

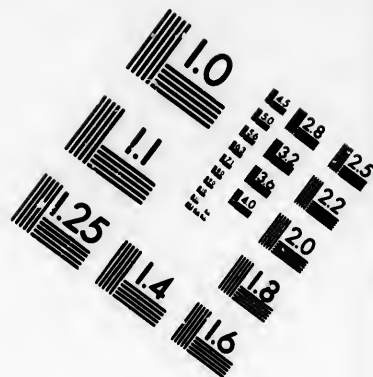
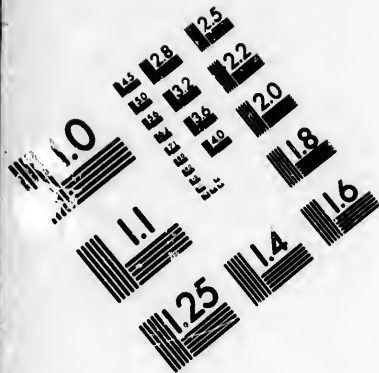
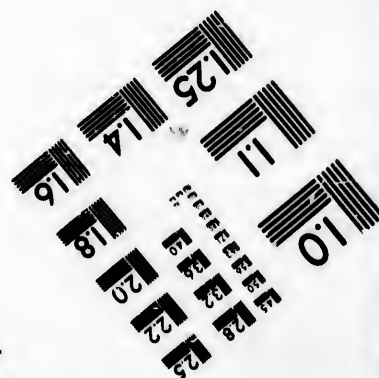
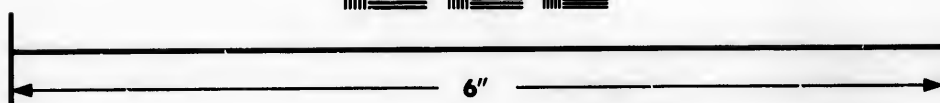
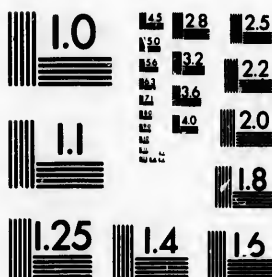


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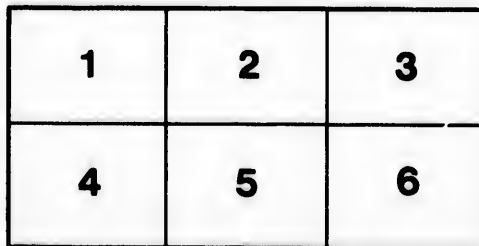
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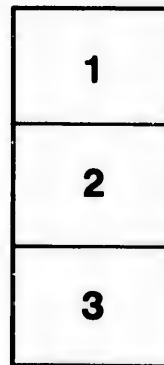
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MEMORANDUM

ON

THE PRESENT STATE OF THE NEGOCIATIONS WITH THE
BRITISH AND COLONIAL GOVERNMENTS,

RESPECTING THE

HALIFAX & QUEBEC RAILROAD;

THE PROBABLE COST OF THE ROAD,

AND ITS PROSPECT OF SUCCESS AS A COMMERCIAL
UNDERTAKING.

BY

VISCOUNT BURY, M.P.

Addressed to the Shareholders

OF THE

HALIFAX & QUEBEC RAILWAY COMPANY,
LIMITED.

47, SLOANE STREET,
Feb. 4, 1859.

WILLIAM PENNY, 57, LINCOLN'S-INN FIELDS.

MEMORANDUM.

BEFORE the close of the last session of Parliament, the propriety of connecting Halifax and Quebec by a line of railroad was brought under the consideration of Her Majesty's Government.

This question had been frequently mooted before, and it is not too much to say that its importance, in a national as well as an economical point of view, has been acknowledged by every Administration which has succeeded to office during the last ten years. It has been the subject of voluminous correspondence, which has been presented to the British Houses of Parliament and the Canadian Legislature from time to time, between the years 1849 and 1858. In 1847-8 three routes by which the proposed object might be attained were surveyed and ably reported on by Major now Colonel Robinson, R.E.,* and Captain Henderson, of the same corps. This survey was undertaken by order of the Imperial Government, but at the expense and by the request of the colonies. Earl Grey was at that time at the head of the Colonial Office, and expressed himself then and afterwards very strongly in favour of the undertaking.

