

Railway Documents.

SYNOPSIS OF DESPATCHES LAID ON THE TABLE, 5TH MARCH.—At a meeting of the European and North American Railway Company, held on the 24th April, 1855, it was resolved that Hon. J. W. Ritchie be requested to proceed to England as a delegate to represent the European and North American Railway Company, and to make such arrangements with the contractors, Peto, Brassey & Co., as may be found necessary.

JUNE 8, 1855.—Letter from S. Morton Peto to W. J. Ritchie, suggesting course that should be taken and grounds therefor, stating that at time of entering into the contract money was abundant and investment safe, peace prevailed, and American Securities stood high. Since that a material change has taken place; war has broken out, the public do not seek new investments, and transactions recently transpired relative to American Railways have shaken the credit of all railroads in that Hemisphere. When the contractors undertook the contract for works in New Brunswick they did it with the conviction that the public would, as they had hitherto done in similar concerns, relieve them by taking a portion of the Bonds of this Province as readily as they had done those of her sister Province, Canada. The defalcations of the President of the New York and New Haven Railroad rendered the former impossible, and they had great difficulty in finding purchasers for the latter; that they did not, however, relax their effort, but carried on their works at a large cost, in hopes the war would cease, and enable them to see their way, to "place" the Bonds and proceed with the works. Since then another difficulty has arisen from the inability of the Company to provide for the land, interest of money on the Bonds during the construction, advances in the price of iron, landing pier at the Cape salaries to officers and engineers and other incidentals. Hopes of peace being at an end, and confidence not restored in American securities, they cannot see the slightest chance of placing either shares or bonds. The mode in which the capital of the Company is to be raised is bad; it was the same as was universally adopted in the United States, but in this interval has been found so fallacious as to render it impossible now to get the public to invest on the Bonds of any railway which are not covered by at least 50 per cent. of money paid on shares.—They do not raise these points as reasons for shaking off any responsibility they were under; they have no desire to shrink from any engagement entered into; but in justice to themselves they feel that they must point out the serious position in which the company is placed; its inability to comply with what it has undertaken through sufficient shares not being taken up to render the concern sound in the market and to show how desirable it is under these circumstances, that they, the Government of New Brunswick and themselves, should combine and unitedly put both their energies and strength to bring to a completion the Railway from St. John to Shediac, and the frontier of Nova Scotia, for without such a combination and a reconstruction of the Company, it would only entail loss and bring discredit on all parties to proceed.

They, therefore, suggest that an early opportunity should be taken to bring before the Company and the Government of New Brunswick the necessity of at once reorganizing the Company, and getting the Province to give additional aid; they are willing to increase their quantity of stock from 10 to 25 per cent., relinquish all claim for payment of Company's Bonds on condition that the Province become shareholders in the stock of the company to the same extent as themselves, and lending, as a first and sole security on the road, whatever balance may be requisite for completion of works and purchase of plant, &c. This would secure the construction of the line. Provisions could be made for the repayment of the loan of Provincial Bonds, by substituting the Company's Bonds, and paying back to English capitalists amount loaned by them so as to secure to the Province an early repayment of the advance made by them as mortgages of the road. Though this course would entail on them the necessity of advancing a large amount of capital beyond what they had already in the concern, it was the only means which presented itself to them. For it was clear to all that if they fulfilled to the letter all they had undertaken, the Company would be unable to fulfil what they had undertaken. Their stake in the concern then exceeded that of the Province and of the shareholders of the Company. The circumstances no one could have foreseen. They would further agree to place the management of the line in the hands of the Government on the principle adopted by several Governments and Companies on the Continent, viz: the

Government to receive 50 per cent of all the receipts, and the Company, the interest on their Bonds being paid out of this the remaining 50 per cent., thus securing to the Province the due payment of interest on their loan, and control of the road.

JULY 12, 1855.—At a meeting of the E. & N. A. Railway Company, it was resolved, that Peto's communication and the reply thereto, with Consulting Engineer's Report on the state of the Road, be transferred forthwith to His Excellency for consideration of the Government—and that in the opinion of the Board it has become all important that some immediate action be taken by the Government to protect the interests of the Province, now so seriously involved in consequence of the Contractors having intimated their inability to fulfil their engagements.

