

THE BRITISH NORTH AMERICAN RAILWAY, BETWEEN HALIFAX, QUEBEC, AND THE CANADAS.

A Proposal for completing the above line of Railway, free of any ultimate charge either to Great Britain or the Provinces, by connecting the proposed European and North American line with the St. Andrews and Quebec Railroad, now under construction; contained in two Letters addressed to the Right Honourable Sir John Pakington, Bart., by the St. Andrews and Quebec Railroad Company.

ST. ANDREWS AND QUEBEC RAILROAD OFFICE,
26, Parliament Street, Westminster,
March 2, 1852.

SIR,

In consequence of the change which has taken place in Her Majesty's Ministers, I have delayed replying to Mr. Peel's letter of the 16th ultimo. In that letter the proposal submitted to Her Majesty's Government in my letters of the 11th and 13th was evidently misunderstood, as it was termed by Mr. Peel "A Plan for the construction of a Branch Railroad between St. John, New Brunswick, and the St. Andrews and Quebec Line;" whereas it was a proposal for the construction of the *entire* Line between St. John and Quebec.

But since the 16th ultimo, copies of Lord Grey's despatches relative to the contemplated American Railways, as well as the final proposals of the Canada and New Brunswick delegates, printed for the Nova Scotia House of Assembly, and dated 31st January, 1852, have been received.

These documents are of considerable importance to the St. Andrews and Quebec Railroad Company, as they contain the decision giving up the Northern and Central Lines, as well as an offer made by certain capitalists in England, and they give the terms on which the British Government are prepared to afford assistance. But the final proposition of the Provinces of Canada and New Brunswick, alluded to above, at once confirms and strengthens the position of the Company, as the Halifax and Quebec Railroad is now proposed to be carried for a considerable part of its distance over the same route as the St. Andrews and Quebec Railroad, now under construction. The Company building this latter Line, sensible of their claims for consideration, have therefore felt it incumbent on them at once to step forward with such a plan as will combine the present conflicting interests, and carry out this great national work without entailing any ultimate cost either on the Provinces or Mother-Country.

I may premise by observing that, in the objects they severally seek to attain, the different Provinces are naturally somewhat opposed. Lower Canada desires the shortest route to a winter port on the Atlantic, and is indifferent to the European and North American Line; but with Upper Canada the reverse is the case, the European and North American Line having always been a favourite scheme. This latter line Nova Scotia is also most anxious to obtain, as it would connect her with the whole of the United States system of Railways; but is disappointed at the failure of the Northern route to Quebec. New Brunswick, on the other hand, is much opposed to the Northern Line, as it would pass at a considerable distance from her chief centres of commerce; but, for the same reasons as Nova Scotia, is as much in favour of the European and North American Line. It therefore appears, that with the exception of Nova Scotia's predilection for the Northern route, the principal views of all will be met by connecting the European and North American with the St. Andrews and Quebec Line, this latter having a distance of ten miles already built, and, at the same time, constituting by far the shortest route between Quebec and the Atlantic. And it is in furtherance of this last proposal that I have now, on behalf of the St. Andrews and Quebec Railroad Company, the honour to submit for the consideration of Her Majesty's Government the following plan for the construction of an entire line of Railway between Halifax and Quebec.

To avoid any local names, it is proposed to call it the British North American Railway. Commencing at Halifax, it will follow the course intended for the European and North American Railroad, to the point of its junction with the St. Andrews and Quebec Line, about twenty miles from St. Andrews, continuing by it to Quebec.

THE HALIFAX AND QUEBEC,
OR
"BRITISH NORTH AMERICAN RAILWAY."

CAPITAL £3,000,000, IN 150,000 SHARES OF £20 EACH;

The money in the first instance to be raised at 3½ per cent., under the guarantee of the British Treasury.

The interest to be guaranteed by the three Provinces, but paid out of the profits of the Line.

The principal to be repaid in twenty-five years, by annual calls on the shares sold; these shares to be guaranteed an interest of six per cent. by the Provinces.

