

APPENDIX No. 7.

5, Sloane Street, London, 4th April, 1851.

SIR—

I have now the honor to make to you my final report, for the information of the Lieutenant-Governor.

Mr. Hawes's letter to me bears date the 10th of March. I could have left in the Steamer of the 15th had I believed that no further steps were prudent or necessary. But, being quite aware of the obstructions which might be presented, and the delays which jarring elements on the other side of the water might occasion, I thought it best not to leave England without placing Nova-Scotia in a position to show to her Sister Provinces the practicability and wisdom of the policy to which I had given my sanction, but to act independently of them should that policy not be approved.

Looking to the sparse population of New-Brunswick, and to the absolute impossibility of that Province executing, unaided, and within a reasonable time, either or both of the two important lines projected across her territory, I deemed it to be my first duty to satisfy my own mind that a systematic plan of Colonization could be superinduced upon the gradual construction of the Railways, so that, by the time that serious liability was incurred, her population and revenues should be correspondingly increased. The way having been previously cleared for conducting the enquiries and forming the connexions which I deemed desirable, I trust I shall be prepared to shew to His Excellency that while, by accepting the generous and advantageous proposition of the British Government, New-Brunswick would obtain two Railroads, for a trifle more than one, made with her own resources would cost, she would, by falling into the general scheme, run but little risk, and throw into her wilderness lands, in a very short time, at least half a million of people.

Into the details of the measures which I have prepared myself to propose, or the extent of the resources which can be brought to bear upon the waste territory which, it is wise policy to people, I do not think it necessary here to enter.

Two or three simple facts will shew that I did not attach too much importance to this branch of the subject. The terms upon which the British Government is content to aid the Provinces, are not less favorable than those given to the proprietors of the Incumbered Estates in the Mother Country. These parties pay for £100 Sterling 6½ per cent. for 22 years, which extinguishes the debt, paying in full principal and interest. Those who wish us to make our Railroads with American capital and contractors, propose that we should give our debentures, redeemable in 25 years, and bearing interest at 6 per cent. If we did this it is quite clear that we should make a ruinous and unnecessary sacrifice, paying in interest alone a sum nearly equal to the whole amount borrowed by either mode, and then having to repay the principal besides. However profitable such an operation might prove to the Attorneys and Contractors who appear to have been pressing this policy upon the Province ever since the Convention was held at Portland, it would, in my judgment, now that we have the credit of the British Government at our back, and the treasures of London at our disposal, be one that would forever stamp us as inferior in practical sagacity and shrewdness to the astute neighbors who tempted us to make, for their advantage, such a ridiculous bargain.

But I do not believe that 6 per cent. is all that Provincial Companies, without the guarantee of the Colonial and Imperial Governments, will have to pay when once public works are commenced with insecure and insufficient resources. Our own experience of one such experiment ought to be sufficient for Nova-Scotia. A modern illustration should convey a significant warning to all the Provinces.

The City of Montreal naturally desirous to aid a work in which it had a deep interest gave to the contractors upon the Montreal and Portland Railroad a large amount of
Debentures