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CORRESPONDENCE RELATIVE TO THE

The Duke of Buckingham and Chandos is therefore of opinion that no time should be lost in fulfilling the pledges given by the late, and adopted in spirit as well as letter by the present, Government; and he would submit to the Lords of the Treasury the propriety of introducing into Parliament a Bill which will enable their Lordships to give the Imperial guarantee to a loan of 3,000,000 *l.* on performance of the conditions specified in the Treasury Memoranda of 1862, with such modifications as Parliament may sanction or require.

It only remains to observe that their Lordships will obtain the fullest information relating to the state of the Canadian finances from Mr. Galt, who is now in this country; and that it will not be practicable to insist on a literal performance of the condition which is numbered 9 in the Treasury Memorandum of 1862. The approval by Her Majesty's Government of the line of railway, and the proof that such line can be constructed without further application for an Imperial guarantee must, of course, be made a condition precedent of the guarantee itself, but under present circumstances cannot precede the application to Parliament for power to give that guarantee.

I annex a copy of a Memorandum respecting the financial position and trade of British North America, and certain reports, surveys, and maps on the subject of the proposed line.

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

Enclosure in No. 1.

MEMORANDUM respecting the Financial Position and Trade of British North America.

REVENUE and EXPENDITURE for last Financial Year.

	REVENUE.	Dollars.	Dollars.
Canada	- - - - -	- - -	12,432,748
Nova Scotia	- - - - -	- - -	1,665,071
New Brunswick	- - - - -	- - -	1,212,021
			<hr/> 15,309,840
	EXPENDITURE.		
Canada	- - - - -	11,711,320	
Nova Scotia (about)	- - - - -	1,600,000	
New Brunswick	- - - - -	1,080,047	
			<hr/> 14,391,367
	SURPLUS - - -	- - -	<hr/> 918,473
N.B.—MILITIA EXPENDITURE LAST YEAR.			
Canada	- - - - -	1,638,868	
Nova Scotia	- - - - -	156,460	
New Brunswick	- - - - -	152,148	
			<hr/> 1,947,476
PUBLIC DEBT OF "CANADA" WILL BE—			
Ontario and Quebec	- - - - -	62,500,000	
Nova Scotia	- - - - -	8,000,000	
New Brunswick	- - - - -	7,000,000	
			<hr/> 77,500,000
CHARGES ON PUBLIC DEBT LAST YEAR.			
Canada	- - - - -	3,692,412	
Nova Scotia	- - - - -	297,580	
New Brunswick	- - - - -	340,283	
			<hr/> 4,339,275
	After Union will be about	- - - Dollars	<hr/> 4,350,000