Difficulties, however, arose, and after several unsuccessful attempts to revive it, the project dropped.

I need not now enter into the history of the question. It will be sufficient to say, that during the last year it was revived, and that it enlisted the warm sympathies of many gentlemen of influence. A meeting was held on the 5th June, 1858, at the Thatched House Tavern, at which it was resolved to make a strong appeal to the Colonial Minister, Sir Edward Bulwer-Lytton, and the Chancellor of the Exchequer, Mr. Disraeli.

In order to carry out this resolution with effect, the promoters of the undertaking registered themselves under the

* Halifax, August 31, 1848.

provisions of the Limited Liability Act, and appointed four of their number to act as Provisional Directors. The Company thus constituted, accompanied by several members of Parliament and gentlemen well known in the mercantile world, waited upon Sir Edward Bulwer-Lytton.

The deputation pressed upon him the political and commercial importance of the undertaking. They quoted the Acts of the Legislatures of Nova Scotia, New Brunswick, and Canada, passed in 1849, promising to Her Majesty £20,000 per annum each, and all the ungranted Crown lands situated within ten miles of the proposed line of road, provided that Her Majesty, either by herself or through the instrumentality of a private Company, would undertake the construction of the road.

They concluded by asking to be recognized as "the Company" mentioned in the above-cited Colonial Acts, and to be appointed the agents of the Government for carrying out the work.

Sir Edward's reply was encouraging. He said:—

"I think the question divides itself into two great divisions: one is the political, and the other is the financial. So far as the political is concerned, which more immediately comes under my notice, I have given the best consideration I can to the subject, and I think that the imperial advantages are not exaggerated. I think that there is a sufficient degree of imperial advantage to be derived from the proposed line to justify, to my mind, the Government, in giving assistance to the colonies; and the more I look at the great importance of it, the more favourable I think the proposed course is."

On the following day, the deputation re-assembled at the official residence of the Chancellor of the Exchequer, to whom they advanced nearly the same arguments as those they had before urged upon Sir Edward Bulwer-Lytton.

Mr. Disraeli replied:—

"It is not an unfavourable period for undertaking these great works, if you can agree upon any arrangement. I can only say that I am duly impressed with the great importance of it; and your (Lord Bury's) very clear and lucid statement has revived my recollection. I remember a great deal on this point when Lord Grey was in office. It certainly is, in every point of view, a matter of the highest consideration, and I will confer with Sir Edward Bulwer-Lytton immediately upon it."

The promoters of this undertaking, on considering the answers given to them by Ministers, were impressed with the belief, that the obstacle which principally prevented them

from at once obtaining the Government guarantee, was the uncertainty which both the right honourable gentlemen felt—which, indeed, they strongly expressed—as to the present intentions and feelings of the Colonial Governments.

Sir Edward Bulwer-Lytton and Mr. Disraeli pointed out that the assistance promised by the three provinces was guaranteed by the Colonial Legislatures in 1849; that the negotiations then entered into had not been carried out; and that the Acts then passed, though not formally expunged from the statute-books, might not improbably be regarded as having fallen into disuse. It was true that since 1849 all three of the provinces had undertaken, and had carried to a forward state, great public works; and that during the last year, though their commercial institutions had nobly withstood the shock, they had experienced a crisis perhaps unexampled in the monetary history of the Western hemisphere.

Under these circumstances, the Directors determined that one of their number should visit British North America, and ascertain, from personal observation, how far the colonies would be disposed to ratify and renew the engagements made in 1849.

In consequence of this arrangement, I sailed for America in the early part of last October. During the last three months and a half I have devoted considerable care and attention to the subject. The result may be arranged under four heads:—

1. How far the Halifax and Quebec Railway is a matter of imperial concern; and if it be, in what manner the Government can most advantageously give it their assistance.

2. Whether Canada, New Brunswick, and Nova Scotia would co-operate with the mother country; and if so, to what extent and in what manner.