JULY 26, 1855.—Letter from R. Jardine to S. Morton Peto.—The Board of Directors cannot refrain from expressing surprise at your refusal to become registered owner of Archibald's Stock and to advance money on Company's Bonds, for land damages, in accordance with the clear arrangements made with you—and great astonishment at suspension of the work, induced by one default of the Company. Should you still refuse to make good those engagements the Company will be driven to make other arrangements—they cannot entertain any proposition to disturb present agreement, based on any supposed inability of the Company to meet their engagements, and trust that on reconsideration of the whole question, the return mail will bring out instructions to proceed vigorously with the work.

SEPTEMBER 1, 1855.—Letter from Peto, Brassey, Betts and Jackson.—We are in receipt of yours of the 20th July, and cannot but express astonishment at your not having placed our communication made to you through Mr. Ritchie, before the Government of New Brunswick. It contained matters which deeply affected the interests of the Province, and we feel satisfied that when fairly considered by them, will meet with that attention which so important a question requires.

We have carefully re-perused our letter, and see no reason to alter the views contained in it. We are too deeply interested in the well doing of the Railroad, not to feel that this is the time to place it on a fair basis, nor can we overlook the large stake the Government and ourselves have in it contrasted with the very small one held by other parties. This should give you confidence in our suggestions. We can conjointly have but one object, namely, to carry through the enterprise to a successful result, which in our opinion can best be done by your agreeing to the mode pointed out by us and using your influence with the Government co-operate in doing so. We wait with anxiety the result of your application to the Government, and can only regret that you delayed doing so so long, and allowed so much time to elapse. You must not blame us if the season for pushing the work passes over.

OCTOBER 1, 1855.—The Directors of the E. & N. A. Railroad appointed the Hon. John Robertson a Delegate to proceed to England to urge upon the Contractors the necessity of the prosecution of the work according to contract, or make other expedient arrangements, and requested the Governor in Council to appoint a Delegate to co-operate.

OCTOBER 25th, 1855.—Attorney General appointed.

JULY 10th, 1855.—Synopsis of Mr. Morton's Report.—According to request, I proceeded to Shediac to examine the work and material. Having but one day previous to meeting of Board, I could not pass over the whole line and inspect in detail; but Mr. Giles placed the sections and papers before me, which I believe are reliable. The principal expenditure is between Cape Butte and the Bend.—After particularly detailing the different cuttings in progress and the material on hand, he observes—"It is unfortunate that the work from any cause should be suspended particularly if not resumed the present year. Embankments are washing away cuttings are filling up; masonry is being injured; temporary tracks destroyed; rails, spikes, &c., injured, covered up and lost; timber and sleepers depreciated by useless exposure, and serious loss and deterioration will result from the unfinished and exposed situation of all the works and materials on the line. The whole already presents a forbidding and ruinous aspect, and the works cannot again be resumed and completed without incurring nearly all the work, and the greatly increasing proportional cost of completing half finished delapidated works scattered over twenty miles of line, &c.—*News.*

The Harpers recovered a verdict of \$11,188.76 against the New York City Insurance Company on a policy of insurance on their premises which were destroyed. The defence was that camphene was used for printing purposes in the establishment.—The jury decided that camphene was in general use among printers in wood cuts,

REPORT OF HON. MR. FISHER.

FREDERICTON, 6th February, 1856.

SIR.—I arrived on Monday evening, and I now have the honor to report, for the information of His Excellency the Lieutenant Governor, the result of my mission to England.

You will remember that the Directors of the European and North American Railway Company, on the twentieth of October last, appointed the Honorable John Robertson a Delegate on the part of the Company to proceed to England to urge upon the Contractors, Messrs Peto, Brassey and Company, the necessity of the prosecution of the work agreeably to the terms of their Contract; or to make such other arrangements with them as might be deemed expedient, and requested His Excellency to appoint a Government Delegate to co-operate with him.

After much deliberation, His Excellency determined to appoint a Member of the Executive Council to co-operate with Mr. Robertson.

