

The interest, therefore, of any monies borrowed by the Provinces to build the Railway would fall entirely on their general Revenues, a burden which they were little able to bear. These considerations being strongly pressed on Earl Grey, then Secretary of State for the Colonies, he acknowledged their justice, and in a despatch dated 14th March, 1851, agreed that the British Government would guarantee the payment of the interest on monies borrowed by the Provinces for the purpose of making the road, on the condition that it should pass exclusively through British territory; but he stated that it need not of necessity be built on Major Robinson's line. Any deviation from that line was, however, to be subject to the approval of Her Majesty's Government.

Misapprehension arose between Earl Grey and Mr. Howe, of Nova Scotia, then conducting the negotiation, as to whether, in case Major Robinson's line were adopted, the Imperial Guarantee would not also be extended to a lateral Railway running from the Main-Line through New Brunswick westward to the frontier of the United States.

This side line, if constructed, would have much improved the commercial character of Major Robinson's line, as it would have formed a valuable feeder and connected it with the general Railway system of the United States. Acting, therefore, under the belief that the Guarantee was to be so extended, the three Provinces of Canada, New Brunswick, and Nova Scotia, made an agreement to construct the Railway from Halifax to Quebec in equal proportions, and proceeded to legislate upon it with a view to the immediate execution of the work.

On its being ascertained that it had not been intended by the British Government to grant the Guarantee to the local line above referred to, all the objections to Major Robinson's route revived, and the arrangements between the Provinces fell to the ground.

Anxiously desiring the construction of the Railway, the Provinces, although much disappointed at the frustration of their expectations, entered into a new arrangement.

They agreed if the Railway was built along the Valley of the River St. John, Nova Scotia would advance three-twelfths, Canada four-twelfths, and New Brunswick five-twelfths of the cost of the construction.

This line promised great commercial advantages, and a fair pecuniary return, and at the same time satisfied the condition imposed by the Imperial Government, that it should pass exclusively through British territory. The agreement thus altered was submitted to the Imperial Government for approval; but Sir John Pakington, then Colonial Secretary, in a despatch, dated 20th May, 1852, intimated his disapproval of the proposed deviation from the Eastern line, and that he therefore did not feel warranted in recommending the Guarantee to Parliament. He, however, at the same time stated, that the Imperial Government was by no means insensible to the great national object involved in the construction of the line, and that the most favorable attention would be given to any modification of the proposals then before him. The negotiations thus fell a second time to the ground—the Provinces are without their Inter-Colonial Railway, and England has yet no Military road to Canada.

The three Provinces have been driven, from the failure of these negotiations, to undertake, within their several territories, without concert, and on their own unaided credit and responsibility, the construction of Railways no doubt of local advantage, but not of general or national importance.

It was not thought in Canada a fitting time to press this subject again on the British Government, when all its energies were directed to the vigorous prosecution of the Russian War, a struggle in which Canada fully sympathized, and was ready to make its own. But now that peace has been restored, it would seem that no time should be lost in undertaking this great work. Circumstances have arisen during the progress of the war, the enlistment and Nicaraguan questions with the United