

Gr. Brit. Treasury

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CANADIAN RAILWAYS.

three copies
bound at
No. 27

STATEMENT AND ACCOUNT

OF

PROCEEDINGS UNDER THE CANADA RAILWAY LOAN ACT.

Treasury Chambers, }
17 June 1868. }

ACTON S. AYRTON.

— No. 1. —

Sir F. Rogers to the Secretary to the Treasury.

Sir,

Downing-street, 5 February 1868.

I AM directed by the Duke of Buckingham and Chandos to transmit to you a copy of a Despatch from the Governor General of Canada, accompanied by an Act of the Canadian Legislature, passed for the purpose of carrying into effect the requirements of the Imperial Act of last year, entitled, "The Canadian Railway Loan Act, 1867."

No. 7.
7 Jun. 1868.
Cap. xiii.

Their Lordships' attention will probably be drawn to the 32nd section, which provides for the raising of a supplemental loan of 1,000,000 l. without Imperial guarantee, if such additional expenditure should be necessary for the completion of the works.

His Grace has no data before him, further than were supplied at the time of the introduction of the Imperial Act, on which to found an estimate of the probable sum required to ensure the completion of the railway, but he desires me to state that he entertains considerable doubt whether the additional sum contemplated by the present Act will be sufficient for the purpose.

The 7th article of section 3 of the Imperial Act was especially inserted to meet the uncertainty of estimate, and as it is impossible to say that lines may not be selected which would inevitably exhaust the additional sum of 1,000,000 l., his Grace thinks that as a security for the completion of the railway, the extra loan to be raised by Canada should not be fixed at a lower amount than 2,000,000 l.

I am, &c.

(signed) Frederic Rogers.

The Secretary to the
Treasury.

Enclosures in No. 1.

(No. 7.)

Lord Monck to the Duke of Buckingham and Chandos.

Government House, Ottawa, Canada,
7 January 1868.

My Lord Duke,
I HAVE the honour to transmit three copies of a Report to me from the Minister of Justice and Attorney General, on the Act passed in the present Session of the Parliament of the Dominion of Canada, for the purpose of carrying into effect the requirements of the Imperial Statute, intituled, "The Canada Railway Loan Act, 1867."

3.
3.

I also transmit three copies of the Provincial Act referred to.
Your Grace will observe that the object of the Canadian Government is to obtain as soon as possible the opinion of Her Majesty's Government, as to whether the Act passed by the Canadian Parliament fulfils the requirements of the Imperial Statute, in order that

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that no unnecessary delay may occur in commencing the construction of the Intercolonial Railway.

I shall feel much obliged if your Grace will inform me as soon as convenient, whether, in the opinion of Her Majesty's Government, this Act is a satisfactory fulfilment of the conditions imposed as the basis for granting the Imperial guarantee by the "Canada Railway Loan Act, 1867."

His Grace
The Duke of Buckingham and Chandos,
&c. &c. &c.

I have, &c.
(signed) Monck.

The Minister of Justice to Lord Monck.

THE undersigned has the honour to submit for your Excellency's consideration, the expediency of transmitting at an early day to the Secretary of State for the Colonies, a copy of the Act of the Canadian Parliament, authorising the construction of the Intercolonial Railway, which was passed on the 21st December last, and an official copy of which I beg leave to send you herewith.

This Act has been framed with the view of fulfilling the requirements of the Imperial Act, known as "The Canada Railway Loan Act, 1867." It provides for the construction of the railway, and appropriates four millions sterling for the purpose, and by the 26th clause it provides for the use of the railway, at all times, for Her Majesty's military and other service.

It will be observed also that the conditions of the 3rd section of the Railway Loan Act are fulfilled by the 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, and 34th clauses of the Canadian Statute.

As it is of great consequence that this work should be proceeded with without delay, it is important that the approval of Her Majesty's Government should be obtained with all convenient speed.

The Canadian Parliament will re-assemble on the 12th March, and it is exceedingly desirable that it should be informed that the Act in question has been approved of, or that some further legislation is necessary.

The undersigned assumes that the measure will be considered satisfactory, and in such case the only thing remaining to be done before the granting of the guarantee and the commencement of the work, is to obtain the approval of the Secretary of State for the Colonies, to the line in which the railway is to be constructed.

The Canadian Government expect to be able to transmit for the consideration of his Grace the Secretary of State for the Colonies, before the work can be commenced in the spring, a report of their decision as to the plan of the line of railway, together with the estimates of the cost of construction, which it is hoped will meet with his approbation.

The undersigned trusts, however, that his Grace will not wait the reception of such report before obtaining the decision of Her Majesty's Government, whether the Canadian Act is in other respects satisfactory.

Ottawa, 6 January 1868.

(signed) John A. Macdonald.

ANNO TRICESIMO-PRIMO VICTORIÆ REGINÆ.

CAP. XIII.