3. The probable cost of the construction of the road, the character of the country through which it must pass, and the best route for it to follow.

4. What trade already exists there, and what trade the line would be likely to create.

I. The first and most important point to be considered is, upon what grounds the Company can demand the sanction and assistance of the Imperial Government.

If the reader will take a map of North America, and, from a point about the centre of James's Bay, will draw two semicircles, one beyond the other, towards the south—one with a radius of about 900, the other with a radius of from 1,200 to 1,300 miles—he will observe that the inner semicircle will follow the general direction of a line of hills that are usually

considered the northern boundary of the Canadas; the outer will indicate the position of the Great Lakes and the St. Lawrence. Nova Scotia, New Brunswick, and part of Canada lie side by side on the south shore of the St. Lawrence: their southern limit forms the line of demarcation between the British territory and the United States. At a point midway between Montreal and the Foot of Lake Ontario the national boundary-line touches the St. Lawrence: from that point it winds away towards the west, bisecting the Great Lakes and the channels of the rivers which unite them one with another.

The British possessions, then, present a semicircular front to the United States, from the Atlantic Ocean to the western boundary of Canada.

It is thus evident that there are but three modes of reaching them from Europe. Either by way of the St. Lawrence, by traversing the United States, or by landing from the sea, on their eastern extremity, at or near Halifax.

The St. Lawrence navigation is considered under a separate head (No. 4). Practically the choice rests between traversing the States, and landing at Halifax.

The inconvenience of depending on a foreign power for access to our own territory is too self-evident to require proof. But to that inconvenience we now submit.

Mails now go through the United States, and in order to do so make an average detour of 450 miles.* Passengers are obliged to do the same. I was at Halifax a few weeks ago, and wished to go to Quebec. I was obliged to wait a fortnight for a steamer to Boston, in the United States, and then go by United States railroads. When at Halifax, I was distant from Quebec, by the route that Major Robinson proposes for the railway, 635 miles. I had to travel 400 miles by sea and 600 by United States and Canadian railways in order to reach it.

In 1857 the United States authorities, in consequence of a dispute which arose with reference to the postal convention between Great Britain and their own Government, gave notice that the existing arrangement should terminate in six weeks.

Incalculable injury would have been done if this threat had been put into effect, But why are we left open to such threats? The construction of this railroad would render us independent of the United States.

During the late war, and at one of the most critical periods

* When the mail goes round by New York, it traverses 515 miles, and when it goes by Boston, 365 miles additional distance.

of that war, the British Government were desirous of removing large munitions of war that were in store at Quebec to the Crimea. The law officers of the Crown who were appealed to on the subject, gave it as their opinion that, inasmuch as the articles to be transported were contraband of war, they could not pass through the territory of a neutral power without a breach of the neutrality laws. The stores were, in consequence of this opinion, conveyed on sledges, at an enormous expense to Halifax, along the route of the proposed railway.

England has the military defence of her colonies to take care of. A war might break out during the winter time, in which it was necessary either to throw troops into Canada or to withdraw them from it. If the United States were either hostile, or in a position of armed neutrality, we could not, under present circumstances, effect our purpose at all. But if, on the other hand, this railroad were constructed, they would be on board ship in forty-eight hours after leaving their quarters in Canada, or concentrated on any part of the frontier within the same time of their landing at Halifax.

The danger above alluded to is not chimerical, for in 1837 and 1838 Canada was actually invaded by the Americans. Troops were indeed transported from Halifax to Quebec, but in small numbers, at a great expense, and with much suffering to the soldiers. It was found that military stores could not be conveyed at all in sufficient quantities. The misfortunes which would inevitably accrue, both to the commercial and the military interests of the country, if any rupture should, unhappily, take place with the United States, would be greatly enhanced, if there were no means of communicating with all the colonies at all seasons of the year. Looking at the question only in a military point of view, there ought either to be a large force always stationed in the provinces, or means should be provided to concentrate such a force on the required point at any moment.

In case of an American disturbance, the military base of operations would be in England instead of in Canada. The facility and rapidity of transport would economize alike troops, stores, and time.

