland, might be provided with railways much earlier than could otherwise be the case. In agricultural districts, it was the landowners that derived the greatest benefit, from the introduction of improved facilities of intercommunication. In many cases, however, they were unable to find the capital themselves to construct the necessary works. He could not imagine a more reasonable mode of proceeding than that, under such circumstances, they should guarantee to the shareholders a certain dividend on the money advanced, taxing their property to make up the difference, if any, between the actual earnings of the line, and the rate of interest guaranteed. That was the principle on which the line to Galway had been constructed; and now it was likely to become the high road to America. Had it not been permitted, in that case, the district would possibly have been deprived even now of the advantages of a railway.

There was one point which had not been noticed either in the Paper, or during the discussion, and yet it merited full consideration. He referred to the fact that in Ireland, while the railway system had been assisted by Government advances to the extent of upwards

of two millions sterling, the national revenue had, in the same period, increased by that amount annually. This was another signal illustration of the great development of trade, due, partly, at all events, to the railway system. It was not too much to say, that Government had received a rate of interest of from 15 to 20 per cent. upon the sum advanced. From that circumstance he argued, that, if Government fully understood the question, they would be disposed to assist the construction of railways, to a much greater extent than had hitherto been the case.

Mr. C. MAY said, it appeared from the Parliamentary Returns, that out of twenty-three millions of money passed through the Encumbered Estates Courts, nearly twenty millions had been furnished by Ireland itself; so that instead of the land being bought by English and Scotch capitalists, it had been purchased by its own tenantry.

Mr. GIBBORNE believed that a considerable portion of the money was obtained from England, on mortgage of the estates.

Mr. MAY thought there was not sufficient evidence, that the bulk of the money had come from England. He believed, that the majority of purchases were made by the tenantry, and not by the large landowners.

Mr. HEMANS confirmed the statement, that through the action of the Encumbered Estates Courts, a great many of the small farmers purchased the estates, ranging from 50 to 100 acres, which they had previously tenanted.

Mr. HAWKSHAW, *V.P.*, remarked, that so long as the important statement just made was correct, it was of little moment to inquire where the money came from. He regretted that this Paper should have been brought forward at a period when many of the members interested in the subject of railways in Ireland were prevented from attending, and from giving the Institution the benefit of their views and opinions. He was at a loss to understand, on what grounds landowners and ancient baronies, whose estates were to be benefited by the introduction of railways, should be restricted from giving guarantees to the capitalists ready to construct the lines. That was a principle which seemed to be so clear and so healthy, that it was difficult to conceive how any opposition could be raised to it. It was well known to those who had been connected with railways in England, that hitherto they had been chiefly constructed by capitalists, who were not the owners of the land, and who derived no benefit therefrom, except as shareholders. Indeed the landowners, not content with reaping the advantages resulting from the railway system, had thrown every possible obstacle in the way. It was evidence of improved ideas on the subject, when landowners in Ireland, acknowledging the great benefits of railway communication, and of this mode of improving

their property, were willing to be taxed, to furnish a guarantee upon the capital which they themselves were not able to subscribe. He was astonished to learn that any difficulty was placed by the legislature, in the way of so wholesome a system. He would suggest, that perhaps the best mode of removing the difficulty, would be to adopt a plan similar to that he had pursued, with reference to the Lancashire and Yorkshire Railway. In 1845-6, the rates upon that line being at a very low scale, application was made to Parliament to raise the scale. The Bill was opposed by the Board of Trade, who presented a long report against it, and also by the various classes of manufacturers who resided in the district through which the line passed. The plan he adopted was to compare the scale of rates proposed to be charged by the Railway Company, with that existing in the district previous to the completion of the railway. In that way he ascertained, that the inhabitants were gaining year by year as large, or even a larger sum, than accrued to the shareholders; so that those who had laid out millions of money in the construction of the line, got no more return than the inhabitants of the district did, who had not laid out a shilling upon the undertaking. These facts having been proved to the satisfaction of the Committee of the House of Commons, the Report of the Board of Trade was set aside, and the clauses asked for were granted. It appeared to him, that if those who were interested in Irish railways would cause a comparison to be instituted between the present rates charged by railways, and those which existed before railways were introduced, and would place the results clearly and distinctly before Parliament, there would no longer be any difficulty, on the subject of county and baronial guarantees, to railways in Ireland. He thought that would be more likely to lead to a successful result, than any memorial emanating either directly from the Institution, or individually from its members. The production of the Paper, and the discussion which had taken place, could not fail also to be of service. With reference to the difference in the cost of Irish and of English railways, that might easily be accounted for. On lines that he had constructed, the cost of the land alone had been more than the entire cost of some of the lines in Ireland.