AN ACT respecting the construction of "THE INTERCOLONIAL RAILWAY."

Assented to 21 December 1867.

Preamble.

WHEREAS the provinces of Canada, Nova Scotia, and New Brunswick joined in a declaration that the construction of the Intercolonial Railway is essential to the consolidation of the Union of British North America, and to the assent thereto of Nova Scotia and New Brunswick; and consequently agreed that provision should be made for its immediate construction by the Government of the Dominion of Canada; and whereas, in order to give effect to that agreement, it was declared by the 145th section of the Imperial Act, known as "The British North America Act, 1867," that it should be the duty of the Government and Parliament of Canada to provide for the commencement, within six months after the Union, of a railway connecting the River St. Lawrence with the city of Halifax in Nova Scotia, and for the construction thereof without intermission, and the completion thereof with all practicable speed; and whereas the Imperial Act known as "The Canada Railway Loan Act, 1867," authorises the guarantee by the Imperial Government of the interest on a loan to be raised by Canada towards the construction of the Intercolonial Railway, connecting the Port of Rivière du Loup, in the Province of Quebec, with the line of railway leading from the city of Halifax, in the Province

province of Nova Scotia, at or near the town of Truro, on certain conditions therein mentioned: Therefore, in fulfilment of the duty imposed on the Government and Parliament of Canada as aforesaid; and in order to the raising of the said loan, so to be guaranteed as aforesaid, Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. There shall be a railway constructed, connecting the port of Rivière du Loup before mentioned, with the line of railway leading from the said city of Halifax, at or near the said town of Truro, and such railway shall be styled and known as "The Intercolonial Railway." Termini of Railway.
Its name.
2. The said railway shall be a public work belonging to the Dominion of Canada; and shall be made with a gauge of 5 feet 6 inches, and on such grades, in such places, in such manner, with such materials and on such specifications as the Governor in Council shall determine and appoint as best adapted to the general interests of the dominion. To be a public work.
3. The construction of the railway and its management until completed shall be under the charge of four Commissioners, to be appointed by the Governor, who shall hold office during pleasure. How constructed and managed.
4. The Governor shall and may appoint a chief engineer, to hold office during pleasure, who, under the instructions he may receive from the Commissioners, shall have the general superintendence of the works to be constructed under this Act. Appointment of chief engineer.
5. The Commissioners shall and may appoint and employ a secretary, such engineers (under the chief engineer), and such surveyors and other officers, and also such agents, servants and workmen, as in their discretion they may deem necessary and proper for the execution of the powers and duties vested in the said Commissioners by virtue of this Act. Appointment of other officers, &c.
6. The Commissioners shall have full power and authority by themselves, their engineers, agents, workmen, servants, contractors and the servants and workmen of such contractors:—
 1. To explore and survey the country lying between Rivière du Loup and Truro. To explore.
 2. And for that purpose to enter into and upon any public lands or the lands of any corporation or person whatsoever; To enter on lands.
 3. To make surveys, examinations or other arrangements on such lands necessary for fixing the site of the railway, and to set out and ascertain such parts of the lands as shall be necessary and proper for the railway; To fix the site of road.
 4. And to fell or remove any trees standing in any woods, lands or forests where the railway shall pass, to the distance of four rods from either side thereof. To fell timber.
7. The Commissioners are further authorised to enter upon and take possession of any lands required for the purposes of the railway, and they shall lay off the same by metes and bounds, and deposit of record a description and plan thereof in the office for the registry of deeds for the county or registration division in which the lands are situate, and such deposit shall operate as a dedication to the public of such lands, which shall be thereupon vested in the Crown. To take possession of lands.
8. The Commissioners or contractors may enter with workmen, carts, carriages, and horses, upon any lands, and deposit thereon soil, earth, gravel, trees, bushes, logs, poles, brushwood or other material found on the line of railway or works connected therewith, or for the purpose of digging up, quarrying and carrying away earth, stones, gravel, or other material, and cutting down and carrying away trees, bushes, logs, poles and brushwood therefrom for the making and preparing of such railway. May use adjacent lands.
9. It shall be lawful for the Commissioners to make or construct in, upon, across, under or over any land, streets, hills, valleys, roads, railways or tramroads, canals, rivers, brooks, streams, lakes or other waters, such temporary or permanent inclined planes, embankments, cuttings, aqueducts, bridges, roads, ways, passages, conduits, drains, piers, arches or other works as they may think proper. May make all necessary works.
10. They may alter the course of any river, canal, brook, stream or watercourse, and may divert or alter as well temporarily as permanently the course of any such rivers, streams of water, roads, streets or ways, or raise or sink the level of the same, in order to carry them over or under, on the level of, or by the side of, the railway, as they may think proper. May alter the courses of rivers.
11. They shall have power to make conduits or drains into, through or under any lands adjoining the railway, for the purpose of conveying water from or to the railway. May drain into adjacent lands.
12. The Commissioners shall have all such other powers (not inconsistent with this Act) as may be conferred upon railway companies by any Act which may be passed for the consolidation and regulation of the general clauses relating to railways. And enjoy powers conferred by any General Railway Act.
13. The Commissioners may contract and agree with all persons, corporations, guardians, tutors, curators and trustees whatsoever, not only for themselves, their heirs, successors Powers of Commissioners with respect to purchase of lands.

