

Provincial Legislature.

HOUSE OF ASSEMBLY, TUESDAY, FEB. 1.

RAILWAY BILLS—SECOND READING.

The Bill to provide for the construction of a Railway was read a second time, and on motion that it be referred to Committee of the whole House,

Hon. J. W. JOHNSTON said—I rise, Mr. Speaker, to move in amendment to the motion just announced, that this Bill be deferred till this day three months. I had not the benefit of hearing the observations made by the Hon. Provincial Secretary when the Railway Bills were introduced. I was, however, here when the Speech which accompanied the laying on the table of papers was made. In that speech there was much that required a reply, and many things were said which required little to rebut them; but they would obviously lead to the discussion of extraneous matters, and therefore I shall pass them by. And I think every hon. member will appreciate my abstinence from referring to aught that might provoke unfriendly as well as extraneous debate. I make these observations that my silence on points referred to may not be misapprehended. To proceed, then, with my observations, I may note the remark of the Hon. Provincial Secretary that his "agony," as he described it, was reaching its crisis. It will be remembered that he, in addressing the House appealed to the passions and feelings of his hearers; and alluding to the past history of railway matters in this Province referred to services which he stated had been spread over a considerable period of time—from 1859 until now. Now, sir, I may be pardoned for saying, that there may be anxieties, which might operate as a set-off to that experienced by the Hon. Provincial Secretary. Are there not anxieties incident to those who believed that he might have been making false steps? Have they felt no fears lest his course might irretrievably involve the ruin of this Country? Have they not felt that from the application of unsound principles, the adoption of a line of conduct not adequately supported by prudent forethought and proper caution, was tending to the injury of their Country? Are not their agonies also drawing to a crisis? I believe they are. We now occupy a position infinitely more advantageous than any that has previously been our portion; and I hail the prestige of this dawn with delight. But, sir, were I so disposed I might draw a contrast between this position and theirs; Sir, their anxieties have been induced by circumstances over which they had no control, while those of the hon. Prov. Secretary have been self-imposed. Now, sir, I propose to deal with the subject as fully and as succinctly as may be in my power. We must contrast our present position in this matter with that which we have occupied previously.—Twice has this house been called upon to deal with this important question; once in the special session—once again at the last regular session. It will be recollected that in those discussions the House was pressed upon by two main and governing arguments which commanded a majority of this house and contributed to the passage of the propositions then submitted. First, it was said adopt this measure; carry out the propositions before you, or be content to forego the blessings and benefits of Railways altogether. "Railway, or no Railway!" was the rallying cry, then. I shall enquire presently, sir, whether we are in the same position,—whether we are free and unshackled—whether we can deal with this subject freely, without subjecting ourselves to the charge of being opposed to the accomplishment of this improved mode of transit. Another argument used was, take the plan we give; for if there be objection to it in principle or detail, it brings with it benefits so large in its character, so beneficial in its tendencies, as to overbear all else. We offer you money at three and a half per cent; but this cannot be claimed now; we are not to obtain the funds for building this work at so low a rate of interest. *Now*, the full legal rate is required, and the several propositions rest upon their own intrinsic merits. Hence, sir, this question comes before the House with a great difference in the aspects it formerly presented. I beg on this point to call attention to the admission made by the hon. Provincial Secretary himself. It will be remembered that I was one of those who doubted whether the British Government would give the required guarantee, or that the money could be had at 3½ per cent. and that even if both of these were true, I thought it imprudent to engage in this work in the manner proposed. The hon. Provincial Secretary agreed in the general principles I proposed, and said that if it were not for the advantages we were to derive from the points to which I have alluded, he would go with me. Shew me, said he, any company, prepared to take up and construct our Railways upon favorable terms, and I am prepared to concede that it would be wiser to place the work under their controul. I now address the House, calling on the hon. gentleman and his colleagues to redeem that pledge, if I can show them that the work can be done on not equal, but infinitely superior terms. It must be borne in mind that we are not contrasting the merits of rival schemes—of two lines of policy, differing from each other, but whether the Bills brought down by the Government are such as to commend themselves to the people of this country as a wise, prudent, and beneficial measure.

[In the course of his speech Mr. Johnston read the following letter received by him from Mr. Jackson, in reply to one seeking information from that gentleman.]

LONDON, Nov. 25th, 1852.

