terms proposed, as the best that, under all the circumstances, and after full discussion, can be had.

I concur fully in all that Mr. Tilley has said, or that Messrs. Sicotte and Howland may say, on the subject of the sinking fund. It will give trouble, and must lose us some interest, however skilfully managed. I still hope that Parliament may be induced to rely upon the honor and the ample revenues of the Provinces, for the prompt payment of the instalments, as they become due; but, if that cannot be done, Her Majesty's Government having conceded every other point that we urged, I shall be quite prepared to submit the measure to my colleagues, with my strong recommendation that it be sanctioned by legislation, at the approaching session.

In closing this negociation, which has run over two years, I am quite sure that I express the feelings of all the gentlemen who have been associated with me, when I ask you to convey to His Grace the Duke of Newcastle, our acknowledgements of the urbanity, patience, and readiness of access, by which we have been enabled to discuss this great subject, in all its bearings, with the utmost freedom. To His Grace's hearty co-operation, and personal influence with the Cabinet, the Provinces will largely owe the success of the elevated Colonial policy which it has been the object of our missions to urge.

Believe me,
My dear Sir,
Very truly yours,
(Signed) JOSEPH HOWE.

SIR FREDERIC ROGERS.

This letter was thus acknowledged:

Downing Street, 31st December, 1862.

SIR,—

I am directed by the Duke of Newcastle to acknowledge the receipt of your letter of the 19th of this month, and to acquaint you that it is gratifying to His Grace to learn that the negotiations which have taken place on the subject of the Intercolonial Railway, have been conducted in a manner satisfactory to the delegates sent to England by the Governments of the North American Provinces.

I am, Sir,
Your obedient servant,
FREDERIC ROGERS.

THE HONBLE. JOSEPH HOWE.

The final answer of the Canadian Delegation was not sent in until after I left London. A copy of it has been asked for by telegraph, and promised. In a few days I presume that it will be forwarded, with some official intimation as to the nature of the policy to be pursued by the Government of Canada.

I have the honor to be,
My Lord,
Your Excellency's most obedient,
Very humble servant,
JOSEPH HOWE.

His Excellency,
The Right Honorable,
THE EARL OF MULGRAVE,
&c &c. &c. &c.