Mr. BIDDER, *V.P.*, remarked, that the influence said to be possessed by one noble individual in the House of Lords, who was opposed to the introduction of the guarantee clauses, was similar, to a great extent, in character, to the power exercised in the other estate of the legislature, if not by one, yet by a limited number of persons. This was owing to so few members in either house being disposed to attend to any matters which required the exercise of business habits. The result was very natural. Those two, or three individuals, in both houses, who were ready and willing to

do the work, exerted a large amount of influence. There could be no doubt, that this centralization of power was most objectionable and unconstitutional; but it arose entirely from the neglect of their duties, on the part of the other members. As long as practical men remained silent, and took no part in forwarding the proceedings of the private business of the house, it was useless to complain of other people. The work must be done, and those who took trouble in the matter would of course do it in their own way. For his own part, he had never experienced any peculiar difficulty with the nobleman referred to. If the case was a *bonâ fide* one, and it was stated fully and fairly, his lordship had invariably accorded him all the facilities that could be reasonably desired. He believed that good would result from Parliament sanctioning the levying of rates, for the guarantee of capital invested in railways, and that the plan would be found to work well. The main trunk lines of communication being completed, the landowners were more interested than any other persons, in getting the railways extended into the agricultural districts. They must either advance the money to make these lines, or else be in a position by charging their estates, to secure a fair rate of interest upon the outlay, in order to induce capitalists to embark in these undertakings. Parliament had already granted the necessary powers, to enable money to be raised, under favourable circumstances, for executing under-drainage; and he thought the time was not far distant, when it would be felt to be just as essential to raise money to procure railway facilities in connection with the estates. How far that assistance might be relied on, he could not say. The last thing to be expected of the Government was, that they should be found forwarding any good and useful measure of the kind. It was well known, that Government could not conduct undertakings of a practical character, with the success that attended private enterprise; and he, therefore, believed that these things had better be left, with all their inconveniences, to the general operation of public opinion. England had gained its present proud position by her private, individual, and independent enterprise, and it was that alone which would carry the country through its future career.

A striking comparison had been made between the railway systems of England, Ireland, and France. It was admitted that the English railway system was open to great objections, and, as a rule, it had been most disappointing to those who had invested capital in those enterprises. But in this country the maxim was pre-eminently acted upon—in the choice of evils to take the least. It was quite true, that railways had been made at great cost, and the results had been most unsatisfactory to the shareholders, but to the country generally, railways had been productive of the greatest possible advantage. Government had certainly not aided them in

any way. When railways were in their infancy, Government did not interfere; but just as their construction began to be understood, the supervision of the Board of Trade was imposed. In the early years of that supervision, the duty was intrusted to gentlemen of high standing, who had sense enough to admit, that they knew nothing whatever of the business. They said, "We cannot attempt to decide whether your railway is fit for opening. We ask you, as a gentleman, Is it fit? We rely upon your word; and if you say it is fit, we will give our sanction to it." But as more experience was gained, Government had introduced younger men into the office; and within the last two years, the opening of one of the best-constructed lines in the kingdom had been delayed by a young military Engineer, whose knowledge of railway works was, as might be imagined, very superficial; and yet he had the power to stop the opening of the railway for six months. He thought the railway men were quite as much to blame as the Government, for they never offered a single practical suggestion, with a view to abate this inconvenience. With regard to the cost of English railways, the burdens they had to bear should be taken into account. First were the heavy expenses, in litigation, in acquiring land; and if an agreement could not be come to as to the price to be paid, even though the sum offered should be ten times the actual value, then the probability was, that twice as much more would be spent in contesting the point. Again, the assessment to the parochial rates was all in favour of the landowners, and against the railway companies. If the Government had taken the trouble to inquire into the effect of the railways, this system of injustice would not have been permitted; but nothing of the kind had been done, no investigation had been made, and hitherto every possible difficulty had been thrown in the way of railway enterprise.