STATEMENT OF PROCEEDINGS UNDER THE

cessors and assigns, but also for and on the behalf of those whom they represent, whether infants, absentees, lunatics, married women, or other persons otherwise incapable of contracting, for the purchase of any land or other property necessary for the construction, maintenance and use of the railway, at such prices as may be agreed upon; and may also contract and agree with all such persons and corporations on the amount of compensation to be paid for any damages sustained by them by reason of anything done under and by authority of this Act.

In case of difference as to value of lands.

14. Whenever the Commissioners and any such party or corporation fail to agree as to such value or compensation as aforesaid, the claim for the same shall, on the request of the claimant, be referred to the award of the official arbitrators to be appointed according to the provisions of any Act that may be passed respecting the public works of Canada, and the same proceedings shall be had before the said arbitrators as if the claim were one made under that Act.

Arbitrators to consider increased value given to property.

15. The arbitrators in deciding on such value or compensation are authorised and required to take into consideration the increased value that would be given to any lands or grounds through or over which the railway will pass, by reason of the passage of the railway through or over the same, and to set off the increased value that will attach to the said lands or grounds against the inconvenience, loss or damage that might be suffered or sustained by reason of Commissioners taking possession or using the said lands or grounds as aforesaid.

Duties of Commissioners with respect to tenders and contracts.

16. The Commissioners shall build such railway by tender and contract after the plans and specifications therefor shall have been duly advertised, and they shall accept the tenders of such contractors as shall appear to them to be possessed of sufficient skill, experience and resources, to carry on the work or such portions thereof as they may contract for; provided always that the Commissioners shall not be obliged to accept the lowest tender, in case they should deem it for the public interest not to do so; provided also that no contract under this section involving an expense of ten thousand dollars or upwards shall be concluded by the Commissioners until sanctioned by the Governor in Council.

Securities for fulfilment of contract.

17. The contracts to be so entered into shall be guarded by such securities, and contain such provisions for retaining a proportion of the contract monies, to be held as a reserve fund, for such periods of time, and on such conditions, as may appear to be necessary for the protection of the public, and for securing the due performance of the contract.

Chief engineer to certify to work done before payment.

18. No money shall be paid to any contractor until the chief engineer shall have certified that the work, for or on account of which the same shall be claimed, has been duly executed, nor until such certificate shall have been approved of by the Commissioners.

Disqualification of Members of Parliament as officers or contractors.

19. No Member of Parliament shall hold, or be appointed to any office of emolument under the Commissioners, or be a contractor or party to any contract with the Commissioners for the construction of the railway or any part thereof.

Inspection of contracts, &c. by Governor.

20. The Governor, or any person or persons appointed by him, shall have power to inspect all contracts and proceedings of the Commissioners, and to examine their accounts at all times.

Salaries.

21. The Governor in Council shall, in the first instance, fix the rate of salary or compensation for the Commissioners and the chief engineer, and shall approve of all other salaries to be awarded by the Commissioners, subject in all cases to the revision and confirmation of Parliament at its first Session thereafter.

Suspension of works.

22. The Governor in Council shall have the power, at any time, to suspend the progress of the work until the then next Session of Parliament.

Provision for meeting expenditure.

23. The Commissioners shall from time to time be paid, on their requisition by the Receiver General, all monies that may be required for the purposes of this Act, in such manner, at such times, and in such sums as may, from time to time, be ordered by the Governor in Council.

Quarterly accounts.

24. The Commissioners shall furnish quarterly accounts (or oftener, if required by the Governor in Council) to the Receiver General, of all expenditure and liabilities under this Act.

Working of completed portions.

25. Whenever the railway, or any portion thereof, shall be completed, it shall be lawful for the Governor in Council to make suitable arrangements for the working of the same; but such arrangements shall not be for any longer period than the end of the Session of Parliament next after the making of the same.

Carriage of naval and military forces.

26. Her Majesty's naval or military forces, and all artillery, ammunition, baggage, provisions, or other stores for their use, and all officers and others travelling on Her Majesty's naval, military, or other service, and their baggage and stores, shall at all times, when thereunto required by one of Her Majesty's Principal Secretaries of State, or by the Commander of Her Majesty's forces in Canada, or by the chief naval officer on the North American station, be carried on the railway on such terms and conditions, and under such regulations as the Governor in Council shall from time to time make, or as shall be agreed upon between the Government of Canada, and one of Her Majesty's Principal Secretaries of State.

