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4.
CORRESPONDENCE RELATIVE TO THE

— No. 3. —

Sir *F. Rogers* to the Secretary to the Treasury.

Sir,

Downing-street, 15 March 1867.

IN answer to your letter of this day's date relative to the proposed Imperial guarantee for the construction of the intercolonial railway in British North America, I am directed by the Duke of Buckingham and Chandos to request that you will acquaint the Lords Commissioners of the Treasury that he will lay before their Lordships the information which he has received with respect to the estimates of the cost of the proposed railway, together with the reasons on which those estimates are based, and which induce him to believe that the completion of the line will be secured without further charge on the Imperial Government.

His Grace further desires me to request that their Lordships will depute some member of the Treasury to attend at this office to-morrow morning at half-past 10 o'clock to examine the details of the finances of the three principal North American Provinces, in conjunction with his Grace and the Under-Secretary of State, in order to prepare a statement of the security on the faith of which Parliament may be asked to authorise the guarantee.

I am, &c.
(signed) *Frederic Rogers*.

— No. 4. —

TREASURY MINUTE, dated 15 March 1867.

IN compliance with the request of the Secretary of State, my Lords are pleased to direct Mr. Foster and Mr. Buckland, of this office, to be in attendance at the Colonial Office at half-past 10 to-morrow morning.

— No. 5. —

Sir *F. Rogers* to the Secretary to the Treasury.

Sir,

Downing-street, 23 March 1867.

I AM directed by the Duke of Buckingham and Chandos to bring under the consideration of the Lords of the Treasury a proposal that Parliament should authorise their Lordships to guarantee the interest of a loan of 3,000,000 £. to be raised by Canada for completing a railway which will connect Quebec and Halifax.

This subject has been more or less under discussion since 1848, and in 1862 gave occasion for two Treasury Memoranda, by which Her Majesty's Government offered to recommend to Parliament the proposed guarantee on terms which are there set forth. These Memoranda will be found in pages 10, 11, and 12, of the inclosed printed paper, which has been drawn up in this Office.

The Confederation now on the point of being effected between Canada and the maritime Provinces of British North America renders it possible materially to simplify the terms of that offer. In the first place the whole loan being contracted by the Confederation, it is no longer necessary to distinguish between the interests and obligations of the three several Provinces, or, consequently, to ascertain that the separate revenue of each will be adequate to the charge imposed upon it. In the next place it is no longer necessary to contemplate the possibility that, in the face of unexpected expenses, any one Province might abandon the undertaking in an unfinished state. The whole undertaking will now be in the hands of a single body politic, deeply interested in completing a line of communication essential to its political unity, its commercial progress, and its military defence. Lastly, it will be seen by an annexed paper proceeding from the Representatives of the Confederation now in this country, that those gentlemen are at liberty to make a proposal to which the Delegates of 1862 were not