

3. "The money to be applied to the completion of a Railway connecting Halifax with Quebec, on a line to be approved by the Imperial Government.

4. "The Interest to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

5. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

6. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

7. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

8. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

9. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

10. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

11. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

12. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

13. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

14. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

15. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

16. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

17. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

18. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

19. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

20. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

21. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

22. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

23. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

24. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

25. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

26. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

27. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

28. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

29. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

30. "The Sinking Fund to be a first charge on the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 3rd and 4th Vix. Cap. 124, and 2nd and 3rd Vix. Cap. 25, (Act of Union.)

last decade the Sinking Fund will be remitted or reduced accordingly.

"It is of course understood that the assent of the Treasury to these arrangements presupposes adequate proof of the sufficiency of the Colonial Revenues to meet the charges intended to be imposed upon them.

6. "The construction of the Railway to be executed by five Commissioners, two to be appointed by Canada, one by Nova Scotia, and one by New Brunswick.

7. "The guarantee to be made for the completion of the Railway to be made by the Imperial Government, and to be secured by the Imperial Government.

8. "Fitting provision to be made for the completion of the Railway to be made by the Imperial Government, and to be secured by the Imperial Government.

9. "Parliament not to be asked for the guarantee until the Imperial Government shall have been satisfied as to the sufficiency of the Colonial Revenues to meet the charges intended to be imposed upon them.

This proposal was accepted by Nova Scotia and New Brunswick, but objected to by Canada.

By the Despatch of Mr. Cardwell, dated the 17th June, 1864, the engagement of Her Majesty's Government to grant the guarantee was renewed, but consideration of the terms was postponed for future arrangement.

In consequence of the proposed Confederation of the Provinces, many of the clauses in both these propositions appear to be no longer required, and it is submitted that the terms of the Canada Guarantee Act of 1842 should be in the main followed. The Delegates therefore propose to Her Majesty's Government—

1st. "That a loan of £3,000,000 sterling, be negotiated with the guarantee of the Imperial Parliament, the proceeds to be applied to the construction of the Inter-Colonial Railway.

2d. "The rate of interest to be four per cent. payable half-yearly, and both principal and interest to form the first charge upon the Revenue of the Confederation after existing debts and charges.

3d. "A Sinking Fund at the rate of one per cent. per annum to be provided by the Confederation, to be invested in the securities of the Confederation existing prior to the guaranteed loan, or in such other securities as may be suggested by the Confederation; and approved by Her Majesty's Government."

The Trustees of the Sinking Fund to consist of one officer to be appointed by the Imperial Government, and an-

other by the Government of the Confederation.

(Signed)

JOHN A. MACDONALD,
Chairman.

London, 20th January, 1867.

On the 12th February, a Deputation of the Conference, consisting of Messrs. Galt, Howland, Tupper, and Tilly, waited by invitation upon the Right Hon. the Chancellor of the Exchequer, and explained fully the object of having the guarantee of the Imperial Government applied upon the existing railway.

The Right Hon. the Chancellor of the Exchequer, after listening to the explanation, and after having been fully informed as to the details connected therewith.

The Hon. the Chancellor of the Exchequer placed the following Report before the hands of the Chancellor of the Exchequer—

REPORT
OF THE
CONFERENCE
ON THE
RAILWAY
GUARANTEE
ACT OF 1842.

Canada	£11,638,868
Nova Scotia	1,564,460
New Brunswick	1,212,000
Total	£15,399,960

Expenditure.	
Canada	£11,711,339
Nova Scotia, (ab't)	1,600,000
New Brunswick	1,080,047
Total	£14,391,367

Surplus	£918,473
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N. B.—Militia Expenditure last year.	
Canada	£1,638,868
Nova Scotia	156,460
New Brunswick	152,148
Total	£1,947,476

Public Debt of "Canada" will be—	
Ontario and Quebec	\$62,500,000
Nova Scotia	8,000,000
New Brunswick	7,000,000
Total	\$77,500,000

Charges on Public Debt last year.	
Canada	\$3,692,412
Nova Scotia	297,580
New Brunswick	349,283
Total	\$4,339,275

After Union will be about \$4,350,000

Trade and Shipping.	
Imports.	
Canada	\$48,510,477
Nova Scotia	14,381,662
New Brunswick	7,086,591
Total From Gt. Bri'n	\$70,078,734
Canada	\$28,984,999
Nova Scotia	6,315,988
New Brunswick	2,284,449
Total	\$37,585,936