

May 10, 1856

to its usual channels, it is generally believed there will be very little difficulty in raising any amount of money. It must of necessity require some time to give a new security a character; but I think His Excellency may fairly estimate that the loan for the second and third year's operations may be negotiated at an average of par for the two years. In all probability better terms may be obtained after that. Sanguine persons acquainted with such matters, with whom I conversed, appeared to think that so soon as money became abundant the Bonds would command a premium. It appears, therefore, to be admitted, that New Brunswick will be able to construct her Roads upon better terms than has been generally done in America.

In addition to these arrangements, a credit of £50,000 sterling, in any or every year during which the work is progressing, payable with interest on the last day of such year, has been secured; so that with our resources, ample funds are provided for the vigorous prosecution of the work, till midsummer 1857, without requiring the sale of a Bond, except to Messrs. Baring, unless the interests of the Province clearly warrant it.

On the 19th of December, Mr. Robertson called at the Office of Messrs. Jackson and Company, and saw Mr. Betts, one of the firm. He ascertained from him, that they could not at the present time proceed with the fulfilment of their Contract.—Mr. Robertson stated to him the object of his mission, and that if they were not prepared to go on with the work, he was ready to discuss with them the best mode of cancelling the Contract,—that His Excellency had commissioned me to assent to any satisfactory arrangement to which they could agree, subject to the assent of the Legislature,—that I must leave England by the 19th of January, and that if it were not disposed of by that time, no settlement could be made, and that then each party must only stand upon their legal rights. They then agreed that all parties should meet on 2d of January, which meeting, in consequence of the delay of Mr. Brassey in Paris, was subsequently at their instance, postponed until the 4th.

At the time agreed upon, I went with Mr. Robertson to their office, and was introduced to the different members of the firm, who were all present. After a long discussion, they made certain propositions, which formed the basis of the arrangement finally made. When we first met, the prospect of making any satisfactory arrangement for money, was very doubtful. I had received no answer from Messrs. Baring, and the best informed men appeared to think it was unreasonable to expect that a new security could be floated at par, during this year. Every person connected with Colonial interests whom I saw, stated that in his opinion, a year ago, or in a reasonable time after peace was established, money could be obtained at fair rates on Government Debentures; but that with the money market growing more stringent every day, a certainty of another year of war with all its probable political results, and the high value of money for the ordinary wants of trade, I ought not to feel the least discouragement if I failed, as the enquiry would do good, and prepare the way for success at a more favourable period. I knew that if money could not be obtained to construct roads, a settlement with Messrs. Jackson and Company would be of very little practical value. I accordingly proposed to them to agree to complete the road from the Bend to Shediac, and from Saint John to Hampton, as soon as could be done consistently with economy; and that, contingent upon the completion of these sections within a limited time, I would agree to a reasonable extension of the time for finishing their contract. Mr. Jackson, who at this interview took the leading part in the negotiation, declined to consider the proposition. I believe that before we separated, all parties were satisfied of the disposition of each other to settle the whole question upon fair principles, and to agree upon reasonable terms, if the real value of the work could be ascertained. (You are aware that I had an estimate of the work done, for the purpose of comparison.) From that time until the completion of the arrangement, the Contractors afforded Mr. Robertson every facility in their power, through their books, accounts, and agents, to enable him to satisfy his mind as to the value of the work; and they acted throughout in a spirit of great fairness and candour. Mr. Robertson carefully examined the accounts with one of the Engineers, and afterwards with Mr. Betts; and we also had several other interviews which resulted in an agreement executed by Mr. Robertson on the part of the Company, which I assented to for the Government, subject to the assent of the Legislature. The Contractors agree thereby to relinquish their Contract, transfer to the Province all the work done on the Road, and materials therefor in the Province, with the Surveys, Plans, &c. They also relinquish any shares they have in the Company, and the Company's Bonds, the whole for the sum of £90,000 Sterling, including the Debentures already given them; payment to be made on the first day of June next in Debentures redeemable in thirty years. It was also agreed that if this arrangement was not adopted by the Legislature, Messrs. Jackson and Company were to have three months further time to complete their Contract, which in all other respects was to remain in force.

It is very gratifying to me, and I am confident it will be to His Excellency, to know that we succeeded in disposing of this most difficult and perplexing question, without causing the least hard feeling. We concluded the negotiations in the best spirit, and I believe the services and influence of the Contractors can be obtained at any time for the Government, in the furtherance of any Provincial interest.