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27. For the purpose of constructing the said railway there shall be raised by loan and appropriated, a sum not exceeding 3,000,000 *l.* sterling, bearing interest at a rate not exceeding 4 per centum per annum, upon the guarantee of the payment of the interest of such loan by the Commissioners of Her Majesty's Treasury, under the provisions of "The Canada Railway Loan Act, 1867."

Loan (with Imperial guarantee) for construction of road.

28. The Consolidated Revenue Fund of Canada shall be, and is, hereby charged with the principal and interest of the loan, immediately after the charges specifically made thereon by sections 103, 104, and 105 of "The British North America Act, 1867."

Consolidated Revenue Fund charged.

29. A sinking fund is hereby provided for the payment by the Government of Canada of an annual sum at the rate of 1 per centum per annum on the entire amount of principal money whereon interest is guaranteed, which shall be remitted the Commissioners of Her Majesty's Treasury, by equal half-yearly payments, in such manner as they may from time to time direct, and shall be invested and accumulated under their direction in the name of four trustees, nominated from time to time, two by the Commissioners of Her Majesty's Treasury and two by the Government of Canada; and such sinking fund and its accumulations shall be invested in securities of the Provinces of Canada, Nova Scotia, and New Brunswick, issued before the union of Canada, or at the option of the Government of Canada, in such other securities as may be proposed by that Government, and approved by the Commissioners of Her Majesty's Treasury, and shall be applied under the direction of the Commissioners of Her Majesty's Treasury in discharge of the principal money whereon interest is guaranteed; and the Consolidated Revenue Fund of Canada shall be, and the same is, hereby charged with the amount of the said sinking fund immediately after the principal and interest of the loan.

Sinking fund provided for.

Its investment.

Its application.

30. The Consolidated Revenue Fund of Canada shall be, and the same is, hereby charged with any sum issued out of the Consolidated Fund of the United Kingdom, under "The Canada Railway Loan Act, 1867," with interest thereon, at the rate of 5 per centum per annum, immediately after the sinking fund.

Charge on Consolidated Revenue Fund.

31. The sinking fund shall be continued until all principal and interest of the loan, and all sums issued out of the Consolidated Fund of the United Kingdom, under "The Canada Railway Loan Act, 1867," and all interest thereon are fully discharged, or until the sinking fund and its accumulations are adequate to discharge so much thereof as remains undischarged.

Continuance of sinking fund.

32. The Government of Canada is hereby empowered to raise, by loan, for the completion of the railway, a further sum not exceeding 1,000,000 *l.* sterling (without guarantee by the Commissioners of Her Majesty's Treasury), and the Consolidated Revenue Fund of Canada shall be, and the same is, hereby charged with the money so raised and interest, immediately after the charges made thereon in pursuance of the five next preceding sections of this Act.

Loan (without Imperial guarantee).

33. For the purpose of effecting the loan, the interest of which is to be guaranteed in manner hereinbefore mentioned, it shall be lawful for the Governor to authorise debentures to the amount of 3,000,000 *l.* sterling, to be issued in such form, and payable at such period, and for such sums, and at such rate of interest, as shall be most convenient, and as shall be in accordance with the terms of "The Canada Railway Loan Act, 1867."

Effecting of guaranteed loan by issue of debentures.

34. For the purpose of effecting the loan of 1,000,000 *l.* sterling, mentioned in the 32nd section of this Act, or any part thereof, it shall be lawful for the Governor in Council to authorise the issue of debentures either in currency or sterling money, in such form, bearing such rate of interest, not exceeding 6 per centum per annum, in such sums and payable at such periods as may be most convenient; or it shall be lawful for the Governor in Council to issue permanent Canadian Stock, or Terminable Annuities, or Exchequer Bills, or securities in any other form that may be most convenient, and as shall be in accordance with "The Canada Railway Loan Act, 1867."

Effecting of loan secondly mentioned.

35. Separate accounts of the monies raised under this Act shall be kept by the Receiver General, and all sums required for the carrying out of this Act shall be paid out of such monies, and not out of any other fund, except that the Governor in Council may authorise the advance, out of the Consolidated Revenue Fund, of such sums as it may be necessary to expend for the purposes aforesaid, before the said loans can be raised, such sums to be repaid to the Consolidated Revenue Fund out of the loans.

Accounts. Advances and their repayment.

— No. 2. —

The Secretary to the Treasury to the Under Secretary for the Colonies.

Treasury Chambers, 13 February 1868.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to state, for the information of the Duke of Buckingham and Chandos, that my Lords approve generally of the Act of the Canadian Legislature, 31 Vict. c. 13, for the construction

construction of the Intercolonial Railway, which was submitted in your letter of the 5th instant.

My Lords, however, concur with his Grace in opinion, that it would be desirable that the sum to be raised by the dominion without Imperial guarantee, should not be less than 2,000,000 *l.*; and they suggest that before approval of the Act is given, a communication to that effect should be made to the Governor General.