On the completion of the Line, after paying the working expenses, the profits are to be devoted to the payment of the interest to the British Government and guaranteed Shareholders; any surplus beyond this, is to be divided amongst the Shareholders.

The wilderness lands, for an extent of ten miles on either side, to become the property of the Shareholders, and any deficiency in the amount to be made up from elsewhere, but in the vicinity of the Line. The Shareholders are to devote one-tenth of those lands to church, school, or hospital purposes.

Management.—There are to be fifteen Local Directors, five for each Province, who will elect one of their number to represent them at a Central Board, in which will be vested the chief control.

This Board to consist of seven members, as follows :—

A Representative of the interests of each Province	3
Ditto of each Local Board of Directors	3
Ditto of the English Shareholders, with a casting vote in addition	1
	7

No allusion has been made to a continuation of the Line beyond Quebec, as it is assumed that Canada will prefer making her own arrangements with the British Government distinct from the other Provinces.

The following table has been added in order to prove that a profit of 8 per cent. and less will amply cover the annual charges for interest. Eight per cent. has been taken as the amount yielded by a large proportion of the United States Railways.

Trusting this proposal may meet with the favourable consideration of Her Majesty's Government,

I have the honour to be,

Your most obedient humble Servant,

B. SHARPE,

*Managing Director "Class A" Shareholders.
St. Andrews & Quebec Railroad.*

P.S.—The enclosure marked "A" is a plan of colonization adopted by this Company.

To the RIGHT HON. SIR J. PAKINGTON, BART.,
Her Majesty's Principal Secretary of State for the Colonies,
dc. dc. dc.
Downing Street.

A Table showing the Sums which will be annually due for Interest during the Three Years of Construction, as well as the subsequent Twenty-five.

Years.	Interest at 3½ per Cent.	Interest at 6 per Cent.
1	£21,375	Under Construction.
2	56,875	
3	91,375	"
AFTER COMPLETION.		
Years.	3½ per Cent.	6 per Cent.
1	£105,000	
2	100,800	£7,200
3	96,600	14,400
4	92,400	21,600
5	88,200	28,800
6	84,000	36,000
7	79,800	43,200
8	75,600	50,400
9	71,400	57,600
10	67,200	64,800
11	63,000	72,000
12	58,800	79,200
13	54,600	86,400
14	£50,400	£93,600
15	46,200	100,800
16	42,000	108,000
17	37,800	115,200
18	33,600	122,400
19	29,400	129,600
20	25,200	136,800
21	21,000	144,000
22	16,800	151,200
23	12,600	158,400
24	8,400	165,600
25	4,200	172,800

ST. ANDREWS AND QUEBEC RAILROAD OFFICE,
26, Parliament Street, Westminster,
May, 4, 1852.

SIR,

Owing to the strong opinion which has been expressed in favour of the plan, submitted to Her Majesty's Government on behalf of the St. Andrews and Quebec Railroad Company, for the formation of the Line of Railway between Halifax and Quebec, the London Board of Directors are very desirous that a further exposition of their views should be laid before Her Majesty's Government.

They moreover feel it but due to the people of this country, who are about to become responsible for the large sum proposed to be raised, that, before the Legislature should be called on to consent to the guarantee of the British Treasury being given, attention should be first drawn to the features of the plan proposed by the Delegates, and a comparison instituted into the relative merits of the two proposals.

They consider this more particularly necessary, as the Hon. Mr. Howe (one of the Delegates) has frequently stated in his speeches that the money was to be obtained, although the means for its repayment might be uncertain. The following is an extract from one of his speeches:—*"Suppose New Brunswick does take the money and is not able to pay, John Bull is not a hard creditor, and will not coerce or compel payment. Who ever heard of his acting like a sheriff, and distraining any of those rascally repudiating States? [laughter] and would he be more severe on his own children? He has lent money to Mexico and Peru, to Greece and Spain; and who ever heard of his compelling payment? When he is cheated, he bears it calm and unprovoked."*

The two propositions may be briefly viewed as follows:—Both, in the first instance, propose to raise the money at $3\frac{1}{2}$ per cent. on the guarantee of the British Treasury. The plan of the Delegates places the expenditure of this money, amounting to several millions, in the hands of the Governments of the three Provinces, affording them a most powerful and unconstitutional means of influence, without any other than the slight control afforded by the Provincial Assemblies; and with all the evils inherent to the prosecution of works by the State, their plan has this additional disadvantage, that the whole course of policy pursued in the construction of the Line is at any moment liable to be changed with a change of Ministry.