Believing from the correspondence which had passed between the Directors of the European and North American Railway Company and the Contractors, that they had no intention of prosecuting the work at present, His Excellency determined to ascertain whether, and on what terms, money could be obtained for the constructing of Railways, for the purpose of enabling him to submit to the Legislature a proposition for the gradual introduction into the Province of a system of Railways, to be constructed on the Government account. Late in the afternoon of the 20th of November His Excellency honoured me with his commands to execute this commission.

You are aware that I was not insensible to the great difficulty and responsibility of the mission with which I was charged. Before any general scheme for the introduction of Railways could be devised, it was necessary to make some arrangement with the Contractors of the European and North American line, and also to secure funds, at a time when the money market was continually growing more depressed. I knew that the Government was not answerable for either of these difficulties. That if—as was believed by the Directors of the European and North American Railway Company—the Contractors had no intention of completing their Contract, New Brunswick, already behind the adjoining Provinces and States in the construction of Railways, must either lose another year, or some decided action should be taken to relieve her from her present embarrassment. If these difficulties should prove insurmountable, the Government would at least have discharged its duty; and His Excellency could inform the Legislature that though efforts had been made to improve our condition, they had proved abortive; and that the Province must continue to falter in the course nature and Providence had destined it to occupy. I felt that if the result could be attained, it involved the adoption and carrying out of a principle, which I believed was the only true and safe one for a new country—I mean the raising of money, and construction of public works, by the Government on the credit of the Province. My duty to the Queen's Representative, and to my country required I that should not shrink from the responsibility; and I made immediate arrangements to execute His Excellency's commands.

On the third of December I left Fredericton, for the purpose of taking passage in the Steamer which was to sail from Boston on the fifth. In Saint John I saw the President of the European and North American Railway Company, and ascertained his views and opinions upon the various points likely to be discussed with the Contractors. I called on the Treasurer, and received some valuable suggestions from the Treasurer in regard to the fiscal concerns of the Province.

On the fifth of December I arrived in Halifax, and spent that evening and the next day with some of the Members of the Government of Nova Scotia and other leading men. On the sixth I had a short interview with the Lieutenant Governor. I was much encouraged to know that I had the sympathy of Sir Gaspard Le Marchant, the Government, and the people of Nova Scotia, in the prosecution of the object of my mission.

At midnight of the sixth I embarked on board the *Canada*, where I met Mr. Robertson. During the passage we discussed and considered the various questions likely to arise with Messrs. Peto and Company, and also in raising of funds, in order to be prepared for any emergency.

We arrived in Liverpool on Sunday the 16th of December, and on Monday evening I took the Express train for London, where I arrived that night. Mr. Robertson followed the next evening, and from that time until I left Liverpool on my return home on the morning of the 19th of January, he devoted himself exclusively to the business which I had in charge. It is only justice to him to say that I think the Province deeply indebted to him for his services. His cool and mature judgement, combined with his great experience and extensive commercial influence eminently fitted him for the discharge of this duty; and he was untiring in his exertions to give effect to both the purposes I had in command from His Excellency. To me it is a pleasing fact, that throughout the whole of these negotiations, involving questions of great complexity & responsibility, we never had the slightest difference of opinion upon any point.

On the 18th of December I called at Messrs. Baring Brothers and Company. From the best informed circles I had learned that if I could induce them to become the Agents of this Province, upon the same terms as for Canada and Nova Scotia, in the raising of funds, the Provincial Debentures could, in ordinary times, be easily floated in the London market;—that, as in the case of every new security, it would require time and great caution, even during the existence of peace, to obtain the par value for six per cent. Bonds; that with the influence and recommendation of their House, the

Bonds could be gradually introduced; and so soon as they became known, would command a premium—that such had been the progress of the Canadian securities, which are now at a large premium, and were for a period, and until they acquired a character, sold at a discount.

