

*London, 13th December, 1862.*

DEAR SIR,—

As I must return home by this night's mail, Mr. Howe and I have anxiously conferred upon the subject of the Treasury Minute read to us this morning. It accurately describes the terms proposed to the delegates in the various interviews with which we have been honored by His Grace the Colonial Secretary and the Right Honorable the Chancellor of the Exchequer.

As I understand the matter, the delegates have obtained the assent of Her Majesty's Government to every proposition they have submitted, and there is no difference of opinion except as to the single point of the Sinking Fund.

As the Intercolonial Railroad is a work in which the Imperial and Colonial Governments are assumed to have a joint interest—as, in the Provinces, we regard it as indispensable to national defence, and to the transportation to this country, in winter, of breadstuffs in case war with the United States should ever arise, I hope that Mr. Gladstone may be induced to reconsider the matter of the Sinking Fund, and that the Cabinet may be enabled to convince Parliament that, under all the circumstances of this peculiar case, a Sinking Fund should not be insisted upon. But if it is—Mr. Gladstone having consented that the Sinking Fund may be invested in our own or other colonial securities—I will not assume the responsibility of perilling or delaying this great enterprise, by rejecting what the Chancellor of the Exchequer and the Cabinet may regard as an indispensable condition.

I have the honor to be, dear Sir,

Yours truly,

(Signed)

S. L. TILLEY

SIR FREDERIC ROGERS.

Mr. Tilley left London on the 13th December. Messrs. Sicotte and Howland returned early in the following week. To my infinite regret, though nearly all that we had asked had been conceded, and though the single point which had not been yielded was the one which we had been assured Parliament could not yield, and a persistent demand for which must be fatal to the negotiation, still the Canadian Delegates appeared to be indisposed to agree to anything which should bind them or the Government they represented to accept the only terms which Her Majesty's Government assured us they could obtain. Having satisfied myself that the views of each delegation must be expressed in a separate paper, I read the following letter to Messrs. Sicotte and Howland, as the expression of my own, and sent it to Sir Frederic Rogers on the 19th December:

(COPY.)

*No. 10, Sackville Street, 19th December, 1862.*

DEAR SIR,

Messrs. Sicotte and Howland returned from Paris yesterday. I showed them the Treasury Minute, and discussed with them the whole subject which it covers. They will address to you, or to His Grace the Duke of Newcastle, their views, in a separate paper. Nothing remains for me, therefore, but, on the part of the Government of Nova Scotia, to accept the