

on their proposal, the Government of Canada having been assured that the Governments of Nova Scotia and New Brunswick would introduce into their Legislatures the necessary Bills authorizing the loan under the proposal of the Imperial Government, placed in their Estimate submitted to the Canadian Parliament the sum of \$10,000 towards the preliminary survey. This was done that all unnecessary delay in this important undertaking might be avoided. The Government of Canada was promptly informed of the action of the Legislatures of Nova Scotia and New Brunswick, and copies of the Bill passed by the two Legislatures were transmitted by the Lieutenant Governors of Nova Scotia and New Brunswick to the Governor General of Canada. During all this time no intimation was given by the Canadian Government to the Government of Nova Scotia and New Brunswick that they considered the negotiations and proposals upon which these Bills were based were at an end, or had terminated (as is now alleged) upon the return of the Delegates of Canada. After legislation had been completed in Nova Scotia and New Brunswick, the Canadian Government, under date of 6th July last, communicated to the Governments of the lower Provinces their readiness to appoint an Engineer and to proceed with the Survey of the proposed Railway, and their intention to place in the estimate to be voted at the approaching Session of the Legislature a sum similar to that submitted to the late Parliament, viz. \$10,000, to meet Canada's share of the expense of such Survey.

In reply to this Despatch from the Canadian Government, Your Excellency informed the Governor General that so anxious was the Government of New Brunswick that no unnecessary delay should take place in the completion of this important work, that they had, notwithstanding the provisions of the Act passed by the Legislature of New Brunswick, advised that the Survey be proceeded with as proposed by the Canadian Government. Your Excellency at the same time informed the Governor General that so many difficulties attended any departure from the agreement entered into between Canada, New Brunswick, and Nova Scotia, on this subject, which agreement, by being annexed to the Act passed by the Legislature of this Province during the late Session, now has the force of Law, that you thought it expedient to despatch a member of your Government to Quebec, for the purpose of more fully arranging the details of the proposed Survey.

To this delegation, when in Quebec, the Government of Canada, through Attorney General Macdonald, expressed their willingness to bear five-twelfths of the expense of the proposed Survey. Messrs. Dorion and Holton at the same time stated that whilst they were not to be considered as binding themselves to bear five-twelfths of the cost of the road, that the proportion they would assume would depend on the information furnished by the Survey. The Delegate stated in reply, that from the Despatch of the Governor of New Brunswick, just then read, full power and authority had been given him to enter into arrangements while in Quebec for the completion of the Survey, but from statements that had been made in the Canadian Parliament a few days previous, as well as from observations that had at that time fallen from members of the Canadian Government, he declined to take any steps that would commit the Government of New Brunswick, until he had an opportunity of conferring with His Excellency the Lieutenant Governor, and his colleagues in the Government; but that this should be done with the least possible delay, and an answer forwarded, if possible, by telegraph, on the Wednesday following.

The Delegate from the Government of New Brunswick relying upon the good faith of the Canadian Government, took it for granted that the language above referred to might be fairly construed to mean that if, upon the survey being completed, it was found that the road could be constructed for £3,000,000 or £3,500,000 sterling, as originally estimated, that the proportion of the expense assumed by the Canadian Government under their own

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