I had several interviews with the different members of the firm of Messrs. Baring Brothers and Company, during which I had a very favourable opportunity of giving them a thorough knowledge of the character, condition and resources of New Brunswick, and its ability to discharge any obligations it might incur for the construction of public works. At their instance I then wrote the letter, a copy of which is enclosed, embodying my views. They naturally enquired into the character of our legislation. I informed them that we had not legislated—that an arrangement had been made several years since for the construction of certain Roads, which, from some cause or other, was not likely to be carried out, and that this fact had not become apparent to the Government until very lately;—That if I could have the assurance of their aid, I believed the Legislature would pass the necessary Acts to provide for the security of the loan and the payment of the interest, after which we could complete the arrangement; that His Excellency was aware of the depressed state of the money market, and that it was a most gloomy period to funds, but that we only required a moderate sum in 1856, and at all events were determined to proceed cautiously and economically; that unless legislation could be had this Winter, we must lose a year. I explained to them the financial condition of the Province—the great falling off of the Revenue of 1855—the probable loss in 1856 from the prohibitory Law, and the mode by which those deficiencies could be supplied if necessary. That I proposed to charge all the Revenues with the payment of the interest and redemption of the principal of the loan, and to specifically set apart one and a half per cent. of the profits of the Road, and the proceeds of all the Crown Lands and Timber in the districts it would traverse, as a sinking fund to pay the principal; That I would be prepared to shew them that the security should be undoubted.

It appeared to me unreasonable to suppose, that in a time of war a new security could be sold at par; and although I knew that most of the American Railroads had been built by money raised on bonds sold at large discount, I thought it very desirable to secure the disposal of the amount required for the first year as far as possible. I knew that Messrs. Baring Brothers and Company had taken the first issue of the Nova Scotia Government at par, and my pride could not endure it that New Brunswick should commence her public works on less favourable terms I also knew the Nova Scotia loan was effected at a time when money was comparatively abundant, and was the result of a pledge made in still better times. I therefore endeavoured to induce them to give us cash for the Bonds for the first year's operation at their par value.

After the lapse of some days, they informed me what they were disposed to do, and in company with Mr. Robertson, I fully discussed the matter, with Mr. Bates, a member of the firm.

If our legislation is such as I represented to them they will undertake to negotiate our loans and transact our business upon the same terms in all respects as for Canada and Nova Scotia, and will give us in cash the par value of all the Bonds required to be issued to provide for this year's operations. They are to have until the thirty first of March 1857, the option of taking the £200,000 sterling required for the year 1857, or any portion thereof they may prefer, at par. I hope they may be induced to take the whole amount.

After a full discussion of all the points raised by Mr. Robertson, he expressed himself perfectly satisfied with the whole arrangement, and united with me in assuring Mr. Bates that in our opinion they had met us in a generous and liberal spirit.

I agreed that the first loan should be £800,000 sterling, running over a period of years, of which £50,000 would be required this year, and that afterwards the expenditure should not annually exceed the rate of £200,000 sterling; that the Debentures should be redeemable in thirty years, payable with interest at six per cent. semi annually, in London, all negotiated through their house, as in the case of Canada and Nova Scotia. I stated that it would be the interest and duty of the Government of New Brunswick to regulate the expenditure from time to time in consistency with the means of the Province and the rate of labour, and that when the first sections of the Road were finished, the nature and extent of immediate future operations would depend entirely upon the state of things then existing; that as to mere dividend, I did not expect the first lines would pay immediately, though I had no doubt they would ultimately yield a fair return; that the benefits to be derived by the country from their construction were the great collateral advantages which I believed would result to all its interests; that the wild lands alone, under a good system of colonization, would provide means to girdle the Province with iron. I found that great importance was attached to the value of the ten millions of acres of ungranted lands; and that the increase in the value of wild land in Canada since the opening of the Railroads had been marvellous, and was likely to exercise a most beneficial influence upon our interest.

I can assure His Excellency that while I presented the case of the Province in as strong a point of view as I was capable of doing, I most scrupulously noticed the various financial difficulties to which the state of the trade of 1855 has subjected it. But I endeavoured to prove, what I knew to be true, that these things are temporary, and that the great and manifold resources of the country are sufficient to carry it safely through every financial trial.

His Excellency will observe, that this arrangement was effected with Messrs. Baring when a continuance of the war appeared inevitable. If peace be concluded during this Winter, and trade return