

With the Imperial guarantee, we can obtain the funds required at $3\frac{1}{2}$ per cent., reducing the annual interest to 28,000*l.* sterling, or 35,000*l.* currency.

The Government of Nova Scotia believe, that if British capital, so much of which flows into foreign States, where it is always insecure, and in times of trial is found to have invariably strengthened our enemies, can be safely invested in the Queen's dominions, the Imperial Government should take an interest in its legitimate employment; and they are quite prepared to invest an equal sum to that now required in building a line through the western counties of Nova Scotia, wherever the eastern pays its working expenses and interest on the sum expended.

They believe that, even if the province could raise this amount of capital, to withdraw so large a sum from the ordinary channels of circulation, where it is beneficially employed, and earning interest and profits, would cramp the trade of the country, and produce, on a small scale, embarrassments similar in their nature to those experienced in the parent State.

They believe that a low rate of interest would lead to the establishment of a low rate of fares, of which every Englishman passing over the line would feel the advantage.

They are prepared to carry the British and American mails at reasonable rates, and to authorize the British Government to pay the amounts contracted for, to the credit of the interest on the loan.

They believe that Her Majesty's Government legitimately employed their influence in securing, by the Nicaragua Treaty, a passage for British subjects and commerce to the East. They believe that to control the great highway to the West, and to secure to a British province the advantages of oceanic steam navigation, would be an equally legitimate object.

They believe that if Her Majesty's Government takes the lead in these noble North American enterprises, they will make the Queen's name a tower of strength on that continent.

They apprehend that if the colonists are driven to seek sympathy and assistance from the United States, in aid of their public works, to become large debtors to their capitalists, at extravagant interest, to employ their citizens habitually in the bosom of their country, a revulsion of feeling, dangerous to British interests, will be created, which statesmen should foresee and avoid.

Whether, my Lord, it was prudent in the Provincial Government to ask for the Imperial guarantee, I would respectfully suggest that it is now too late to consider. The refusal will wound the pride of every Nova Scotian, and strengthen the belief that England is indifferent to the industrial development of the maritime provinces: that she has no policy, by backing which their inhabitants can be elevated to fair competition with their Republican neighbours; and that when they ask her countenance and co-operation in measures which are as essential to the national dignity and security, as they would be productive of internal improvement, the reply, though courteous, shuts out hope.

An impression prevails in the Lower Provinces, that either from the immediate presence in Canada of noblemen generally standing high in the confidence of the Ministry at home, or from the sensitive irritability with which all parties resort to open violence in that province, more weight is given to representations affecting her interest, than to those which concern the maritime colonies. Nova Scotians, compelled to sacrifice 22,000*l.* a-year in the completion of a national work, by the refusal of the Imperial Government to guarantee to the capitalists of England the interest on this loan, cannot fail to contrast the relative position in which they are placed by that refusal. That they may not copy the evil examples by which a larger share of fraternal consideration will appear to them to have been secured, shall be my sincere and anxious prayer.

The Canadas, seeking Responsible Government in the French mode, resorted to armed insurrections, which it cost England 4 or 5,000,000*l.* to suppress. Immediately after the restoration of tranquillity, the British Government lent the Canadas 1,500,000*l.*

Had the maritime provinces participated in those rebellions, every regiment that marched through them in the winters of 1837 and 1839 would have been cut off. They did not. They adhered to their allegiance, and denounced the rebels. They cheered the soldiers on their winter marches, and provided for their wives and children. Yet Canada has been rewarded for bad faith and the waste of national resources, by a bonus of a million and a half; and I know no