While in London, I had a conference with a number of the Directors of the St. Andrews and Quebec Railway Company, at the Company's office, which I stated to them was had on my own responsibility. I endeavoured to ascertain whether any, and what arrangement could be made with

that Company for placing that work in a more satisfactory condition. I explained to them that their line would connect with any line leading to Maine or Canada; and that it was desirable to place the affairs of the Company upon such footing, or to make such other arrangements as would secure the completion of the part or the whole of the road which is now partially made. They evidently entertain a high opinion of the value of the land, and propose some new arrangement for future operations, the nature of which they did not explain and perhaps had not clearly defined. I informed them that if they expected any legislative action this year, they must be prepared early in the Session.

I was informed that there were several applications to Her Majesty's Government to guarantee loans to be raised for the construction of public works in the Colonies. Although I knew there was not time during my short stay in London to negotiate such a matter with a fair prospect of success, I yet deemed it my duty to make the application. I had two interviews with Mr. Labouchere, one in company with Mr. Robertson, when we urged the question, and at the instance of the Colonial Secretary I wrote the letter, a copy of which I enclose. I did not receive Mr. Merivale's reply until I was leaving London, and could only acknowledge it at midnight from Liverpool. Notwithstanding that it was unfavourable, yet, if in the progress of our future operations it should become very desirable to obtain the guarantee of the Imperial Government, I do not despair that in a time of peace and by connecting it with a system of colonization, it might be obtained. It is only due to myself to state that the letter to the Colonial Secretary was written in great haste, and although I presented the strong points of the case, to do justice to the subject would require more time, and greater deliberation than I could give to it.

His Excellency will observe, that in several respects, I was compelled to assume responsibility.—I trust that I have exercised it in such a manner as will meet with his approbation. To subject such negotiations to delay, or even doubt, would have produced certain failure; and I deemed it to be a primary duty, to attain the great objects he had given me in charge, at all hazards, if not inconsistent with the public interest.

It will be for the Legislature now to determine whether New Brunswick shall remain stationary or enter upon that career of improvement to which her position and resources invite her. Any measure which will establish her finances upon a sure and permanent basis, should be adopted; as much of the future well being of the Province depends upon present action. Her credit can only be maintained by prudence. Her preparations to appear in the money market of the world, as a borrower, must be made with great care; and she will soon acquire a character which will relieve her from all future difficulty. Everything depends upon the first efforts. It is a new position for her to assume; but the only one consistent with that spirit of self-reliance which distinguishes every branch of the great Anglo-American family. The Towns and Cities of the west, with but scanty means of obtaining money except by direct taxation, have for years been constructing Railroads by loans obtained at excessive rates of interests, while New Brunswick, with boundless resources, has shrunk from the responsibility of pledging her own credit for such purposes. I was informed in London when I urged our freedom from debt, that it was our misfortune; that if we owed a million or two, we should be known, and our credit established—that it was an argument against our enterprise. It must be gratifying to the feelings of our people to know, that the Government can, on its own responsibility and by its own agency, procure funds, and construct public works, and that there is no necessity of having recourse to the aid of some third party, however eminent or influential. Until we establish our own character, we must expect to labour under disadvantages. Our first efforts, like those of the infant to stand alone, will be the most difficult. By a prudent use of our credit it will be thoroughly established.

These great instruments of progress may be secured, our resources developed, increased value given to our lands, continual employment provided for our people, a healthy emigration fostered, and the country enabled to enter upon a career of prosperity which will permanently benefit all our interests. These are no mere idle speculations. The lessons of experience derived from the example of every other country where Railroads have been introduced, prove that they are facts.

A day or two before I left London, I was informed that the Government of Canada were making arrangements with the Directors of the Chrystal Palace at Sydenham, for a room to exhibit her productions. Remembering the anxiety His Excellency evinced to have New Brunswick represented at the Paris Exposition—which for want of time could not be effected—and having learned the great advantage Canada had derived from the Exhibition of her productions there, I made enquiries with a view to obtain a room for this Province, and requested Mr. Robertson to adopt the necessary measures to secure a space, immediately adjoining that allotted to Canada, in which to exhibit our productions.

I cannot close this letter without expressing the great obligations I am under to the Hon. Joseph Howe, Chief Commissioner of the Railway Board in Nova Scotia, for the assistance he has rendered me. As soon as I intimated to him the probability that New Brunswick would adopt the course which Nova Scotia was pursuing, he came to this Province for the sole purpose of giving me his advice; and from that time has given me the full benefit of his counsel and influence, and I think largely contributed to the success of my mission.

I have been occupied during the whole time since my return in superintending the copying

of the correspondence enclosed, and preparing my Report.