I am &c.

The Under Secretary for the Colonies, (signed) *George Ward Hunt.*
&c. &c. &c.

— No. 3. —

The Under Secretary for the Colonies to the Secretary to the Treasury.

Sir,

Downing street, 16 May 1868.

I AM directed by the Duke of Buckingham and Chandos to refer to the letter from this Department, dated the 5th of February last, and to your answer of the 13th of February, relative to the Act of the Canadian Legislature, 31 Vict. c. 13, respecting the construction of the Intercolonial Railway. In addition to the sum of 3,000,000 *l.* sterling, for which a guarantee loan is proposed to be raised in England, that Act provides for raising, if necessary, an additional million without guarantee, in order to complete the railway.

Their Lordships agreed with the Duke of Buckingham and Chandos that the provision of this additional amount was less than it might be prudent to require, especially in the uncertainty what line might be selected.

But his Grace has since understood it to be probable that the route by the Bay of Chaleur will be selected, which is the one that would best suit Imperial purposes

Major Robinson, of the Royal Engineers, made a report in 1848 for the Imperial Government, in which he estimated the length of the entire road from Halifax to Quebec at 635 miles, and the cost, including 10 per cent. for contingencies, at 4,889,500 *l.* This gives a cost of 7,700 *l.* per mile. The road has since been constructed from Halifax to Truro, and from Quebec to Rivière du Loup, a distance taken in Major Robinson's estimate at 165 miles, so that, according to that estimate, 470 miles remain to be constructed. At the above rate per mile, this would cost 3,619,000 *l.*, much less than the total sum of 4,000,000 *l.* sterling.

Mr. Sandford Fleming was a civil engineer, appointed in 1863, with the joint opinions in his favour of the three Provincial Governments, and of the Duke of Newcastle, who was then Secretary of State. He bears a high reputation for accuracy and caution. Mr. Fleming thought that, allowing for curvature, the distance might exceed Major Robinson's estimate, and he expressed a general opinion that, although the actual result might prove more favourable, the total cost should be taken in round numbers at twenty million (20,000,000) dollars.

But then Mr. Fleming caused a thorough survey to be made of a portion of the line, 70 miles in length, described by Major Robinson as the "most formidable" part of the whole, and the result confirmed Major Robinson's account of the distance, whilst the cost was estimated by Mr. Fleming at \$ 39,786, or about 8,290 *l.* per mile. If this rate of cost, calculated on one of the most difficult portions of the line, be extended to the whole, the required distance of 470 miles would not cost more than 3,896,300 *l.*

Reviewing the circumstances, the Duke of Buckingham and Chandos would be prepared, if the Lords Commissioners of the Treasury concur, to instruct the Governor General that in case the line by the Bay of Chaleur be adopted, Her Majesty's Government will be willing to accept the provision of 1,000,000 *l.* sterling made in the Act already passed by the Canadian Parliament.

I am, &c.

The Secretary to the Treasury. (signed) *C. B. Adderley.*

CANADA RAILWAY LOAN ACT.

— No. 4. —

Mr. G. A. Hamilton to the Under Secretary for the Colonies.

Sir,

Treasury Chambers, 22 May 1868.

THE Lords Commissioners of Her Majesty's Treasury have had before them your letter of the 16th instant, stating that the Duke of Buckingham and Chandos has had under his consideration the estimates for the Canadian Intercolonial Railway; and that upon a review of the circumstances, his Grace is disposed to consider that, if the route by the Bay of Chaleur is adopted, the provision of 1,000,000 *l.* already made in the Act passed by the Canadian Legislature, will be sufficient, in addition to the 3,000,000 *l.* guaranteed by Her Majesty's Government, and requesting the concurrence of my Lords in this view.

My Lords request that you will inform his Grace that, under the circumstances represented, they are not prepared to refuse their assent to the proposal of the Secretary of State.

The Under Secretary for the Colonies, &c. &c. &c. I am, &c. (signed) Geo. A. Hamilton.

— No. 5. —

Sir F. Rogers to the Secretary to the Treasury.

Sir,

Downing-street, 1 July 1868.

I AM directed by the Duke of Buckingham and Chandos to transmit to you, for the information of the Lords Commissioners of the Treasury, the enclosed copy of a Despatch from the Governor General of Canada, reporting the appointment on behalf of the Government of the dominion, of Messrs. Baring and Glyn, as trustees of the sinking fund of the Intercolonial Railway Loan, under the provisions of the Imperial Act of Parliament, cap. 16 of 30 Victoria.

I am desired to request that you will move their Lordships to name two trustees to be associated with the two who have been appointed by the Government of Canada.

The Secretary to the Treasury. I am, &c. (signed) Frederic Rogers.

No. 95. 1 June 1868.

Enclosure in No. 5.

(No. 95.)

Viscount Monck to the Duke of Buckingham.

Government House, Ottawa, Canada, 1 June 1868.