My Dear Sir,—

It is evident, from the contents of your letter, that

you and the good people of Nova Scotia are not fully acquainted with the nature of the arrangements between me and their government. They are evidently under the impression that £6,000 per mile was the sum named by me as the cost of a railway through the Province. No amount was named by me, and in the absence of a full, accurate and minute survey, no sane man would name a price. What was arranged was that I should send in the spring competent engineers and surveyors, men of great experience, who should make a survey from the junction with New Brunswick to Halifax and the districts of Annapolis, Windsor and Pictou, and such other parts of the Province as might be deemed advisable—prepare plans, make out minute specifications, and submit the whole to the government; that I would then tender for the main trunk, (leaving the branches to be executed by native contractors) and if my prices were higher than the government approved of, all the plans, specifications and details to be placed in the hands of the government, to use as they deemed best, repaying me the costs out of pocket, which I estimated at £1,500. Further, that if we agreed on a price, a company should be formed, with three fourths of the directors Nova Scotia men; the government to advance as a loan, 50 per cent. on the agreed cost in the province bonds, to be taken by me at par, and the rest of the stock I would take myself—thus placing the province in a position of having a railway made, and with a risk of being called to pay 3 per cent on its cost,—in fact, getting money at that rate for railway purposes. My object in leaving the branches alone was to prevent local jealousies. If it is wished I can make a tender for the whole, but I need not point out to you that while the trunk line should be a first rate road, there is no reason why the branches should not be very cheap lines. The whole of the works in New Brunswick will be made in a very different style.

By my proposal the province will get the benefit of competition after they have perfected plans and details to guide them. I do not want the work, but I do want the trunk line made as part of a whole. My object is to secure its construction, and hence I am willing to run a risk in taking so much stock—and whether it is completed by me or by others, for the government or for a company, is of little moment, so that it is done.

My opinion I expressed fully as to its being made a government line. You never will, if it is, develop the resources of the country. Politically it may suit—financially never.

I cannot say whether the road would cost £1,000 or £6,000 per mile until the proper plans have been prepared. Mr. Sykes may venture—we will not,—and the cost of working in New Brunswick or in Canada is no criterion; and, after all, what does it signify to Nova Scotia if her maximum risk is under £3,000 per mile.

If the country will not find a traffic to pay 3 per cent on the cost of a line, or 6 per cent. on £3,000, there is a poor prospect for the shareholders.

Do you think any government would be justified, in the absence of detailed plans, in entering into any contract? I must confess my confidence would be shaken if it did, and the fact sufficient to deter me from going further. You have no data on which to base an opinion—and from the cursory glance I had of the country, I have no hesitation in saying that before any line is agreed on, men of experience ought to examine the country, and men whose standing and reputation is above all doubt.

I am, sir, yours faithfully,
(Signed) W. JACKSON.

JAMES W. JOHNSTON, Esq., HALIFAX.

[The learned gentleman also introduced the following comparison of the merits of the respective propositions.]

COMPARISON.

Sykes' Proposition.	
Annual Provincial risk at end of 8 years	£57,600
Jackson's Proposition.	
Annual Provincial risk at end of 8 years	£23,100
Difference in favor of Jackson annually	£34,500

If by being called on to pay our loan Debentures, we get the whole roads at 3000l. per mile for trunk, and 2000l. per mile for branches, the total annual liability of the Province under Jackson's offer would still only be 46,200l., against Sykes' offer for two-thirds of the road only 57,600l.

Annual difference in favor of Jackson 11,400l.	
Jackson's Proposition.	
Provincial risk on three lines—principal	£385,000
against Jackson and Co's. risk	1,220,000

Sykes' Proposition.	
Provincial risk on three lines—principal	£360,000
against Sykes & Co's. risk	480,000

TRUNK LINE.

Jackson's Second Plan.	
Total	Provincial Liability.
120 miles at 6,500l	£815,000
Annual Interest @ 6 per cent.	50,700
	half £422,500
	half 25,350

If the Railroad realized 3 per cent beyond the working expenses the Provincial Annual Liability would be discharged.

If it sold for or would bring half its cost, the Provincial Liability for principal would be altogether liquidated.

Sykes' Plan.	
Total	Provincial Liability.
130 miles at 5,200l.	£676,000
Annual Interest	40,560
	two-thirds £45,000
	two-thirds 27,040

If the Railroad realized 3 per cent on its own cost

being £20,280, the Provincial loss of interest would be £13,520 annually after deducting Sykes' proportion of loss.