Mr. BRUNLEES remarked, that the difference in the cost of Irish and of English lines was attributable to other causes besides the expense of land. The first Irish line that was made—the Dublin and Kingstown—cost £47,000 per mile. For a considerable time after that line was opened, railway operations were at a stand-still in Ireland. When they were commenced in earnest, the saving in cost was not great, as compared with works in this country, at the same date. At present, he believed, there was no great difference in the cost, between the Irish lines and those recently constructed in England. The greater economy which had been latterly manifested was chiefly due to the experience that had been gained. It was also to be borne in mind, that the physical features of Ireland were in favour of constructing railways cheaply. Few viaducts were required, and scarcely any tunnels of magnitude. As a contrast to this, he might mention, that during the five years

he was engaged, with Mr. Hawkshaw, on the Lancashire and Yorkshire Railway, there were twenty tunnels constructed, of the aggregate length of 9 miles. Then, again, it had been said, that the railways in Ireland were worked at a cheaper rate than those in England. But to this he replied, that the Irish system was much less complicated, and this had a great tendency to decrease the working expenses. The Government passenger-duty also bore heavily upon English railways. He found that, in 1857, the English railways paid in rates and taxes and in Government duty £717,193, or £107 per mile opened; while the Scottish lines paid for the same items £61,484, or £49 per mile; and the Irish lines paid for rates and taxes only, Government duty not being chargeable, £20,096, or £19 per mile.

Mr. COCKBURN CURTIS observed, that the guarantee system had been found to work well in Spain. He called attention to the subject, as it might possibly be found advantageous to inquire into the plans pursued in that country.

Mr. HEMANS said, the opinions which had been elicited in the course of the discussion, encouraged him in the hope, that some steps would ultimately be taken, with regard to the important question of guarantees. There could be no doubt, that under such a system as he advocated, large districts in Ireland and in other countries would more speedily obtain the benefits of railways, than under the system which at present obtained. It was to be regretted, that the strong prejudice taken by one individual, against the system of guarantees, should be able to stop, and be an obstacle in the way of, a measure of such great public importance. Some valuable suggestions had been made, as to advancing this principle, and making it better understood. It struck him, that a general, or public Bill might be promoted, on something like the footing of a Bill for ordinary county works. The question of the guarantee would not, probably, require any special Act, but upon the presentment by a grand jury, that such a thing was necessary and likely to be beneficial, the rate would become compulsory upon the county, in the same way as any other assessment. If such a general Bill met with the approval of the Government authorities in Ireland, he did not imagine that any great opposition would be offered in the House of Lords; and he believed that much support might be obtained for it.

As no opinion had been expressed in opposition to the benefits claimed under the guarantee system—there was nothing to refute. He would, therefore, only briefly allude to the comparative economy of construction of the lines in England and in Ireland. He admitted, that the natural features of the country in Ireland were such as to diminish the cost, as compared with England, where the works were more extensive, and the cost of land much