Much has been said about federalizing the provinces. I express no opinion upon the advisability or possibility of such a plan; but it is right to note, while considering the imperial character of the undertaking, that it would be impossible to unite the three provinces politically, without first uniting them physically by means of this road.

It has long been a desideratum with the Imperial Government to have a military road through British territory,

accessible at all seasons. Indeed, it is necessary that such a road should be completed without delay. It has been truly observed by Canadian authorities, that

"The Colony has received the solemn assurance of the Imperial Government, a promise on which she implicitly relies, that while she is expected to assume her share of the burden of any force which her own internal wants may require in time of peace, yet that the whole power of the empire will be put forth for her protection and security against foreign aggression. Canada has acted on this assurance, and performed her part of the obligation; but we would respectfully urge that, without means of communication with Great Britain, the Imperial Government is powerless to perform its share; and that the very first step towards the fulfilment of the promise is to provide proper access to the country."*

Another point, which is matter of imperial concern, is the increased rapidity with which the postal communication would be conducted. The weekly European mails now arrive in Canada alternately by way of New York and Boston. The ship that takes the mails to Boston touches at Halifax, and yet is obliged to land its mails at Boston, which port is reached in from thirty-five to forty hours after leaving Halifax. But supposing that the railroad were built, and the trains running over it at the rate of twenty-five miles per hour, the mail would be delivered in Quebec about twenty-four hours after the arrival of the steamer at Halifax, at Montreal in about thirty hours, and in Toronto in about forty hours. The mail would thus arrive at the capital of Canada West nearly at the same time that it now starts on its thirty or thirty-five hours' journey to the same point.

Earl Grey in a despatch dated 14th March, 1851, announced that Her Majesty's Government were willing to assist in the construction of the Halifax and Quebec Railway.

I cannot better describe the way in which his lordship proposes to do this, than by transcribing a few lines of his despatch. He says:—

"Although Her Majesty's Government are of opinion that great caution ought to be observed in pledging the credit of the British treasury, in aid of loans raised in the colonies, they regard the work now in contemplation as being (like the St. Lawrence canals) of so much importance to the whole

* See the Hon. J. Rose and the Hon. J. A. Macdonald's Memorandum to the Imperial Government.

empire as to justify them in recommending to Parliament that some assistance should be given towards its construction. Nor is there any mode of affording such assistance which has been hitherto suggested, which appears on the whole so little burdensome to the mother country, and at the same time of so much real service to the colonies, as that which is now proposed."

The plan alluded to was that the British Government should guarantee the payment of the interest on the moneys raised for the purpose of making the road.

It may be remarked that Lord Grey mentions as a set-off against the proposed guarantee, that the Colonies, and especially Canada, should take upon themselves a much greater share of the expense of their own defence than heretofore. Canada has already performed her part of this implied contract, by the enrolling, arming, and drilling of a large and highly efficient volunteer force.

I cannot, before dismissing this part of the subject, refrain from expressing my conviction that this road is destined, probably at no distant day, to form part of a chain of railways from the Atlantic to the Pacific. The physical obstacles presented by the country to be traversed by such a line are as nothing, compared with the great advantages which would accrue to the empire at large from its construction. A Canadian company with, as yet, slender resources and imperfect organization, already transports mails, both in winter and summer, over the country between Toronto, C.W., and Fort Garry, on the Red River.

The valley of the Saskatchewan offers few engineering difficulties. The rocky mountains have a pass easy to overcome near the head-waters of the Saskatchewan. The valley of the Columbia slopes easily to the Pacific.

It requires no argument to prove that the route, by way of Suez, to our Indian possessions, is politically objectionable, and may at any moment become unsafe. The Isthmus of Panama is objectionable on the same grounds. The route round the Cape is tedious and expensive. British America affords the only route which England can with certainty count upon as safe. The country which occupies the eastern shore of the Pacific will, without doubt, ultimately possess the dominion of the East.

The Halifax and Quebec railroad, as part of the scheme of communication, must inevitably be considered a matter eminently of imperial concern.

