

the general revenue, and not for roads or improvements. There is no wild land tax.

16. All this narrow and limited colonization would receive an expansion and stimulus from "reproductive" works—embracing, pre-eminently, railways, as no tolls are levied on ordinary roads and bridges, which, therefore, make no return. The three legislatures concurred in recommending the survey of a line from Halifax to Quebec. The survey for a military road between these places was made in 1844, under Colonel Holloway, the estimate for which was 2,500*l.*, being more than that for a wooden railway in an easy country. [The survey for a railway from Halifax to Quebec was undertaken in 1846, in consequence of certain correspondence, representations, and movements initiated in London.]

17. But the St. Andrews and Quebec Railway Company was incorporated in 1836—the survey being made by Government at the cost of 10,000*l.*—a grant made by the advice of Lord Glenelg, who then also notified that "when the survey should be completed, the Government would take into their consideration the further proposals made to them for an advance of money in aid of the undertaking." The proceedings of the Company were arrested in consequence of the disputes with the United States. On the settlement of these by Lord Ashburton, proceedings were resumed, and the Company reconstituted, with larger privileges, embracing a grant of 20,000 acres on the first section between St. Andrews and Woodstock, and a guarantee of 5 per cent. interest on the portion of capital to be raised in England; 50,000*l.* has been subscribed in the colony.

18. The settlement of the boundary, and the concession to the United States caused a diversion of the route beyond the Grand Falls—the centre of the line—where it will intersect the trunk line from Halifax, if that should proceed, or otherwise carried on to Quebec. The length of the line from St. Andrews to Quebec is 320 miles. Either line would pass through rich lands in New Brunswick. The larger line would employ more labour; the smaller line would be commercially profitable, and involve the future construction of the greater line, as the progress of settlement should warrant it, the remunerativeness of the latter being, at present, very problematical. Woodstock and the Grand Falls are flourishing settlements. The port of St. Andrews is open at all seasons for vessels of every size, and the outer harbour is magnificent. This line being made, feeders would follow from every port, and would pave the way to the profitable construction of the great trunk.

19. The railway connection of Canada, New Brunswick, and Nova Scotia would vastly increase the demand for labour—would effect great social, moral, and political benefit—would make the three colonies one country—*counties*, so to speak, and part and parcel of the United Kingdom. Without railways, Great Britain will lose America. At present the long line would not pass through any important towns; but Halifax is the nearest port to England; and, on the development of the colonies, produce, even during winter, would, in time, be transported by Halifax, instead of through the United States. [A movement has commenced both in Halifax and New Brunswick for the formation of a line from Halifax to Windsor and Annapolis, towns on the eastern shore of the Bay of Fundy, and opposite to St. John and St. Andrews. This line passes through one of the richest and most highly cultivated districts of North America, and would, with the exception of the short passage across the bay, open up a continuous and *immediately-remunerative* railway connection with Canada, by way of the St. Andrews line; serving also for the rapid transmission of troops and stores through Nova Scotia, New Brunswick, and Canada, and especially to the United States frontier.]

20. The indirect would be still greater than the direct effects of railway constructions in the employment of labour. The land in the neighbourhood of the line would increase from the value of 2*s.* to at least 20*s.* per acre, and for every labourer employed upon the line, at least four would be employed in the formation of settlements growing up on either side; in the foundation of towns; the