

CORRESPONDENCE RELATIVE TO

On consultation with the financial agents of the Dominion in London, it is thought to be extremely desirable that advantage should be taken of the present low rate of interest, to place the loan, or a portion of it, on the market at as early a day as possible, and I have, accordingly, to solicit the sanction of Her Majesty's Government to that proceeding.

His Grace
The Duke of Buckingham and Chandos,
&c. &c.

I have, &c.
(signed) John Rose, M. F.

(Copy Memo.) INTERCOLONIAL RAILWAY.

My Lord Duke,

ON the letter from the Nova Scotia and New Brunswick Intercolonial Railway Company, Limited, of the 9th inst., addressed to his Grace the Duke of Buckingham and Chandos, I beg to say that the only arrangements now existing for the construction of the Intercolonial Railway are to be found in the Imperial Act, 30th Vict. c. 16, and in that of the Parliament of Canada, 31st Vict. c. 13.

The previous negotiations which had, for a number of years, taken place between the several Provinces now composing the Dominion of Canada are superseded by the provisions contained in these two Acts.

The Imperial Act left to the Dominion of Canada to adopt such agency as it saw fit for the prosecution of the work, provided the requisite money provision was made; and by the Act of the Canadian Parliament it is provided that the work shall be done directly by a Commission, and not through the interposition of a Company, and shall be a public work belonging to the Dominion.

It will be the duty of the Commission to locate the road on the line approved by the Imperial Government, and they are in no way whatever bound to assume any intermediate portion of road, or to adopt any contracts which either of the Provinces may have previously made in respect of such local sections. Indeed, they are prohibited, by the terms of the Act, from concluding any contract exceeding 10,000 dollars without the sanction of the Government in Canada. It is of the first importance that the whole, from Truro to River du Loup, should be done in the most economical manner, and that the Dominion should have the advantage which payments in cash to contractor, out of the money raised on the Imperial Guarantee and on the credit of the Dominion, afford. Provisions of former contracts may be altogether too onerous, the prices excessive, the location and character of the work may be bad, the specifications insufficient. It was never contemplated that the work itself, or the commission for its execution, should be trammelled by any arrangements anterior to the two Acts of Parliament above quoted. If any contracts or engagements have been entered into by either of the Provinces anterior to the Act of Union, they will be faithfully carried out by the Dominion, if by the provisions of the Union Act they are entailed upon it. But it would be contrary to the spirit and terms of the Intercolonial Acts, both Imperial and Canadian, to tie the hands of the Commissioners appointed to carry them into effect.

The assumption of any intermediate section of work, or the adoption of any contracts, must be matter of arrangement with the Commissioners.

In conclusion, I beg to call his Grace's attention to the fact that the negotiations referred to in the letter written by direction of his Grace the Duke of Newcastle to Mr. Watkin, under date of the 19th March 1864, were never completed; and as in that letter his Grace expressly states, "That no claim is to be made on the Imperial Government under the old project" is to be carried into execution, and if the offer of 1862-63 should fall to the ground, this assurance will fall with it.

It therefore follows (wholly irrespective of the entirely new Legislative provision made in 1867), that no possible claim can be based on the terms of that communication.

His Grace
The Duke of Buckingham and Chandos,
&c. &c.

I have, &c.
(signed) John Rose.

Messrs. Sheward and Webb to the Duke of Buckingham.

(Copy.)

The Nova Scotia and New Brunswick (Intercolonial) Railway Company (Limited),
6, Westminster Chambers, Victoria-street, London, S.W.

My Lord Duke,

9 June 1868.

WE, the Directors of the Nova Scotia and New Brunswick (Intercolonial) Railways Company, Limited, respectfully beg to draw the attention of your Grace to the following facts:--

This Company was formed for the purpose of constructing, under concessions granted by the Nova Scotia and New Brunswick Governments, two of the most important sections of the Intercolonial Railway.