Under these circumstances, I beg to suggest that the above facts should be submitted to Her Majesty's Government, and

that they should be requested to ratify the promise of Lord Grey.

II. I have now to consider how far Canada, New Brunswick, and Nova Scotia would be disposed to co-operate with the mother country; and if so, to what extent, and in what manner?

This point can be dismissed in a very few words.

It has been already stated that the Legislatures of Canada, New Brunswick, and Nova Scotia passed acts granting to her Majesty sums amounting in the aggregate to £60,000 per annum, together with certain crown lands, as their contribution towards defraying the cost of the Halifax and Quebec Railway.

The three Acts were very similar in substance, though not identical in words. It will be sufficient here to quote the Canadian Act, which was founded on a series of resolutions proposed by Mr. Hincks, and was entitled: "An Act for affording the Guarantee of the Province to the Bonds of Railway Companies, on certain conditions; and for rendering Assistance in the Construction of the Halifax and Quebec Railway." Sec. 5 provides:—

"Whereas the proposed railway between Halifax and Quebec will be a great national work, linking together the several portions of the British Empire on the Continent of North America, and facilitating the adoption of an extensive, who' some, and effective system of emigration and colonization, and it is right that Canada should render such assistance as her means will admit of towards the accomplishment of a work so important and promising results so beneficial: Be it therefore enacted, that if Her Majesty's Government shall undertake the construction of the said railway, either directly or through the instrumentality of a private company, it shall be lawful for the Governor in Council, on behalf of this province, to undertake to pay yearly, in proportion as the work advances a sum not exceeding twenty thousand pounds sterling, towards making good the deficiency (if any) in the income from the railway, to meet the interest of the sum expended upon it, and to place at the disposal of the Imperial Government all the ungranted lands within the province lying on the line of the railway, to the extent of ten miles on each side thereof, and to undertake to obtain, pay for, and place at the disposal of the Imperial Government, all the land required within the province for the line of railway, and for proper stations and termini."

During my visit to the three provinces, I endeavoured, both in public meetings which were convened for the purpose,

and by private conversation with gentlemen of every shade of political opinion, to ascertain whether the words in that and the similar acts of the lower provinces, still indicated the views of the people.

I have to express my belief that a large majority of the people in the three provinces desire to see the work undertaken, and that the acts cited are considered still in force. I also think that if, from the length of time during which they have remained in abeyance, any renewal of their provisions were considered necessary, it would not be difficult to obtain their re-enactment.

During the past year delegates from each of the three provinces met in England to discuss with the head of the Colonial Office the mode in which this work might be constructed. Their reports are not yet before the public, and it would be improper for me to allude further to the result of their labours than to say that I believe their opinions to be highly favourable to the construction of the road.

I venture to recommend that a memorial be presented to Sir Edward Bulwer-Lytton, praying that, having regard to the heavy expenses already incurred by the Halifax and Quebec Railway Company, and in order to enable that company to complete the survey and other arrangements in which they have already engaged, he will enter into a provisional agreement with that company, as contemplated by the Colonial Acts of 1849.

III. The probable cost of the construction of the road, the character of the country through which it must pass, and the best route for it to follow.

This division of the subject may also, although of great importance, be briefly dismissed, inasmuch as the precise route to be followed will depend mainly upon the views of the Government; and the cost of the line will, of course, be the subject of careful estimate, when that preliminary point is decided.

I may, however, offer a few general observations upon it. Lord Grey's promise of imperial assistance was conditional upon the route selected being that approved by Major Robinson. As a military road, it would lose much of its utility if it were not removed as far as possible from the American frontier. Diplomacy has so arranged the boundary of the State of Maine, that the only way of obtaining this grand desideratum is by adopting Major Robinson's route, or some modification of it. The question is in a measure removed from our discussion. There exists, however, a strong opinion in New Brunswick, that the mountains in the interior of that country,—the engineering

