

"2. That a joint delegation proceed, with as little loss of time as possible, to England, to arrange with the Imperial Government the terms of the loans, the nature of the securities required, the amounts to be paid for the transport of troops and mails, and, if possible, to obtain a modification of the terms proposed to the extent of the interest accruing during the construction of the work.

"3. That no surveys be authorized until the laws contemplated shall have been passed, and the Joint Commissioners appointed.

"4. That any profit or loss, after paying working expenses, shall be divided in proportion to the contributions of the several Provinces.

"5. That such portions of the railways now owned by the Governments of Nova Scotia and New Brunswick which may be required to form part of the Intercolonial Road shall be worked under such joint authority as may be appointed by the three Provinces. That the rates collected shall be uniform over each respective portion of the road. That all net gain or loss resulting from the working and keeping in repair of any portion of the road constructed by Nova Scotia or New Brunswick, and to be used as a part of the Intercolonial Railway, shall be received and borne by the said Provinces respectively; and the surplus (if any) after the payment of interest, shall go in abatement of interest on the Crown lands required for the line or for stations, shall be provided by each Province (*sic*).

(signed) "Thos. D. McGee, President of Council.

"Joseph Howe.

"S L. Tilley."

In accordance with these Resolutions, Delegates were forthwith sent to this country, and, after conferences with Her Majesty's Government, the subjoined Memorandum was prepared at the Treasury, explanatory of the terms on which Her Majesty's Government could concur, subject to the sanction of Parliament, in the proposed plan of assistance to the construction of the Intercolonial Railway:—

"TREASURY MEMORANDUM.

"It is proposed:—

"1. That Bills shall be immediately submitted to the Legislatures of Canada, Nova Scotia, and New Brunswick, authorizing the respective Governments to borrow 3,000,000 £., under the guarantee of the British Government, in the following proportions:—5-twelfths, Canada; 3½-twelfths, Nova Scotia; 3½-twelfths, New Brunswick.

Terms offered by
Her Majesty's
Government to
Delegates of 1862.
House of Commons,
530 of 1864,
page 14.

"2. But no such loan to be contracted on behalf of any one Colony until corresponding powers have been given to the Governments of the other two Colonies concerned, nor unless the Imperial Government shall guarantee payment of interest on such loan until repaid.

"3. The money to be applied to the completion of a railway connecting Halifax with Quebec, on a line to be approved by the Imperial Government.

"4. The interest to be a first charge on the Consolidated Revenue Funds of the different Provinces, after the Civil List and the interest of existing debts; and as regards Canada, after the rest of the six charges enumerated in the 5 & 6 Vict. cap. 118, and 3 & 4 Vict. cap. 35, (Act of Union).

"5. The debentures to be in series as follows, viz.: .

250,000£.	to be payable 10 years after contracting loan.		
500,000£.	"	20 years	"
1,000,000£.	"	30 years	"
1,250,000£.	"	40 years	"

In the event of these debentures, or any of them, not being redeemed by the Colonies at the period when they fall due, the amount unpaid shall become a charge on their respective revenues, next after the loan, until paid. The principal to be repaid as follows:

"First decade (say 1863 to 1872 inclusive), 250,000 £. in redemption of the first series, at or before the close of the first decade from the contracting of the loan.