

Hon. John Rose,
 MARKET very heavy ; must take less than nine (9) for large amounts ; will you give me limit, or postpone sales.

Montreal, 9 September 1868.

(signed) *E. H. King.*

COPY of a REPORT of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council, on the 27th of August 1868.

THE Committee have had under consideration the annexed Memorandum of the Honourable the Minister of Finance, reporting, for your Excellency's information, the proceedings adopted by him whilst recently in England for the negotiation of the Intercolonial Railway Loan, and the arrangements entered into with the Financial Agents of the Dominion in London, in relation thereto ; and they respectfully report their concurrence in the measures so adopted by the Finance Minister, and submit the same for your Excellency's sanction.

(Certified) *W. H. Lee, Clerk, P.C.*

THE undersigned has the honour to submit, for the information of his Excellency the Governor General, the following report of his proceedings in England on the subject of the Intercolonial Railway Loan. It was important that the preliminary arrangements with Her Majesty's Government should be made without delay, in order that advantage might be taken of the unusually favourable state of the money market, and that the loan should be placed before the summer holidays, as well as previous to certain anticipated loans by the Governments of France, Egypt, and Sweden.

Communication was, accordingly, immediately had with his Grace the Duke of Buckingham and Chandos, for the purpose of obtaining the requisite assent to the sufficiency of the legislation here, and of having that assent conveyed to the Chancellor of the Exchequer and the Lords Commissioners of Her Majesty's Treasury.

Copies of the correspondence which took place are herewith submitted.

After full discussion with Messrs. Baring Brothers, and Messrs. Glyn, Mills, Currie & Co., the Financial Agents, it was considered proper to offer the loan on the terms stated on the accompanying prospectus, which terms were accordingly communicated to the Chancellor of the Exchequer and the Lords Commissioners of the Treasury.

The approval of the Secretary of State for the Colonies having been obtained, the general conditions, and the terms of the proposed bond, were discussed at a meeting with his Grace, the Colonial Secretary, the Chancellor of the Exchequer, and the Secretary of the Treasury, at which Mr. Baring and Mr. Glyn were present, and these terms were finally settled.

The correspondence on that subject is annexed to this report. Every publicity was given by advertisement, through the press, and otherwise, respecting the loan.

The minimum price was settled by the undersigned, and placed in a sealed paper in the hands of the Financial Agents, in the presence of the bidders for the loan, but was not communicated to any one.

The sealed tenders (in number 335) were opened by the Financial Agents, in the presence of the parties tendering. A schedule of those bids is herewith submitted.

A good deal of communication took place on the subject of the commission to be charged by the Financial Agents. The result of those communications will be found in the correspondence entered in the margin.

The undersigned thinks it right to acknowledge the exertion made by the Financial Agents to place the loan on the most advantageous terms possible, and to say that he believed the arrangements touching the commission, and management of the Sinking Fund are more favourable to Canada than are ordinarily accorded by London agents to foreign governments on like operations.

He cannot close this report without mentioning the courtesy and ready assistance which were on all occasions extended to him by his Grace, the Secretary of State for the Colonies, the Chancellor of the Exchequer, and by the Lords Commissioners of Her Majesty's Treasury.

But for the facilities which were at all times so kindly afforded, it might have been difficult to have placed the loan on the market during the present season.

(signed) *John Rose,*
 Minister of Finance.

Ottawa, 14 August 1868.

Letters dated London.
 J. Rose to Baring Brothers, &
 Glyn, Mills & Co., 18th July
 1868.

Reply dated 28th July.
 Reply dated 29th July.