3. "The money to be applied to the empletion 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 u the Consolidated Revenue Funds of the different Provinces after the Civil List, and the interest of existing debts; d so regards Cronda, after the rest of d in the 5th 466 Vie Cip. 136, and 3rd and 6th

n of the

s at or before the close of the

"2nd Decade, say 1873 to 1882 in-usive, a Sinking Fund of £40,600 to be remitted annually, being an amount adequate, if invested at five per cent. compound interest, to provide £500,000 at the end of the decade; the sum to be remitted annually to be invested in the names of Trustees, in Colonial Securities of any of the three Provinces prior to or forming part of the Loan now to be raised or in such other Colonial Securities as Her Majesty's Government shall direct. and the then Colonial Governments ap-

"3rd Decade, say 1883 to 1892 inclusive, a Sinking Fund of £80,000 to be remitted annually, being an amount adequate, if invested at five per cent. compound interest, to provide £1,000,000 at the end of the decade. The amount, when remitted, to be invested as in the case of the Sinking Fund for the preceding decade.

"4th Decade, say 1893 to 1902 m clusive, a Sinking Fund of £100,000 to be remitted annually, being an amount one per cent, per annum to be provided adequate, if invested at five per cent. by the Confederation, to be invested in compound interest, to provide £1,250, the scentiles of the Confederation ex-000, being the balance of the Loun, at listing prior to the guaranteed loan, or the end of the decade. This amount, in such other securities as may be sug-when remitted, to be invested as in the gested by the Confederation, and appreceding decade.

last decade the Sinking Fund will be resouther by the Government of the O itted or reduced accordingly.

"It is of course understood that the seent of the Treasury to these arrangements presupposes adequate proof of the officiency of the Colonial Revenues to eet the charges intended to be impos

" Fitting provision to be me Caro Toron ent not to be asked for

Seetia and New Bounselok, but obt ting of the 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 ffiter Colonial Railway.

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

3d. A Sinking Fund at the rate of "Should the Sinking Fund of any "The Trustees of the Grant Confederation," The Trustees of the Sinking Fund to

decade produce a surplus, it will go to consist at one officer to be appointed, the credit of the next decade, and in the by the Imperial Government, and an-

federation.

(Signed) JOHN A. MACDORALD.

Loudon, 29th January, 1867.

On the 12th February, a Depe of the Conference, consi ting of Me d, Top per, m

\$15,309,840 Expenditure.

811,711,320 Nova Scotia (ab't) 1,600,000 New Brunswick, 1,080,047 \$14,391,367

Surplus, ... \$918,473 N. B .- Militia Expenditure last year. Canada, \$1,688,868 156,460

Nova Scotia. New Brunswick, 152,148 \$1,947,476

Public Debt of " Canada" will be-Ontario and

\$62,500,000 Quebec, \$62,500,000 Nova Scotia, 8,000,000 New Brunswick, 7,000,000

\$77,500,000

Charges on Public Debt last year. 83,692,412

Canada, \$3,692,412 Nova Scotia, 297,580 New Branswick, 349,283 After Union will be about \$4,350,000

Trade and Shipping.

Total: From Gt. Bri'a druggert. Canada, \$48,610,477 \$28,984,599 Nova Scotia, 14,381,662 New Brunswick, 47,086,591 2.284,449

\$70,078,734 \$37,585,036