My Lord Duke,

I HAVE the honour to transmit, for your Grace's information, an approved Minute of the Privy Council of this dominion appointing Messrs. Baring and Glyn trustees, on the part of the Government of Canada, of the sinking fund for the extinction of the loan to be raised for the construction of the Intercolonial Railway, under the provisions of "The Canada Railway Loan Act, 1867."

1 June 1868.

His Grace the Duke of Buckingham and Chandos, &c. &c. &c. I have, &c. (signed) Monck.

COPY of a REPORT of a Committee of the Honourable the Privy Council, approved by his Excellency the Governor General on the 1st June 1868.

ON a memorandum, dated 1st June 1868, from the honourable the Minister of Justice and Attorney General, recommending, in the absence of the honourable the Minister of Finance, 272. A 4

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Finance, that Thomas Baring, Esq., merchant, and George Carr Glyn, Esq., banker, of London, England, be appointed trustees for the Government of Canada, under the provisions of the Act of the Imperial Parliament, 30 Vict. c. 16.

The committee submit the above recommendation for your Excellency's approval.

Certified,
(signed) Wm. H. Lee, Clerk, P. C.

— No. 6. —

The Honourable J. Rose to the Chancellor of the Exchequer.

Fleming's Hotel, Clarges-street, W.,
London, 11 July 1868.

Sir,

I HAVE the honour to transmit herewith certain documents on the subject of the proposed loan for the construction of the Intercolonial Railway, to be guaranteed by the Commissioners of Her Majesty's Treasury, under the authority of "The Canada Railway Loan Act, 1867."

The terms of the Act of the Canadian Parliament, as well as the proposed line of railway, having been approved by Her Majesty's Government, it now only remains for the Commissioners of Her Majesty's Treasury to convey their sanction to the conditions of the loan, as detailed in Enclosures A. and B., and to approve of the form in which it is suggested the guarantee of Her Majesty's Government may be evidenced.

I have prepared, for facility of reference, a brief statement (Enclosure, No. 1) of the several Acts of Parliament, and of the communications which have taken place on this subject, to which I would very respectfully call your attention.

I shall be happy to give any further information which may be desired, and, as my public duties require my return to Canada as speedily as possible, I trust I may be pardoned if I express the hope that I may be favoured with an early communication of the views of Her Majesty's Government on the subject of the enclosed.

To the Right Hon. G. Ward Hunt, M.P.,
Chancellor of the Exchequer,
&c.

I have, &c.
(signed) John Rose,
Minister of Finance.

Enclosure in No. 6.

(No. 1.)

CANADA INTERCOLONIAL RAILWAY LOAN.

30 & 31 Vict. c. 16.

THE Canada Railway Loan Act authorised the Commissioners of Her Majesty's Treasury to guarantee, in such manner and form as they think fit, payment of interest not exceeding four per cent. on any principal sum not exceeding three millions sterling, to be raised by the Government of Canada for the purpose of constructing the Intercolonial Railway, on condition that Canada should pass an Act providing—

1st. For the construction of the railway; for its use by Her Majesty's troops; and provided the line should be approved of by a Secretary of State.

2nd. That the Canadian Act should provide, to the satisfaction of the Commissioners of the Treasury, for the raising and expenditure by Canada of the three millions on the railway; for creating a sinking fund, and for making the loan and the sinking fund charges on the revenue of Canada; for the appointment of trustees to manage the sinking fund; and lastly, for raising, on the sole credit of Canada, such further sum beyond the three millions as might be necessary to complete the line.

The Canada Act has complied with all these conditions, and authorised the raising of one million sterling beyond the three millions guaranteed by the Imperial Government, and has been approved of by Her Majesty's Principal Secretary of State for the Colonies.

The line has also been approved of by the Colonial Secretary, and Thomas Baring, Esq., and George Carr Glyn, Esq., have been named trustees by Canada for the management of the sinking fund.

The Canada Act provides that the work shall be performed and the money expended by a commission, named by the Canadian Government, and it is intended that operations shall be prosecuted by them as rapidly as possible.

Canada

31 Vict. c. 13.
Despatch, July
1868.

Canada now proposes to put a portion of the loan on the market, and, after consultation with Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co., the financial agents of the dominion in London, the terms specified in the annexed paper are suggested as those on which it should be offered to the public.

It will be perceived that it is proposed that the bonds for that portion of the loan which is guaranteed by the Imperial Government should, when issued, be countersigned on the part of Her Majesty's Government in the same form as was adopted in 1855, in the case of the Turkish Loan guaranteed by Her Majesty and the Emperor of the French.

The approbation of the Commissioners of Her Majesty's Treasury is necessary before preparing the form of bond to be issued by the Government of Canada, which is also annexed, as well as to the proposed terms of the loan and the form in which the guarantee is to be evidenced; and it will be requisite that the financial agents of the dominion, or the Minister of Finance, should receive the Commissioners' authority to grant the interim receipts embodying the undertaking for the countersignature on the part of Her Majesty's Government to the bonds when issued.