The means provided by the New Brunswick Act for the repayment of the British Government seem totally inadequate for the purpose, and it naturally warrants the assumption that the provision for the liquidation of the debt has not formed the most prominent part of the measure. It is stated that, "If required by the Imperial Parliament, the profits of the Railway accruing to this Province, shall, after deducting interest, repairs, working, and incidental expenses (to be allowed as such by Her Majesty's Government), be set apart to form a sinking fund; and when, at any time after the expiration of ten years from the time of completing such Railway, such profits should not realize 2 per cent. annually on the loan contracted, then there shall be annually thereafter set apart from and chargeable on the general revenues of this Province, such a sum as will make up 2 per cent., to constitute such sinking fund."

The annual charge for interest on a loan of only three millions would amount to £105,000, and it is proposed to raise a much larger sum; but this, together with the other expenses, would principally absorb the profits of the first ten years, and extend the final extinction of the debt to a period of sixty years.

The plan of the St. Andrews and Quebec Railroad Company, on the other hand, having raised the money on the guarantee of the British Treasury (and which amounts but to three millions; that sum being considered amply sufficient to construct a Line between Halifax and Quebec), proposes the formation of a Company with a Capital of Three Millions, in 150,000 shares of £20 each, and by annual calls on these shares to repay the money which has in the first instance been advanced. This will secure both the British Government and the Provinces from any ultimate liability. An annual call of sixteen shillings per share, will, in twenty-five years, produce the three millions, and extinguish the debt; the interest being in the meantime paid from the proceeds of the Line.

It will thus be seen that the proposal is peculiarly adapted to the Provinces; for although appealing to the capitalist, it is essentially fitted for the investment of the poor man's savings; for however humble his lot, there is not a man in them who could not take up a £20 share on being allowed twenty-five years to pay it in. Sixteen shillings a year could be paid by even children from their earnings. It is not only a savings' bank on a large scale, but it has the advantage of uniting all classes by an identity of interest in the prosecution of a great national work, and keeps constantly before the inhabitants the advantages they possess by their connection with the parent State.

On the shares being subscribed for, the security of the Home Government is at once doubled, and the Provinces relieved from the payment of so large a sum as three millions.

The construction of the Line will be managed by Local Boards of five Directors in each Province; but the chief control will be vested in a Central Board of seven Members—three of whom will represent these Local Boards, three the interests of the Provinces, and one those of the English Shareholders; and to these might not inappropriately be added a Commissioner from the British

Government. The peculiar feature of this arrangement is the combination of private interest with Government control.

In the success of this proposal the St. Andrews and Quebec Railroad Company have the deepest interest, having already built *ten* miles, and having recently contracted with an English firm for the completion of the *remaining seventy* of the distance to Woodstock, they are naturally most anxious to see the further portion of their Line completed to Quebec with the least possible delay.

Their claims for consideration are of the highest kind, for they fearlessly assert that had it not been for the tenacity with which, throughout every discouragement and difficulty, they have adhered to their original project, public opinion would never have been aroused to the necessity for Railways in the manner it has. To them the credit is alone due—to them exclusively, belongs the honour of having commenced the first Railway in New Brunswick, and on which, without incurring debt, they have already expended some £30,000 of British capital. They trust their views are of an enlightened kind, having recently given 20,000 acres to found the Albion Settlement, the plan of which has given so much general satisfaction; and the same policy which has hitherto guided them, has again led them in the present proposition to set apart one-tenth of the lands for church, school, or hospital purposes.

In addition to these claims, they already occupy the ground between St. Andrews and Quebec, and which has been recognized in a series of Acts. A parallel Line, or any infraction of their territory, would therefore equally constitute a breach of faith; but apart from these considerations, a parallel Line would not be tolerated by the Northern interests of New Brunswick, who have a prior and powerful claim for the establishment of a Line from Miramichi to Fredericton and the United States frontier.

