

RAILWAY DELEGATION.

MR. HOWE'S FINAL REPORT.

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 Lieut. 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 super-induced 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 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 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 or 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 Provinces 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 neighbours, 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 to enable them

to go on. These were sold here recently.—A gentleman of the highest mercantile character thus describes the value, in the London money market, of the credit of the first City in British America, unsupported by the Provincial or Imperial Government:—"I understand that the agents of Blackwood & Co (American Contractors) who accepted, as part payment of their work on the St. Lawrence and Atlantic Railroad, £125,000, 6 per cent. City of Montreal Bonds at par, sold them lately in London at the price of £70 per £100. They mature at various dates, averaging, I believe, from 10 to 15 years."

In this case, (and so it will be in all others, where haste makes waste, or cupidity outruns resources) it is clear that the Canadians will pay not only high interest upon their Debentures, but will have to redeem them at short periods, at an enormous sacrifice. If then, the Provinces can, by mutual co-operation, secure funds to complete their great lines at about one half what money has cost in all the adjoining States, and what it must cost them, without the aid of the British Government,—and if, while this money is being expended, their population and resources can be so increased, as to make the risks they run merely nominal, I am well assured, however timid statesmen may shrink from the responsibility, or interested speculators may advocate a different policy,—that sound views will ultimately prevail, and that the sacrifices which precipitancy may occasion to either Province, will ultimately afford instruction to them all.

Nova Scotia, having led the way to the adoption of an enlarged and enlightened policy, and having discharged towards her Sister Provinces, in a fair and generous spirit, the obligations which her prompt adoption of that policy imposed, it did not appear to me that I should leave her dependent upon their appreciation of her exertions, for the easy and successful completion of her internal improvements, in the event of no common action being attainable in respect to national or inter-colonial lines.

Looking to the development of her internal resources alone, Nova-Scotia must have a common trunk line of Railroad, extending in a northerly direction from her capital, and branching east to the Pictou Coal Mines, and west to her most populous Rural Districts, a large portion of the trade of which now flows across the Bay of Fundy. Her clear interest is to make these lines without delay, should any thing retard an inter-colonial enterprise. She may make fifteen, perhaps thirty miles, and then turn east or west as circumstances may determine; or she may complete the trunk and continue the branches, for the accommodation of her own trade and people, by regular and safe gradations.

Entertaining these opinions, I could not leave England without providing for the independent execution of our own internal improvements, under any and every possible contingency. I shall be prepared, therefore, to submit to His Excellency, propositions by which any amount of funds which we may require can be obtained, on our Provincial credit alone, at 5 and 6 per cent., from Banks, and individuals of the highest respectability, who will dispose of our debentures on the most favourable terms—and I shall also be prepared to submit the offers of capitalists, and contractors, who have made one third of all the Railroads in the United Kingdom, and who will complete working plans at their own expense, lodge thirty thousand Pounds in the Provincial Treasury as a pledge of their good faith, and construct either Nova-Scotia's own lines (should the Provinces not agree) or all the lines contemplated by Mr. Hawes's letter of the 10th of March, on terms much more favorable than any Railroads have been or can be completed with Colonial or American funds.

I have &c.

(Signed.)

JOSEPH HOWE.

WM. H. KEATING, Esq. Depy. Secy.