Prospectus (A).

Paper (B).

(A.)

DRAFT of Substance of Terms of Proposed Loan.

ISSUE of 1,500,000 *l.* Canada Bonds, bearing 4 per cent. interest, and guaranteed by the Imperial Government of Great Britain under the authority of the Act of 30 Victoria, c. 16, being one moiety of the loan authorised by that Act, and of 500,000 *l.*, 5 per Cent. Bonds of the Government of Canada, being also a moiety of the loan of 1,000,000 *l.* authorised by the Act of the Parliament of Canada, passed on the 21st of December 1867, for the construction of the intercolonial railway.

Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co. are authorised by the Minister of Finance of the dominion of Canada, to receive at the office of the former firm, No. 8, Bishopsgate-street Within, on between the hours of 11 and 12 o'clock of the day, sealed tenders for 1,500,000 *l.*, Canada 4 per Cent. Bonds guaranteed by the Imperial Government of Great Britain, and to be repaid at the end of 35 years, say on 1st October 1903, as per form of bond annexed, and 500,000 *l.*, Canada 5 per Cent. Bonds of the form and tenor also annexed, and for which a sinking fund of 1 per cent. per annum will be provided.

All these bonds will bear interest from 1st July 1868, and the dividends will be payable half-yearly on 1st April and 1st October of each year, as per Dividend Warrants.

The above-mentioned sealed tenders may be for the whole or part of 2,000,000 *l.*, in the proportion of three quarters of guaranteed bonds, and one quarter of ordinary 5 per Cent. Canada Bonds, and no tender will be admitted which does not comply with this condition.

The Minister of Finance of Canada will deliver to the partners present of Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co., a sealed paper containing the minimum price at which he will sell the above-mentioned 2,000,000 *l.* bonds; and those partners will then open the tenders, and afterwards the Minister's sealed paper, and allot the bonds to the highest bidder or bidders, *pro rata*, according to the price offered.

Neither Messrs. Baring Brothers & Co., nor Messrs. Glyn, Mills, Currie, & Co. will make any tender.

Upon allotment a payment of 20 per cent. will be required, and the subsequent instalments must be paid at the office of Messrs. Baring Brothers & Co., or Messrs. Glyn, Mills, Currie, & Co., as follows: or in default the previous payments will be forfeited—

25 per cent.	-	-	-	-	-	13th October 1868.
25 per cent.	-	-	-	-	-	12th January 1869.
Balance	-	-	-	-	-	13th April 1869.

Payment of these instalments may be made in full on any of the above days, under discount, at the Bank of England minimum rate of discount.

Scrip receipts will be issued without delay, and bonds of 1,000 *l.*, 500 *l.*, or 100 *l.* will be delivered in exchange as soon as practicable.

(B.)

CANADA.

Form of Debenture or Bond.

UNDER the authority of an Act of Parliament of Canada passed on the 21st December 1867, entitled "An Act respecting the Construction of the Intercolonial Railway," this debenture entitles the bearer on the 1st October 1903 to the sum of of lawful money of Great Britain, being part of the sum of 3,000,000 *l.* raised under the authority of the said Act, the said principal sum to be repaid in London, at the banking houses of Messrs. Baring Brothers, and of Messrs. Glyn, Mills, Currie, & Co., and to interest thereon until repayment of the principal at the rate of 4 per cent. per annum, payable

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STATEMENT OF PROCEEDING UNDER THE

payable half-yearly at the banking houses of Messrs. Baring Brothers, and of Messrs. Glyn, Mills, Currie, & Co., in the City of London on presentation of the proper coupon for the same as hereunto annexed, namely, 2 per cent. on 1st April, and 2 per cent. on the 1st October in each year, the said principal sum and the interest thereon being charged on the Consolidated Revenue Fund of Canada immediately after the charges specifically made thereon, by sections 103, 104, and 105, of "the British North American Act, 1867"; and whereas under the authority of an Act of the Imperial Parliament of the United Kingdom of Great Britain and Ireland passed in the 30th year of Her Majesty's reign, chapter 16, the Commissioners of Her Majesty's Treasury are authorised to guarantee, in such manner and form as they think fit, payment of interest at a rate not exceeding 4 per cent. per annum on any principal money not exceeding 3,000,000 l. to be raised by way of loan by the Government of Canada for the purposes of the construction of the railway, and are further authorised to cause to be issued from time to time, out of the Consolidated Fund of the United Kingdom, or the growing produce thereof, any money required for giving effect to such guarantee; and the said Commissioners of Her Majesty's Treasury having accordingly guaranteed the due payment of such interest, such guarantee is testified so far as relates to the interest on the amount of this debenture until payment thereof, by the signature hereto of the undersigned duly appointed by the warrant of the said Commissioners for such purpose.

