

structing the railway. This was the mode of action contemplated by Earl Grey in the year 1851, and is the same method which was adopted by Parliament in the Act of 1842, in order to afford to Canada the benefit of British credit in raising the money with which she has completed her great system of internal water communications. The nature and extent of the guarantee which Her Majesty's Government could undertake to recommend to Parliament, must be determined by the particulars of any scheme which the Provincial Governments may be disposed to found on the present proposal, and on the kind of security which they would offer.

I fear that this course will not be so acceptable to the Provincial Governments as that which the delegates were authorised to propose for consideration. It is, however, the only one in which Her Majesty's Government, after anxious deliberation, feel that they would be at liberty to participate. I trust that the proposal will at all events be received as a proof of their earnest wish to find some method in which they can co-operate with the Provinces in their laudable desire to complete a perfect intercolonial communication over British territory, And it will be a source of sincere pleasure to me if, adverting to all the different bearings of the subject, and to the condition of their respective finances, the Provincial Governments should end by finding it in their power to make use of the present offer, and to propound some practicable scheme for applying it to the attainment of the desired object.

I have addressed a similar Despatch to the Lieutenant Governors of Nova Scotia and New Brunswick, and I must now leave the subject in the hands of the several Provincial Governments, who will best know, in case they prosecute the subject further, how to provide for the requisite mutual consultations.

I have, &c.  
(signed) *Newcastle.*

[Similar Despatches, with the requisite adaptations, were addressed at the same date to the Lieutenant Governors of New Brunswick and Nova Scotia.]

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— I. —

ANSWERS from the THREE PROVINCES to the Duke of *Newcastle's* Despatch of 12 April 1862; page 1.

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— No. 2. —

(No. 136.)

No. 2.  
Viscount Monck  
to the Duke of  
Newcastle, K.G.  
12 September 1862.

COPY of a DESPATCH from Governor General Viscount *Monck*, to His Grace the Duke of *Newcastle*, K.G.

Quebec, 12 September 1862.

(Answered, No. 176, 14 October 1862, page 4.)

My Lord Duke,

REFERRING to your Grace's Despatch, of 12th\* April, I have great satisfaction in transmitting to you the accompanying approved Minute of my Executive Council on the subject of the mode of executing the proposed railway between this Province and Nova Scotia.

I have to add that it is intended that a deputation of my Executive Council should proceed in the course of the autumn to England in order to give further facilities, by means of personal communications, for completing the arrangements proposed.

I have, &c.  
(signed) *Monck.*

\* Page 1.

12 September 1862.