I have the honor to be  
Your obedient servant,  
CHARLES FISHER.  
Hon. S. L. Tilley, Prov. Secretary.

Copy of Communication to Baring Brothers & Co. with Statistics and Publications.  
MORLEY'S HOTEL, LONDON, Dec. 26, 1855.

GENTS.—Referring to my conversation with some of the members of your firm, I enclose several papers and publications which will add to the knowledge you possess of the condition and resources of New Brunswick, and be useful for reference.

If our past improvement has been so great, it is evident that if we can introduce those instruments of progress, and other appliances of civilization which have given an impetus to the industrial interests of other countries, our future growth will be greatly accelerated. The progress of every new country, whatever may be its natural advantages, is at first slow; and until it acquires a certain position its capacity to unfold and improve is restrained. The most intelligent men of the Province believe that it is faltering in the course nature and Providence have destined it to occupy. For a long time the trade of the River Saint John was seriously injured by the Controversy between Great Britain and the United States, which the Ashburton Treaty of 1842 settled. The gradual removal by the Imperial Government of restrictions upon our trade has beneficially affected our commercial interests, but until the treaty of commerce and navigation of 1854, we had not the facilities for trade and commerce which appeared to be the natural incidents of our condition. That treaty having opened the market of the United States to our people a new impulse has been given to all our interests; and the value of the productions of our fields, our mines, our forests and our waters will be increased. It has already enhanced the price of some of our productions, and I believe the future advantages of that compact to be incalculable.

For several years past various schemes have been devised to provide for the construction of Railroads in this Province, which have led to no beneficial results. The public now look to the Government to take the initiative in some measure which will secure their introduction, and we believe the time has arrived when its agency should be employed for that purpose.

In order to enable the Governor to submit the question to the Legislature, he has commissioned me to come to England and ascertain the prospect of raising the necessary funds, and upon what terms. I require £800,000, only £50,000 of which will be wanted next year, and the balance in the three or four following years.

A good substantial road connecting Saint John with Shediac on the north shore, and with Fredericton in the interior, will cost about the sum mentioned, and it is desirable to complete it in the first four years if it can be done economically. The country through which it passes is favourable for the work, and I propose that the localities shall provide land for the site.

The money to be raised by Debentures issued by the Government, redeemable in twenty years or upwards, not exceeding thirty, bearing interest at the rate of six per cent. per annum, payable semi-annually in London. The form, amounts and time of payment of principal and interest to be made to suit the market. The whole, subject to the Civil List and any existing liability, to become a first charge on all the Revenues of the Province derivable from duties of customs, sales of land and timber, export duty on lumber, and the royalty on the mines and minerals, which with the road itself, shall be pledged to the holders. For the purpose of extinguishing the principal I propose to set apart specifically as a sinking fund the proceeds of the sale of all the lands and timber in the districts it traverses or more directly benefits, amounting to about 800,000 acres, and one and a half per cent. annually, of the profits of the road; the interest to be paid out of the general revenue, without interfering with this fund.

The present tariff will give a revenue of about £150,000 currency, per annum, for the next three years, which will provide for the Civil List and other permanent charges; allow for Schools £40,000, for roads and all the other miscellaneous and incidental expenses which are annually appropriated, and the interest upon the proposed loan.

In the year 1854, the Revenue amounted to £210,869 7 5 currency, a sum greater than was required for our ordinary wants, and the Government was enabled to pay a debt and provide for an extraordinary expenditure in local works. The imports of 1854 and 1855 were excessive, and a large part of the dutiable articles, particularly dry goods, were not sold until 1855, though the duty was paid in 1854.

When the Secretary arranged the present tariff, he was compelled, in providing his means, to take this fact into account, thereby anticipating a great diminution of imports this year, and also allowing for a class of exemptions growing out of the treaty of 1854. I left the Province before the Returns were in, but was informed by the Secretary that enough had transpired to prove that his estimate was substantially correct.

I have no doubt that the expenditure connected with these Railroads will greatly increase the population and business of the Province. If contrary to all experience this should not be the case, and any deficiency should arise, it could easily be provided for by a small additional ad valorem duty upon all imports not exempted by treaty, or by the diminution of other expenditures, or both. The Province always has and will maintain its credit, and it is our determination and our interest to make the security undoubted.