If it is sold for, or would bring half its own cost or £338,000, the Provincial loss on the principal after deducting Sykes' share of loss would be about £226,000.

By applying the foregoing calculation to the trunk and branch lines, the disproportion will be largely increased.

The foregoing comparison is based upon the supposition,—First, that Messrs. Sykes will build as thorough and permanent roads as Mr. Jackson and his associates. Secondly, that Messrs. Sykes would be content, as Mr. Jackson is, to let the Province have the preference or FIRST CHARGE upon the lines for its share. As the offer stands (two thirds to one third, partnership risk) the Provincial liability is vastly increased.

Will any one tell me what is the advantage—am I going to accept Sykes's proposition as a matter of choice? By Jackson's plan you have no deposits of the earnings of the poor upon doubtful security; no paper issue at £100,000; no risk of falling market or injured credit by the sale of debentures, no salaries for Commissioners, no assessment of the City or Counties; nor will there be the slightest necessity to make any inroads upon the funds appropriated to the road, bridge, Educational and other services. What is it then that we have in issue? There can arise no question with any man of common reasoning ability as to which is the most favorable proposition for this Province. The point then for the decision of this House is this and this only, whether we shall set in one scale all the risk, all the expenditure, all the possible and probable consequences that may result from Provincial embarrassment and Provincial Bankruptcy; whether we shall endanger the hard earnings of the poorer portion of our population who by honest industry have managed to save a few pounds, for the purpose of getting a better road? No man will venture to affirm that; that the conveyance over the line may be more regular and speedy, that we may draw Capitalists to this Province who are more capable of advancing our interests and promoting our public works? That cannot be pretended. But we are asked to support a scheme fraught with the burdensome and ruinous consequences I have just detailed; we are requested to accept terms so pregnant with risk, and to repudiate and cast from us one so simple, safe and beneficial—for what: that the Provincial Executive may have the privilege and benefit of conducting the work; that they may have the dispensation of the patronage and the handling of the money. Weigh these things, if you please; ponder well upon the position we occupy. Remember that it is a question touching the very life of your Country; place these various estimates before yourselves; compare their relative merits and support that which seems to offer most advantage to your Country.

Upon this House then devolves the responsibility of accepting or rejecting the scheme developed in the Bills we are now considering. Its decision is not transitory, the record of its acts in this particular will stand forward prominently upon the records of their country's history. And if, Sir, unhappily as I believe, these Bills should receive Legislative sanction and become Law, and the embarrassment and bankruptcy to which I adverted ensue, no one member of this House can divest himself of the responsibility upon the plea of having acted unadvisedly, for the whole subject is before you, the choice is in your hands; the Province has a choice of two schemes, and hence it is that no man who decides for the adoption of that Bill will be able to escape the responsibility necessarily attaching to his action. I will close, Sir, with one other observation. Twice has this country been on the brink of the precipice, and twice has its action been arrested by a power not their own: twice have Bills passed this Legislature, because we were told that if the course then urged were not adopted we could not have Railways at all; but by the hand of Providence have we been stayed. The third time the Sykes seeks to enchant your ears, but not with the same song; the music is changed, the old tune is efficacious no longer. Sir, I never reflect upon our past action upon this subject that a passage of scripture does not rush upon my mind. We are told that "it is in vain the fowler sets his net in sight of any bird"; but the net is now set, you are, however, warned to avoid it; your eyes are open. Twice have you narrowly escaped and if now you are caught it is from choice; you choose the worse and reject the better, and upon considerations which should not weigh with you for an instant. Judge then for yourselves and remember that you have to account for the exercise of that judgement, on a matter of this momentous importance, to your Conscience, to your Country, and to your God.

News Department.

From Papers by R. M. S. Canada, Jan. 22.

OXFORD ELECTION.—The contest for the representation of the University of Oxford, obstinately prolonged for a period of 15 days, terminated on Thursday in the re-election of Mr. Gladstone. At the close of the poll, the numbers were—Gladstone, 1022; Percival, 898; majority for Gladstone, 124.

The Hon. John Ross, Solicitor General of Canada, and Mr. W. Jackson, M.P., had an interview with the Duke of Newcastle, on Wednesday, at the Colonial office.

Notice has been duly given that application has been made for a charter for a projected company, which, under the title of the "Chartered Bank of Canada," proposes to carry on banking and exchange business with British North America.