difficulties of which mainly induced Colonel Robinson to fix his line along the shores of the Bay of Chaleur, and of the Gulph of the St. Lawrence,—can be traversed in a more direct manner by a pass which is believed to exist in a straight line between the head of Miramichi Bay and Trois Pistoles. This opinion requires to be put to the test of actual survey. If it be true, it would have the advantage in point of direction over Major Robinson's line, and be equally safe in a military point of view. The expense saved in milcage would probably go far to defray the expense of any increased engineering difficulties. With regard to the cost, it was estimated by Colonel Robinson at £7,000 per mile. The Hon. Mr. Howe, of Nova Scotia, estimated it at £5,000 per mile. Mr. Pryor, a gentleman of great talent and experience in Nova Scotia, thinks we may "safely put down the cost of the Halifax and Quebec line at £6,000 per mile, from a calculation; with strong grounds for believing that the average cost of the whole 635 miles will not exceed £5,000 per mile, Mr. Howe's estimate."

The best way, of course, to test the probability of each of these estimates is to look at the cost of other similar works.

The total number of miles of railroad in the New England and Middle Atlantic States of the American Union* is,—

* For an instructive table, containing all statistics relative to American railways, see *New York Herald* of January 11th, 1859. I extract the following as bearing on the subject in hand :—

NAME OF STATE.	Total Length.	Cost of Road and Equipment.
NEW ENGLAND STATES.		
	Miles.	Dollars.
Maine.....	631	19,315,567
New Hampshire	594	19,887,422
State of Vermont	557	21,235,184
Massachusetts	1,480	63,646,030
Rhode Island	86	2,750,450
Connecticut	809	25,098,678
	4,157	151,933,331
MIDDLE ATLANTIC STATES.		
New York.....	3,476	135,314,197
New Jersey	645	24,886,531
Pennsylvania	3,735	140,570,271
Delaware	119	1,980,665
Maryland	373	46,116,555
Total.....	8,848	348,868,219

	Total Length.	Cost of Roads and Equipment.
	Miles.	Dollars.
New England States	4,157	151,933,331
Middle Atlantic States.....	8,848	348,868,219
Total.....	13,005	500,801,550

This would give an average of 38,508 dollars per mile (about £7,700).

I have, however, to observe, that the circumstances under which these railroads were constructed are such, that though they may represent a sufficiently accurate result, if an average of the whole is alone considered, yet no individual railway, nor even the average cost per mile of the railroads of any particular State, will afford a satisfactory precedent for judging of the cost of the Halifax and Quebec line.

Many of the United States railroads are doubtless well located, and have been built with due judgment and economy. Many, on the other hand, have not been so satisfactorily managed. Inferior lines have been forced on the market by the issue of free shares to individuals,—a practice which increased the nominal cost of the lines, without accurately representing the amount actually required for their construction. Contractors were, in very many instances, paid by preferential shares or bonds, at a large discount. Iron of inferior quality was purchased, far above the *cash* market price, and paid for in the same manner. By these and similar means the price of many railroads in the United States has been made to appear to be almost as much again as the real or money value paid for them.

This was, of course, the case to a greater extent with lines which, on sound commercial reasons, should not have been undertaken at all. Good and necessary lines were made cheaply, and pay well—largely, I should say, according to English ideas of railway property. Bad lines were dear, in proportion as they were commercially unnecessary, but they serve to swell the average cost of American railways beyond the amount that well-managed roads should cost; and those States which show the greatest number of miles of railroad, and might therefore be supposed to supply the best data for striking a fair average, are precisely those in which rash speculations have unduly swelled the average.

Again, most of the American railroads have had to purchase their right of way and termini—the latter generally in large towns where land was exceedingly expensive. "Iron

and labour," writes E. G. H. Derby, Esq.,* "have fluctuated from 50 to 100 per cent." Again, "The cost of rails in America, with duty, has been, probably, 20 or 25 dollars per ton more than for the Halifax and Quebec line, equal alone to about £700 per mile."

The Grand Trunk Railway of Canada has cost, on an average, £10,000 per mile, including the Victoria Bridge. I have no official data, but I believe the bridge is to cost £2,000,000. From £10,700,000, the estimated total cost of the road, deduct £2,000,000, the price of the Victoria Bridge; this leaves £8,700,000, which, divided by the mileage, 1,114 miles, gives £7,809 per mile.†

The Grand Trunk Railway is a single track; but land has been purchased for a double track, which will be made when the extension of the trade requires it. This land and the termini have been paid for by the Company—an expense which will not fall upon the Halifax and Quebec Railway.

