

2. That, with an anxious desire to bind the Provinces more closely together, to strengthen their connexion with the mother-country, to promote their common commercial interests, and to provide facilities essential to the public defences of these Provinces as integral parts of the Empire, the undersigned are prepared to assume, under the Imperial guarantee, the liability for the expenditure necessary to construct this great work.

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

4. 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.

5. 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, 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 work.

(signed) *J. S. Macdonald,*
L. V. Sicotte,
J. Morris,
W. P. Howland,
W. M^c Dougall,
U. T. Tessier,
T. D'Arcy M^c Gee,
F. Eventurel,
Adam Wilson, } Representing
 Canada.

Quebec, 12 September 1862.

Joseph Howe,
William Annand,
J. M^c Cully, } Nova Scotia.

S. L. Tilley,
W. H. Steeves,
P. Mitchell, } New
 Brunswick.

Quebec, 13 September 1862.

MEMORANDUM agreed at the Conference of the Delegates of Nova Scotia and New Brunswick and the Government of Canada.

1. 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.

2. 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 amounts 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.

3. That no surveys be authorised until the laws contemplated shall have been passed, and the joint commissioners appointed.

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

5. 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 Intercolonial 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 and 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 Intercolonial 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 Crown-lands required for the line or for stations, shall be provided by each Province.

(signed) *Thos. D. M^c Gee,*
 President of Council.
Joseph Howe.
S. L. Tilley.