

the same objects, and thus increasing the Imperial guarantee as proposed in the Minute in Council of the 17th of September, 1872, to 4,000,000*l.* sterling.

The Committee of Council, however, recognize the objections that might possibly be taken in Parliament to the substitution of a guarantee of 4,000,000*l.* sterling for the pledge to supply armaments for fortifications, and not wishing to embarrass Her Majesty's Government with any difficulty of that nature, they respectfully advise that the change of the engagement referred to be not further urged, but that the proposal of Her Majesty's Government to insert in the proposed Bill a clause transferring the guarantee of 1,100,000*l.* sterling, for fortifications to a loan for the same purposes as those to which the loan of 2,500,000*l.* is to be applied, be accepted, with the understanding expressed in Lord Kimberley's despatch that Her Majesty's Government take upon themselves no responsibility for the success of the Pacific Railway nor of any other works which the Government of the Dominion may construct with the proceeds of the loan in question.

(Certified.)

(Signed)

W. A. HIMSWORTH,

*Clerk of the Privy Council, Canada.*

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