The most difficult section of the Grand Trunk, in an engineering point of view, is that from Island Pond to Portland. The road here crosses the White Mountains, and passes through a country as difficult, by all accounts, as any that is to be encountered in New Brunswick. This has cost nominally £8,000 per mile, but I believe that it is well known that it was paid for in debentures issued at a great depreciation.

The line from Quebec to Trois Pistoles is now under contract, and will be ready for opening in May. A line from Halifax to Truro is now completed. A branch line from St. John's, New Brunswick, to Shediac, is also in a forward state. This line will join the Halifax and Quebec Railway at Shediac, and will not only connect St. John's, New Brunswick, with Halifax, and give great facilities for communication with Prince Edward's Island, but will ultimately (when the New Brunswick railroads are carried to the westward to join the United States lines) connect the Halifax and Quebec Railway with the whole of the United States system of railways.

It must be admitted that the lines now completed or under contract, which will form part of the Halifax and Quebec line, have stopped short of the mountainous district of New Brunswick, which is expected to run up the average beyond the exceedingly moderate sum per mile that would otherwise be required. The most expensive part of the line,

* Quoted by Mr. Pryor.

† These figures are derived from Mr. Blackwell's Report.

as far as engineering is concerned, still remains to be built.

Taking all these things into consideration, it appears to me that Major Robinson's estimate of £7,000 per mile ought to be sufficient to make the remainder of the road.*

IV. I have now to consider the trade that already exists, and the trade that the line is likely to create.

In the life of George Stephenson, there is an instructive argument, showing the manner in which water-routes and railways, running in the same direction, re-act upon each other, and enhance the value of both. This was eminently the case in the Liverpool and Manchester Railway, which, instead of bringing, as was anticipated, ruin upon the Bridgewater canal, increased the receipts of that work to an enormous extent.

In the same way, the Erie canal and the railroads of the State of New York have mutually aided each other.

The Halifax and Quebec Railway will run along or near the banks of the St. Lawrence, its entire length, and there is no reason to doubt that each will be of very great advantage to the trade of the other. It will have an additional advantage. The trade which is attracted by the Erie Canal and railroads is such, that during the time the navigation is open, the canal is so crowded with vessels as to be almost unworkable. The canal, when first undertaken, was supposed to be so large, that no traffic likely to go over it would ever pay. Now the increased traffic has dwarfed, as it were, the size of the canal, till it has become quite inadequate to the demand.

The St. Lawrence, on the contrary, cannot by any possible amount of traffic be overcrowded. There can be no doubt, however, that a very beneficial influence will be exercised upon its trade by the establishment of the Halifax and Quebec Railway.

At the present moment there is much reason to fear that the carrying-trade of Upper Canada products by way of the St. Lawrence is decreasing; and that the freight thus diverted goes to swell the receipts of the State of New York.

It is also the case that the reciprocity treaty, by which the St. Lawrence was made free to American vessels, has failed to attract any of the American vessels on the upper lakes through the St. Lawrence to the ocean.

* Mr. Brotherhood, an English contractor of great experience, has had the line, as laid down by Colonel Robinson, surveyed from Truro to Dalhousie, and he is willing to undertake the construction thereof for the sum of £7,000 per mile, agreeably to Colonel Robinson's estimate.

The question arises, How shall the St. Lawrence compete with New York for the trade which is thus diverted from her? Is the stream of Western commerce to continue to find cheaper outlets by United States' ports on Lake Ontario than by the St. Lawrence?

One principal means by which, independent of the local traffic, the Halifax and Quebec railway can hope to be supported, is by successfully attempting to attract the trade of the West.

At the present time, the two great railways of Canada, the Great Western and the Grand Trunk, connect, one at the Niagara river and the other on the frontier beyond Montreal, with the railroads of the States. The Montreal and Quebec railroad and its extension to Trois Pistoles, is a mere *cul de sac*, as far as Canada is concerned, and will remain so until the Halifax and Quebec road is built. The Halifax and Quebec railroad, then, must depend, as a commercial speculation, first on local traffic, and next on the improvement which may be effected in the St. Lawrence navigation.

