

ment to Parliament must be determined by the particulars of any scheme which the Provincial Governments may be disposed to found on the present proposal, and on the kind of security which they would offer.

"I fear that this course will not be so acceptable to the Provincial Governments as that which the delegates were authorised to propose for consideration. It is, however, the only one in which Her Majesty's Government, after anxious deliberation, feel that they would be at liberty to participate. I trust that the proposal will at all events be received as a proof of their earnest wish to find some method in which they can co-operate with the Provinces in their laudable desire to complete a perfect intercolonial communication over British territory. And it will be a source of sincere pleasure to me if, adverting to all the different bearings of the subject, and to the condition of their respective finances, the Provincial Governments should end by finding it in their power to make use of the present offer, and to propound some practicable scheme for applying it to the attainment of the desired object."

Delegation of
1862.

In consequence of this counter proposal of the Secretary of State, a meeting of delegates was held at Quebec in September 1862, where the following resolutions were passed :—

Resolutions of
Delegates at
Quebec.

House of Commons,
530 of 1864,
page 3.

"The undersigned, representing the three Governments of Canada, Nova Scotia, and New Brunswick, convened to consider the despatch of his Grace the Duke of Newcastle, of the 12th April 1862, with reference to the colonial railway, having given the very important matters contained in that despatch their attentive consideration, are agreed :

"I. That, whilst they have learned with very great regret that Her Majesty's Imperial Government has finally declined to sanction the proposals made on behalf of these Provinces in December 1861, and at previous periods, they at the same time acknowledge the consideration exhibited in substituting the proposal of 'an Imperial guarantee of interest towards enabling them to raise, by public loan, if they should desire it, at a moderate rate, the requisite funds for constructing the railway'

"II. That, with an anxious desire to bind the Provinces more closely together, to strengthen their connexion with the mother country, to promote their common commercial interests, and to provide facilities essential to the public defences of these Provinces as integral parts of the Empire, the undersigned are prepared to assume, under the Imperial guarantee, the liability for the expenditure necessary to construct this great work.

"III. That the three Governments are agreed that the proportions of liability for the necessary expenditure shall be apportioned as follows, viz., five-twelfths for Canada and seven-twelfths to be equally divided between the Provinces of New Brunswick and Nova Scotia.

"IV. But it is understood that the liability for principal and interest shall be borne by each Province, to the extent only of the proportion hereby agreed upon.

"That in arriving at this conclusion, the undersigned have been greatly influenced by the conviction that the construction of the road between Halifax and Quebec must supply an essential link in the chain of an unbroken highway extending through British territory from the Atlantic to the Pacific, in the completion of which every Imperial interest in North America is most deeply involved. And the undersigned are agreed, that to present properly this part of the subject to the Imperial authorities, the three Provinces will unite at an early day in a joint representation on the immense political and commercial importance of the western extension of the projected work."

"MEMORANDUM agreed at the Conference of the Delegates of *Nova Scotia* and *New Brunswick* and the Government of *Canada*.

House of Commons,
530 of 1864,
page 10.

"1. If it should be concluded that the work shall be constructed and managed by a joint Commission of the three Provinces, it shall be constituted in the proportion of two appointed by the Government of Canada, and one each by the Governments of Nova Scotia and New Brunswick—the four to select a fifth before entering upon the discharge of their duties.

"2. That