With respect to the amount of wilderness lands to be given up on either side of the Line, the Directors are willing to adopt the five miles as voted by the Assembly instead of the ten miles as proposed by them; and they confidently hope that this clear exposition of their views will prevent any misapprehension of their plan; but, at the same time, they will be happy to furnish any further explanation Her Majesty's Government may require.

I have the honour to be,

Your very obedient humble Servant,

B. SHARPE,

*Managing Director of the "Class A" Shareholders
of the St. Andrews & Quebec Railroad.*

To the RIGHT HON. SIR JOHN PAKINGTON, BART., M.P.

Her Majesty's Principal Secretary of State for the Colonies.

&c.

&c.

&c.

Downing Street.

MEMORANDUM

*left by the Deputation from the St. Andrews and Quebec Railroad Company with
Sir JOHN PAKINGTON on the 28th May, 1852.*

SIR,

The proposal for constructing a continuous line of Railway between Halifax and Quebec having been fully detailed in the two letters the St. Andrews and Quebec Railway Company recently addressed you, it may on the present occasion be merely necessary to advert to a few of its principal features. In order to raise a sum of three millions at three-and-a-half per cent. on Provincial debentures, Great Britain is asked to become responsible for the repayment, should the Provinces at the end of 25 years fail in providing funds to meet them.

Against this contingency the Provinces are to prepare by setting apart certain annual sources of revenue to provide for the accruing interest, and furnish a sinking fund for the repayment of the principal.

Thus far the proposal (except that a larger sum was required, with 60 years for its repayment) is the same as that advocated by the Provincial delegates; but their plan affords no further means of repayment: whereas the most important feature of the plan of the St. Andrews and Quebec Railroad Company is the additional security given by the gradual transfer of the onus of repayment from the shoulders of the Home and Provincial Governments to those of a private Company, which is managed thus. A Company is formed with a capital of three millions in 150,000 shares of £20 each, and a call of 16s. per share is annually made, which will produce £120,000 a year, and in 25 years complete the repayment of the three millions; the amount of the call being annually paid over to the Home Government to form a sinking fund.

When a period of 25 years is given to pay up a £20 share, the annual burden of which is only 16s., it is assumed that it will easily be within the compass of the very poorest in the Provinces, who will eagerly seek such an investment for their savings; the beneficial effect of which may be readily imagined.

The principle of the measure is to make the Line, not with money received from the Government, but, as in the United States, by funds raised on its faith, and these are to be gradually repaid by a Company acting under the joint control of the Home and Provincial Governments, and the shareholders; as, for instance, the Home Government supplies one director, each of the Provincial Governments the same, the English shareholders also supply one, and the shareholders in each of the Provinces one. The power is therefore equally divided between the Governments and shareholders, and is free from the objections which might be urged against its confinement to either one or the other.

An objection on military grounds has been urged by Her Majesty's Government against the proximity of the Line to the United States frontier; but as that frontier for upwards of 60 miles runs parallel to the river St. Lawrence, at only a distance of about 24 miles, it is clear that any line that can be devised must be liable to the same objection, as all have to traverse that narrow strip of ground; but a railroad may be 100 miles inland and more open to attack than one situated near the frontier. All depends on the features of the country through which they pass; for in the event of war, the arbitrary lines which separate the British dominions from the territories of the United States would never be adhered to. A chain of elevated or easily defensible posts must be at once established, irrespective of the legal lines of demarcation between the two countries.

But if the Government for military reasons declines to lend its guarantee for a trunk line passing near the United States frontier, it absolutely disposes of the question; for no other would be sanctioned by either Canada or New Brunswick, and the result must be that until the St. Andrews and Quebec Line is completed, the Montreal and Portland, passing through the United States, would be the trunk line of communication between England and the Canadas. If, therefore, Her Majesty's Government consider that it is not desirable that the great trunk line should pass near the United States frontier, they must surely admit that a line which passes directly through the United States territory must be infinitely worse. A great excitement with respect to railways has been raised in the Provinces during the last two years by the communications from the Colonial Office, and great expectations have been justly entertained that assistance would be given; we would, therefore, implore Her Majesty's Government to pause before they disappoint these legitimate hopes, and cause a comparison to be instituted with the neighbouring States, who freely lend their aid to these great undertakings.