Quebec is over three hundred miles nearer England, *via* the St. Lawrence and the Straits of Belleisle, than New York is by the ordinary route.

Ships to Quebec now usually arrive in ballast; consequently the return freight has to pay for both voyages. Freight from Quebec or Montreal is thus double what it is from New York. If the Welland Canal could be so improved as to admit of large vessels coming through it with the cereals of the west, to meet the ocean vessels at Montreal or Quebec, it may fairly be presumed that both freight and passengers would be attracted by a line which would take them from any foreign port to the far west by a single transshipment and by the shortest route.

Ships going out, would make a profitable voyage out, and be prepared to carry freight back as cheaply as the New York ships do now, because they would no longer have to depend upon the voyage in one direction for remuneration. In addition to this, the St. Lawrence route is made in considerably shorter time than that through the United States. "A propeller of ordinary speed leaving Quebec will reach Toronto in three days and Cleveland in five days; while the average voyage by canal boats from Albany to Buffalo is about twelve days. It is no less true, whatever may have been stated to the contrary, that freights by the St. Lawrence can be despatched as early and as late in the season as can be done by the water communication of the United States."*

* Hon. John Younge, M.P.P., letter to the Hon. Francis Lemieux.

The question, therefore, presented for consideration, is,—
Can the Halifax and Quebec railway successfully compete for the great trade of the West?

Assuming that the interest upon the amount necessary to construct the road be guaranteed by the Imperial Government, it will not require to raise a greater sum per annum to pay the amount of that guarantee than any existing line of railway running from the Atlantic sea-board to the St. Lawrence.

Distance for distance (excepting the Gulf of St. Lawrence, because it is open only during the summer), taking Halifax as the starting-point, the shortest route to Canada and the great West will be by this line, inasmuch as Halifax is 400 miles nearer to Europe than the seaports of the United States.

Two companies will own and control one continuous line of railway running from the harbour of Halifax to the shores of Lake Huron, 1,235 miles.

If the cost of transport for goods and passengers does not exceed that of the cost upon other lines, it will not only present the most favourable route for the great Western trade during the season when the Erie Canal and St. Lawrence navigations are closed, but it will retain through the winter, and permanently establish, the channel of trade *via* the St. Lawrence. It will at all seasons command the greater part of the through passenger traffic and the conveyance of mails and valuable merchandise between Europe, Canada, and the great Western States.

The amount of local traffic will, in the first instance, depend upon the amount of population, and the state of agriculture and commerce of the different provinces which it intersects.

The present population of Nova Scotia is about 350,000

New Brunswick		220,000
Part of Canada		150,000
Prince Edward's Island		70,000

790,000

It may be fairly assumed, that at least 600,000 come within the area contributing to this railway, as it is and must always remain the great trunk line of the provinces of Nova Scotia and New Brunswick, and a great part of Lower Canada.

The receipts of the railroads of the New England States average 18s. per head of the entire population.

The receipts of the Great Western Railroad of Canada average 22s. per head of the entire population within the area.

None of the above lines of railroad have either a lumber or a mineral traffic. The Halifax and Quebec Railway will have both. It will run through the finest portion, both of the timber and mineral district, for which New Brunswick is so celebrated, for upwards of 200 miles. No port in America is so suitable for an extensive timber trade as Halifax; the trade may be kept open during the whole year.

The iron and coal mines of Nova Scotia and New Brunswick are not surpassed in richness by any on the continent of America, and they are the only ones on the Atlantic side of the Alleghany mountains. The railway will run through their very centre. Whenever this line of railroad is open through to the St. Lawrence, the port of Halifax will become the great steam-ship terminus of the American seaboard, as surely as a straight line is the shortest possible distance between two points.

In conclusion, I submit that the question is one of vital importance to Great Britain and her colonies, and well worthy the immediate and attentive consideration and the practical support of Her Majesty's Government.

BURY.

February 7th, 1859.
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