

description, Her Majesty's Government agreed to ask Parliament for a guarantee of Three Millions Sterling, to build the Inter-Colonial Railway.

Considerable difficulty arose with regard to the investment of the Sinking Fund, and the legislation required by Canada previous to the attaching of the guarantee. The Treasury Department required that Canada should provide by special law for raising the necessary Revenue to defray the Interest on the Loan before any guarantee should be made, and that the Sinking Fund should be invested in British funds. After a series of interviews they were induced to abandon their first condition as to proof of the Revenue required to meet the Loan, and also to agree to the proposal of the Delegates, that the Sinking

Fund should be invested in Colonial or other Securities at the option of Canada.

We cannot close this Report without expressing our obligations to the Right Honorable the Earl of Carnarvon for the interest he evinced on our behalf, and for the patient manner in which he discussed the different questions that were raised during the progress of our deliberations, and for his energy and perseverance in carrying the Act of Union through the House of Lords, and to the Duke of Buckingham and Chandos for the hearty manner in which he entered into the question of guarantee, and for his strenuous exertions to induce the Treasury Department to accede to the proposition we made for securing the money, and for successfully carrying the Bill for the guarantee through the House of Lords;

and to the Right Honorable Mr. Adderley for the ability he displayed in carrying the Act of Union and the guarantee through the House of Commons.

We also desire to express our great obligations to the Right Honorable Edward Cardwell, and to the Right Honorable Mr. Gladstone, Mr. Watkins, and other Members of the opposition, for the cheerful and efficient aid they rendered in carrying the measure.

F. MITCHELL,
S. L. TILLEY,
CHARLES FISHER,
ROBT. D. WILMOT,
E. B. CHANDLER,
J. M. JOHNSON.

To His Excellency Major General C. HASTINGS DOYLE, Administrator of the Government, &c., &c., &c.