The only debt due by the Province now is about £60,000 to the Savings Bank, the primary object of which is the encouragement of such sa-

vings; £32,000 for Debentures issued to the Saint Andrews and Woodstock Railroad Company, and £43,000 to Messrs. Jackson and Company, on their contract. The country is in a healthy condition and the people are in the enjoyment of a large degree of material comfort. We have had a good crop of hay, grain and vegetables this year, and the high price of all farm produce has added greatly to the means of the inhabitants of the rural districts.

Maine has about four hundred miles of Railroad, and Nova Scotia is proceeding steadily with the construction of her lines. These will be benefited by and in turn benefit the New Brunswick Roads. Maine and Nova Scotia are able and will faithfully fulfil their obligations; but the real ability of New Brunswick to secure and pay a debt contracted for such purposes is greater than either. We have a better agricultural country, more ungranted lands, and fisheries infinitely more valuable than Maine; our minerals belong to the Government, and our Revenue derived from Customs, after paying the Civil List, is applied to internal improvements.—Her's goes to Washington to support the Federal Government. We have nearly three times the ungranted lands Nova Scotia has, our minerals are our own, and we have a more valuable timber country. The people of New Brunswick agree that we require Railroads; the only points of difference will be where to begin first. I believe the two sections I have laid down will reconcile the conflicting interests. Saint John contains from thirty five to forty thousand inhabitants, the centre of a vast and increasing trade, possessed of a fine harbour fit for vessels of the largest class, and open at all seasons of the year. Its Merchants are distinguished for public spirit and enterprise; it carries on an extensive trade in lumber, fish, and ships, and has much valuable foreign commerce. On the 31st of December 1854, there were five hundred and eighty one vessels belonging to that port, amounting to 118,852 tons. Some of the finest vessels in the world have been built there. It is destined to become one of the largest Cities on the Atlantic side of America. We propose to make it the ocean terminus of a system of Railroads which will finally glide the Province.

The line to Shediac will develop the local traffic of the rich agricultural districts through which it passes, and connect the whole north of the Province and Prince Edward Island with the harbour of Saint John. It is believed that the valuable fisheries of the north will be prosecuted with vigour when the Road is completed, and that by this means the great Cities of the United States will be supplied with fish; until the Road is extended to the more northern ports, the communication can be carried on by steamers.

The Road to Fredericton connects the Seat of Government with Saint John, and passes through a rich farming country rapidly settling. The tract abounds with water power for the establishment of manufactories. In addition to the travel and agricultural produce, the wood, lumber and extensive quarries of excellent granite through which it passes, will create a large traffic. The farther this Road pierces the interior, the richer the country; and at Woodstock, iron, copper and lead of the first quality have been discovered; the iron is worked, and measures are in progress to work the copper.

These two sections, running north and west, are very favourably located to develop local traffic, but one hundred and thirty of the one hundred and seventy miles they comprise, will form a part of the European and North American Railway connecting Halifax with the United States. The most intelligent Americans agree that the construction of this line is only a question of time. Maine is proceeding with her portion; Nova Scotia has commenced her's. When this line is completed, there is no doubt that the greater part of the travel from the Old World to the New will pass over it, the advantages are so great and obvious. One hundred and fifty of the one hundred and seventy miles will form part of the line from Halifax to Quebec, by the valley of the Saint John. I have good reason to believe that when New Brunswick carries her Road towards the boundary of Canada, that Province will bring down her lines to meet it. So that in addition to provision for local traffic, nearly every mile will form part of the two great inter-colonial and international Railroads so long proposed to unite the Provinces and connect Europe and America.

The completion of a system of Railroads extending to the Restigouche River, to Nova Scotia, to Maine and to Canada, will require an expenditure of three millions, the whole principal money of which could be provided for out the sales of the ungranted lands. After the completion of these main thoroughfares, branches and connecting roads would be constructed in various parts of the Mines and other centres of traffic which would gradually present themselves.

Canada West in 1851 had not a mile of Railway. I am informed that it now has 800 miles in operation, besides large contracts in progress;—that land has risen enormously; and in regions traversed by the Railroads wild lands now bring from three to five pounds an acre. The climate and soil of Canada West is said to be better adapted to the raising of Wheat than New Brunswick. Until our rural population turn their attention exclusively to farming, that question cannot be fairly tried; when it is, I believe from experiments already made, the results may be different. We have a more healthy climate, a more abundant supply of water, and are much nearer the ocean. We have many and varied advantages in situation and resources, that Canada has not; and only require a healthy emigration and capital to develop the manifold resources of the Province, and to give it a high degree of prosperity.

I have the honour, &c.  
(Signed) CHARLES FISHER.  
Messrs. Baring Brothers & Co. 8 Bishopsgate Street.