But should these three millions be obtained, the proposed continuous Line would not only be opened, but by dint of great economy (if permission were granted) it is not improbable that a sufficient surplus might be saved to complete several important Branches in the different Provinces, particularly one to connect St. Johns *via* Fredricton with Miramichi. The greatest content and satisfaction would then be immediately diffused, and would a thousandfold repay the people of this country for any remote risk they might run in being called on for the repayment of the money.

If Her Majesty's Government be unwilling to incur the risk of guaranteeing three millions, they may very possibly not object to sanction one half that sum being raised, as a million and a half would suffice to open that portion of the trunk Line which lies between St. Johns and Quebec. Should this, again, be considered as too venturous, half a million will be sufficient to connect the St. Andrews and Quebec Railway with the St. Lawrence, and thus open the communication between that river and the Atlantic.

The New Brunswick Legislature have passed a Bill by which they will become subscribers to the extent of £50,000 in the St. Andrews and Quebec Railroad Company, and have made grants of public land in aid of the undertaking, and which received the sanction of the late Government, who, in a public letter, wished this Company every success. This has enabled them to contract with an English firm for the completion of the first section of 80 miles, to Woodstock; half a million, therefore, is all that is now required to open up a direct communication with the St. Lawrence.

If the Government are in favour of the Northern route, they will have to construct it themselves, as Fredricton, St. Johns, and St. Andrews, the great centres of population, are directly opposed to it. It may open up certain wilderness lands, and supply Mr. Cunard's steamers with coal; but lying several degrees to the north of St. Andrews, it will be exposed to all the fury of the terrific snow-storms of the Gulf of St. Lawrence.

In a commercial point of view it will be utterly useless, and as a trunk line it will never be used, for it is clear that goods and passengers will always proceed by the shortest and cheapest route; the St. Andrews and Quebec Railroad will, therefore, always supersede it, as it will convey them from the Atlantic to Quebec by a line some 300 miles shorter than the Northern route of 635 miles, and, with the same benefit to the Company, at a charge of one half.

It is also to be borne in mind that even the Railway passing through the United States would afford a cheaper and shorter transit of goods to the Atlantic than a line passing through the eastern and western districts of New Brunswick.

ST. ANDREWS AND QUEBEC RAILROAD OFFICE,
26, *Parliament Street, Westminster*,
June 10, 1852.

SIR,

I have the honour to lay before Her Majesty's Government this further exposition of the proposals of the St. Andrews and Quebec Railroad Company, to be appended to their Letters of the 2nd March and 4th May, and the Memorandum left by the Earl Fitzwilliam and the Directors of this Company at their interview with you on the 28th ultimo.

It would appear from the speeches which were made on Monday night in both Houses of Parliament, that the present position of the above Railway cannot be generally known, or that the Company have already built ten miles of their road, and that an English firm of Contractors have left England, and are now at work, who are engaged to finish the remaining portion of the first section to Woodstock; as, otherwise, the fact that 80 miles of British Railway on the shortest line to the Canadas were provided for, with a portion actually completed, would have occupied a prominent position in the debate.

The line of the St. Andrews and Quebec Railroad, which was considered by the late Colonial Secretary to have been judiciously planned, was laid out by Colonel Yule of the Royal Engineers, by order of, and at the expense of, the Government; and, although near the frontier, it may in a military point of view be considered to be well protected, having as far as the vicinity of Woodstock, where there is a natural position of considerable strength, the river St. Croix and its tributaries lying between it and the State of Maine; and beyond Woodstock, where it crosses the St. John, having that river and the Madawaska in a similar manner interposed as a barrier. The St. Andrews and Quebec Railroad will therefore be found much better protected than might have been generally supposed; but being covered at one part is comparatively of little moment, when both it and every other railroad to the Canadas must of necessity be exposed for a considerable distance, by having to traverse a narrow strip of ground which extends for upwards of 60 miles between the United States and the river St. Lawrence, and which is but 24 miles in width: all precautions against attack will therefore be unavailing while so great a distance is left unprotected.

