

the securities to be offered by the Province, as can be obtained, it being distinctly understood that the Government will not accept any proposals for building the Great Trunk Line, which shall not embrace in an equally favourable and explicit manner the European and North American Railway, the liability for the latter line being solely confined to the Province.

"It is also understood that the Government will urge upon the Imperial Government the propriety of obtaining Imperial aid, in addition to the guarantee, in consideration of the valuable land which will be conceded by New Brunswick along both lines for Emigration purposes, and of the great national importance of the undertaking."

(Copy)—No. 281.

Downing Street, 5th August, 1851.

SIR,—I have to acknowledge the receipt of your Despatch, No. 44, of the 11th July, enclosing a Memorandum of the Executive Council of New Brunswick, with reference to the Railway Bill which formed the subject of my Despatch, No. 269, of the 12th June last.

My subsequent Despatch, No. 273, of the 27th June, will have placed you in possession of the Order of Her Majesty in Council, confirming the Act to facilitate the construction of the Saint Andrews and Quebec Line.

With respect however to the two Acts for facilitating the construction of the European and North American Railway, much as I regret that any delay should occur in submitting them for Her Majesty's approval, I cannot regard the evils which may arise therefrom in so serious a light as those which would result from omitting in Legislation upon this subject, the provisions necessary to secure the general interests of the Empire, and I must therefore consider it my duty to defer tendering any advice to Her Majesty respecting these Bills, until the amendments in the Act of Incorporation required by my Despatch of the 12th June, shall have been adopted by the Provincial Legislature.

I am, &c.

(Signed)

GREY.

Lieut. Governor Sir E. Head, Bart., &c. &c. &c.

Extract from Despatch No. 288 of Earl Grey to Sir Edmund Head, dated Downing Street, 28th August, 1851.

"With respect to the Memorandum of your Council, appended to your Despatch, it would be premature to enter upon the consideration of a proposal not yet submitted to me, but I think it right to observe, that Her Majesty's Government would not be prepared to recommend to Parliament to extend assistance to the projected Railways in British North America, further than was promised in my Despatch of the 14th March last."

(Copy)

Government House, Toronto, 28th August, 1851.

SIR,—In compliance with the request of Mr. Archibald, I have the honor to transmit to your Excellency the copy of a Communication which that gentleman has addressed to me on the subject of the contemplated Railways in British North America.

I have, &c.

(Signed)

ELGIN & KINCARDINE.

Sir E. Head, &c. &c. &c.

(Copy)

Toronto, 21st June, 1851.

MY LORD,—With your Lordship's permission I will now proceed to put in writing the proposition in reference to the contemplated Railways in British North America, which I have already had the honor of personally submitting, accompanied by such views and explanations as may be calculated to place the whole subject matter in its proper light.

In order to carry out a complete Railway system, commensurate with the prospective requirements of the British North American Provinces, provision must be made for the construction of a great Trunk Line from Halifax to the American Frontier. Of this line the only part now actually in progress is the Great Western, between Hamilton and Windsor, and it is supposed that the same Company will construct the link between Hamilton and Toronto. If all the Provinces were to agree to accept the terms proposed by the Imperial Government, provision would be made for the whole line from Halifax to Quebec or Montreal, but whilst it is not quite certain that either Province will accept those terms, New Brunswick has actually rejected them.

Assuming for the present, however, that Canada and Nova Scotia will concur in accepting the offer of the British Government, it remains to be considered by what means the New Brunswick section can be carried through, and how the great Trunk Line can be extended from Montreal to Toronto. It may be, that the Legislature of New Brunswick, upon reconsideration of the whole subject, may be induced to come into the general arrangements, or that Canada and Nova Scotia may agree to assume a part of her burden; but should neither of these alternatives avail, I hope to be able to suggest a plan that shall eventually accomplish the whole object without pressing unduly on the resources of that Province.

The configuration and geographical position of New Brunswick render it necessary to the completion of a perfect Railway system, that the Province should be traversed its entire length by the main line, and