greater. But there were other matters to be taken into consideration. It might be, that the works had been conducted with more prudence and economy, as regarded the amount of embellishment that was given to them. Without question they had benefited by the experience acquired in England. The economy in construction which had now been arrived at was very remarkable. Within the last few months, the construction of 100 miles of railway, in Ireland, had been let in four contracts; three being out of his own office; in two cases, the works had been taken at £5,000 per mile, including the permanent-way and the stations; and in another instance, at £4,000 per mile, with the permanent-way complete. It was, however, unfortunate, that as soon as it had been ascertained how to make railways cheaply, shareholders could not be found. The consequence was, that the lines, now undertaken, became a sort of professional speculation; the subscribers consisting principally of the contractors and the directors of the line. The public might be said to have deserted railway investments entirely. He believed the system of guarantees would restore the general confidence in these undertakings, and would place them upon a more satisfactory basis; and that the rates would be readily paid, to an amount which would not bring to the investors a lower return than the current rate of interest in the public funds. The plan suggested, of proving the saving to the district, as compared with the previous charges for the former mode of transit, would be valuable as a mode of supporting such a measure, and leading to a successful issue. The loans made by the Public Works Commissioners had been most satisfactory, resulting, as he had been told, in a clear profit of £1,000,000. In this respect, Ireland had certainly been the favoured country, for neither in England nor in Scotland had any advances of the kind been made. That profit had resulted from charging 5 per cent. upon the loans, though in a few cases it was reduced to 4 per cent. He thought the large profit made by these public loans was an argument in favour of Government advances, in aid of public works, and that the rate of interest ought to be more moderate.

Mr. LOCKE, M.P., President, said, the Author deserved great credit for bringing forward this Paper, as it had opened a vast field of information, which it was useful to obtain, in order to contrast with their own experience in other directions. It was, no doubt, perfectly true, that bad legislation had caused, in a great measure, the want of success of English railways as investments. But he did not think it was desirable to memorialize the Government, with a view to the removal of the obstacle which had been mentioned. The first question to be considered was, whether the view taken by the House of Lords, in reference to the question of guarantee, was injurious, or not. Upon this point no adverse

opinion had been expressed during this discussion; but there was another side to the question, which no speaker had yet touched upon, and he was going to contend that it was injurious. There were two parties to the bargain: the parties who were guaranteed, and the parties who gave the guarantee. The disposition of Parliament on this subject appeared to be to prevent an unfounded notion being entertained of the value of these guarantees. A person who offered a guarantee of any description whatever should have ample means of carrying it out; but when a guarantee was offered by a barony, it might have no possible influence upon Parliament, or the Government. Such a guarantee, in the course of two, or three years, by reason of competition, might not be of any value at all, or at least the guaranteed parties might be placed in a false position. The guarantee of a county, or a barony, was very different from a guarantee by a Government, and widely different from that which was accorded to the French railways, for the French Government could control the whole railway system of the country. It could stop any railway from being made, if it was likely to interfere with a guarantee already given. The guarantee could be used so as to improve the receipts of the line, and thus to render the shareholders more secure. Although he did not defend the part taken by the House of Lords, still he contended that there was a wide difference between the guarantee of a barony and that of a government. No blame attached to the House of Commons, for, it was admitted, it had passed the guarantee clauses. If parties were willing to give guarantees, and others to accept them, although they had not the power of protecting themselves against any other Parliamentary concession, Parliament might be induced to sanction them. He was bound to say, that the House of Commons was not so insensible to the wants of the profession, or to the requirements of the railway interests, as some persons seemed to think. It had been said, that this was a standing-order question. He did not regard it as such. It was a question of principle, which was far higher than that of standing orders. Two years ago, when the Committee for the revision of the standing orders had prepared their report, he was informed that a recommendation had been inserted, that it was desirable whenever the Board of Trade should make a report upon a project, that the Committee of the House on the Bill should not have power to controvert it. As soon as that fact came to his knowledge, he went to the Chairman of the Committee and stated, that if the report was presented in that form, he would oppose it in the House. The consequence was, the report was reconsidered, and the clause was altered in accordance with the views he entertained. It was impossible to conceive anything more monstrous. It was not only usurping the functions of professional men, but the

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functions of Parliament itself. It was in fact making the report of the Board of Trade conclusive, and preventing the Committee of the House from exercising any judgment on it. With reference to the comparative extent of the English and Irish railways, the map of the lines in Ireland rather resembled a chart of the French lines, than of those of England. As he had stated in his Address on taking the Chair, there was scarcely an instance in France of two railways being within 40 or 50 miles of each other. But if the system was extended, greater expense would be incurred, and more duplicate stations, in proportion to the mileage, would be established, than was the case at present. This had already happened in England, and would, he believed, take place in Ireland.

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