The St. Andrews and Quebec Railroad, being the shortest which can be devised on British territory, is the only one which will ever have the slightest chance in competing with the Railways in the United States, or of securing the main traffic to the Canadas, and of preventing the important city of Quebec being accommodated by merely a branch line from the States.

This Railroad, with an extension to St. Johns, will alone meet the views of the Canadas and New Brunswick: the former have no other object than to obtain the nearest winter port on the Atlantic, and the latter a railway which shall accommodate her chief centres of population and commerce; and it is only by the very shortest and cheapest line that Upper Canada could ever send her produce to the Atlantic. That of the West Indies would be at once excluded, as it could never be sent by some 300 miles of unnecessary railroad, but it would be forwarded direct to the ports of the United States, where return cargoes of flour could be obtained.

With the above Railroad opened, the flour, timber, and other products of British North America would be exchanged for those of the West Indies, either at St. Johns or St. Andrews.

If the guarantee of the British Treasury be given, this Line may be opened quickly. New Brunswick has already done much in aid of it, having guaranteed a 6 per cent. interest to the English Shareholders on half the capital of the first section; and, besides having given all the

ungranted lands to an extent of five miles on either side as far as Woodstock, has subscribed for £50,000 stock in unguaranteed shares. Canada has also bound herself to provide half the necessary capital to construct the 168 miles within her territory, which, at £5000 per mile, will amount to above a million; she will therefore have to subscribe one half that sum: but this heavy burden might be saved her if Her Majesty's Government would agree to the proposals this Company have submitted.

The construction of only 167 miles to the vicinity of the river Du Loup is all that is now required to be provided for before the St. Lawrence is reached, and the connection completed between that river and the Atlantic. Steamers will then from the above point at once open the communication with Quebec and Upper Canada, and continue it until the 108 miles to that city shall be completed; 75 miles to St. Johns, or a total distance of 275 miles, is all that will have to be constructed to open two winter ports to the Canadas, and provide those important Provinces with the shortest route to the Atlantic.

In instituting a comparison with the long line, the distance of each from the Atlantic to the river Du Loup should be measured as from that point to Quebec; the line of road will be common to both.

The St. Andrews and Quebec Railroad between the port of St. Andrew and the river Du Loup is 247 miles in length; of this, the distance of 80 miles being already provided for, there will remain but 167 to be built.

The long line of 635 miles, measured from the river Du Loup to the port of Halifax, is 527 miles in length, or more than treble the length required to be built to reach the same point by the St. Andrews and Quebec Line. This must be worthy of serious consideration, as entailing a three-fold expense. On these, as well as other grounds, the long line will never bear a comparison with the St. Andrews and Quebec Railroad; and I trust I have equally shown that it will prove a failure if ever attempted as a trunk line of communication. A million and a half will complete the St. Andrews and Quebec Line, with an extension to St. Johns; and if permission were given to devote any surplus to the object, there is no doubt that by judicious management a connection *via* Fredrickton with Miramichi could be carried out, which would traverse and open up the heart of New Brunswick, and diffuse the greatest satisfaction and content amongst all classes of the inhabitants. I might add, and which will doubtless be apparent to Her Majesty's Government, that if anything prevented the St. Andrews and Quebec Company carrying their Line beyond Woodstock, the inhabitants of the State of Maine would be too happy to continue it across their territory. Overtures have already been made on the subject, but were not entertained, as it has always been the intention of the Directors to confine it to British ground.

Trusting the proposition the Company have submitted may meet with the serious and favourable consideration of Her Majesty's Government,

I have the honour to be, Sir,

Your most obedient humble Servant,

B. SHARPE,

*Managing Director, St. Andrews and Quebec
Railway (Class A) Shareholders.*

THE RT. HON. SIR J. PAKINGTON, BART.,
Her Majesty's Secretary of State for the Colonies,
§c. §c. §c.

