

region which, by the necessities of its geographical position, is now limited during half the year to commercial intercourse with the adjoining Republic. Surely it is no light matter that for six months in the year, Canada is dependent for her entire import and export trade, even with her sister Colonies, upon the revenue regulations of a foreign country. Will Great Britain aid us with her credit to wipe off this reproach?

Without concert with my colleagues, but faithfully, as I believe, reflecting their views, I have thus imperfectly, on the eve of departure, presented some considerations which may not, I trust, be without weight with yourself and your colleagues; and apologising for again pressing upon your notice this matter of vital importance to the interests alike of the Colonies and the Empire,

I have, &c.

R. B. DICKEY.

The Right Hon. Sir E. B. LYTTON, Bart., H. M. Secretary of State for the Colonies.

No. 30.

Downing Street, 24th December, 1858.

MY LORD,—

You are doubtless aware that frequent communications have passed between me and the Delegates who visited this country from the British Provinces in North America, relative to the proposal that some Imperial aid should be granted towards the completion of an Inter-Colonial Railway from Halifax to Quebec. The subject has not failed to receive the anxious consideration of myself and my colleagues.

I need scarcely say that the project is one which Her Majesty's Government cannot regard otherwise than with the best wishes; even were no national object concerned, it would be highly gratifying to them that the British Provinces in North America should reap the local advantages which would be derived from the completion of this great line of Railway. Those advantages, it is true, would not justify an outlay of British funds, inasmuch as it is evident that for an Imperial expenditure there must be an Imperial object, but I readily admit that the plan does likewise embrace interests of a general and national character. Independently of any Military advantages which might attend the existence of an uninterrupted communication by rail over British territory in the event of any disturbance of the existing friendly relations of Great Britain with ~~all~~ other countries, some benefits of an Imperial kind would at once accrue from the completion of the Inter-Colonial Railway, the letters from England would pass over a shorter and cheaper route, and the movement of Troops would gain in point of convenience and economy.

As to the probable amount of such financial benefits to the Mother Country, there would probably be some difference between the calculations suggested by the Delegates and those formed by the official departments in the Imperial service, to which the consideration of matters affecting the conveyance of Troops, or the carriage of letters would specially belong. It is unnecessary, however, at present to raise that question, and I readily grant that it involves others both of kindly feeling towards Provinces so loyal and so important, and of general policy in the increased strength and compactness produced by rapid communication, which it would be impossible to reduce to figures and specify in estimates. But still the national expenditure must be regulated by the national resources, and however important may be the foregoing advantages, it has been found that objects of interest to Great Britain yet more urgent must yield to the necessity of not unduly increasing at the present moment the public burthens. For this reason, I can only express my deep regret that while doing full justice to the ability of the arguments advanced by the gentlemen who visited this country as Delegates upon the subject, and while far from undervaluing the benefits of an Inter-Colonial communication by Railway, Her Majesty's Government have not found themselves at liberty to accede to the proposal of granting Imperial aid towards the completion of the line between Halifax and Quebec. I have, &c.

E. B. LYTTON.

The Right Honorable the EARL OF MULGRAVE, &c. &c. &c.

Delegations from