

enabling them to raise by public loan, if they should desire it, at a moderate rate, the requisite funds for constructing the Railway."

II. That, with an anxious desire to bind the Provinces more closely together, to strengthen their connection with the Mother Country, to promote their common commercial interests, and to provide facilities essential for the public defence of these Provinces as integral parts of the Empire, the undersigned are prepared to assume, under the Imperial guarantee, the liability necessary to construct this great work.

III. That the three Governments are agreed that the proportions of liability for the necessary expenditure shall be appropriated as follows, viz:—five-twelfths for Canada, and seven-twelfths to be equally divided between the Provinces of Nova Scotia and New Brunswick.

IV. But it is understood that the liability for principal and interest shall be borne by each Province to the extent only of the proportion hereby agreed upon.

V. That, in arriving at this conclusion, the undersigned have been greatly influenced by the conviction that the construction of the Road between Halifax and Quebec must supply an essential link in the chain of an unbroken highway extending through British territory from the Atlantic to the Pacific, and in the completion of which every Imperial interest in North America is most deeply involved; and the undersigned are agreed that, to present properly this part of the subject to the Imperial authorities, the three Provinces will unite at an early day in a joint representation on the immense political and commercial importance of the Western extension of the projected line.

12th September, 1862.

(Signed)	J. S. Macdonald,	}	Representing Canada.
	L. V. Sicotte,		
	J. Morris,		
	W. P. Howland,		
	Wm. McDougall,		
	U. T. Tessier,		
	T. D'Arcy M'Gee,	}	Representing Nova Scotia.
	F. Eventurel,		
	Adam Wilson,		
	Joseph Howe,	}	Representing New Brunswick.
	William Annand,		
	J. M'Culley,		
	S. L. Tilley,	}	
	W. H. Steeves,		
	P. Mitchell,		

MEMORANDUM B.

I. If it should be concluded that the work shall be constructed and managed by a joint Commission of the three Provinces, it shall be constituted in the proportion of two appointed by the Government of Canada, and one each by the Governments of Nova Scotia and New Brunswick, the four to select a fifth before entering upon the discharge of their duties.

II. That a joint Delegation proceed with as little loss of time as possible to England, to arrange with the Imperial Government the terms of the loans, the nature of the securities required, the amount to be paid for the transport of Troops and Mails, and, if possible, to obtain a modification of the terms proposed, to the extent of the interest accruing during the construction of the work.

III. That no surveys be authorized until the Laws contemplated shall have been passed, and the joint Commissioners appointed.

IV. That any profit or loss, after paying working expenses, shall be divided in proportion to the contributions of the several Provinces.

V. That such portions of the Railways now owned by the Governments of Nova Scotia and New Brunswick, which may be required to form part of the Inter-Colonial Road, shall be worked under such joint authority as may be appointed by the three Provinces; that the rates collected shall be uniform over each respective portion of the road; that all net gain or loss resulting from the working or keeping in repair of any portion of the road constructed by Nova Scotia or New Brunswick, and to be used as a part of the Inter-Colonial Railway, shall be received and borne by the said Provinces respectively, and the surplus, if any, after the payment of interest, shall go in abatement of interest on the whole line between Halifax and Riviere du Loup.

Crown Lands required for the Line or for Stations, shall be provided by each Province.

(Signed) THOS. D'ARCY M'GEE, for Canada.
JOSEPH HOWE, for Nova Scotia.
S. L. TILLEY, for New Brunswick.

MEMORANDUM C.

Paper furnished by Sir Frederic Rogers.

It is proposed—

1. That Bills shall be immediately submitted to the Legislatures of Canada, Nova Scotia, and New Brunswick, authorizing the respective Governments to borrow £3,000,000, under the Guarantee of the British Government, in the following proportions:—5-12ths, Canada; 3½-12ths, Nova Scotia; 3½-12ths, New Brunswick.

2. But no such Loan to be contracted on behalf of any one Colony, until corresponding powers have been given to the Governments of the other two Colonies concerned, nor unless the Imperial Government shall guarantee payment of Interest on such Loan until repaid.

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 5th & 6th Victoria, Chapter 118, and 3rd & 4th Victoria, Chapter 35, (Acts of Union.)

5. The Debentures to be in Series, as follows, viz:—

£250,000	to be payable 10 years after contracting Loan.
£500,000	" 20 " " "
£1,000,000	" 30 " " "
£1,250,000	" 40 " " "

In the event of these Debentures, or any of them, not being redeemed by the Colonies at the period when they fall due, the amount unpaid shall become a charge on their respective Revenues, next after the Loan, until paid. The principal to be repaid as follows:—

1st Decade, (say 1863 to 1872 inclusive.)—£250,000 in redemption of the 1st Series, at or before the close of the first decade from the contracting of the Loan.

2nd Decade, (say 1873 to 1882 inclusive.)—A Sinking Fund of £40,000, 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 remit-