(C.)

FORM for £. 1,000,000, without Guarantee.

UNDER the authority of an Act of the Parliament of Canada, passed on the 21st of December 1867, entitled "An Act respecting the Construction of the Intercolonial Railway," this debenture entitles the bearer, 35 years after the date hereof, to the sum of lawful money of Great Britain, and to interest thereon in the meantime at the rate of 5 per cent. per annum, payable half-yearly at the banking house of on presentation of the proper coupon for the same as hereunto annexed, namely, 2½ per cent. on 1st July, and 2½ per cent. on the 1st January in each year, the same being charged upon the Consolidated Revenue Fund of Canada immediately after the charges made thereon by sections 27, 28, 29, 30 and 31 of the aforesaid Act.

— No. 7. —

Mr. T. F. Elliot to Mr. G. A. Hamilton.

Sir,

Downing-street, 10 July 1868.

I AM directed by the Duke of Buckingham and Chandos to refer to Mr. Adderley's letter of the 16th of May last, on the Canadian Intercolonial Railway, and to your answer of the 22nd of May, in which it was agreed that if the Bay of Chaleur route be adopted, the provision of 1,000,000 l. sterling already made under the Act passed by the colonial legislature, may be accepted in addition to the sum of 3,000,000 l. sterling guaranteed by Her Majesty's Government.

The Duke of Buckingham and Chandos has now received a telegraphic message from the Governor General of Canada, announcing that the Bay of Chaleur line has been adopted by the Canadian Government. This is understood to be the short expression for the line surveyed on behalf of Her Majesty's Government, and reported on by Major Robinson, R.E., in 1848. I am desired to acquaint you that his Grace will be prepared to approve of that line, as soon as he receives Lord Monck's Despatch conveying the decision.

I am directed to enclose an extract of a letter from Mr. John Rose, Canadian Minister of Finance, who is now in England, urging the importance of taking steps for raising the loan at as early a date as possible; and I am desired to suggest that Mr. Rose should be enabled to enter into direct communication with the Treasury in order to arrange those matters connected with the line, on which the authority or assistance of their Lordships is required.

1 July 1868.

G. A. Hamilton, Esq.
&c. &c. &c.

I am, &c.
(signed) T. Fred. Elliot.

Enclosure in No. 7.

EXTRACT of a LETTER from Mr. *Rose* to the Duke of *Buckingham*, dated London,
1st July 1868.

“YOUR Grace is now aware of the result of the deliberations of the Canadian Government on this question, and it being important that the necessary financial arrangements should be made for the prosecution of the work with as little delay as possible, I have the honour to beg that the approval of the line may be given by your Grace as contemplated by the Imperial Act, and that the sum of money provided by the Government of Canada in excess of the 3,000,000 *l.* to be raised on the Imperial guarantee, may be held sufficient for the construction of the railway.”

“I have further the honour to inform your Grace that Thomas Baring, Esq., M.P., and George Carr Glyn, Esq., M.P., have been named trustees by the Government of Canada under the 3rd Section of the Act, for the management of the sinking fund.”

“On consultation with the financial agents of the dominion in London, it is thought to be extremely desirable that advantage should be taken of the present low rate of interest to place the loan, or such portion of it as the Government of Canada may think requisite, on the market at as early a day as possible, and I have accordingly to solicit the sanction of Her Majesty’s Government to that proceeding.”

— No. 8. —

The Secretary of State for the Colonies to the Lords Commissioners of the Treasury.

My Lords,

Downing-street, 14 July 1868.

WITH reference to the letter from this Department, dated the 16th of May, and in pursuance of the second clause of the Imperial Act of Parliament, styled “The Canada Railway Loan Act, 1867,” I have the honour, as one of Her Majesty’s principal Secretaries of State, to convey to you my approval of the selection as the line in which the railway is to be constructed of the line passing by the Bay of Chaleur, explored by Major Robinson of the Royal Engineers, and recommended in his Report dated the 31st of August 1848, presented to both Houses of Parliament by command of Her Majesty in February 1849, the line so approved by me to be subject to such moderate deviations and modifications as may prove to be necessary or desirable in the progress of the undertaking. I append to this Despatch a copy of the Parliamentary paper containing Major Robinson’s Report, authenticated by my initials, and containing a map which is also authenticated by my initials, showing the direction of the proposed line.

I have, &c.

The Lords Commissioners
of Her Majesty’s Treasury.

(signed) *Buckingham and Chandos.*

— No. 9. —

Copy of TREASURY MINUTE, dated 15th July 1868.

THE Chancellor of the Exchequer lays before the Board a letter, dated 11th July 1868, which he has received from Mr. John Rose, the Canadian Minister of Finance, in which he submits a statement of the terms and conditions, under which it is proposed by the Canadian Government to raise the loan for the sum of 3,000,000 *l.* for the construction of a railway connecting Quebec and Halifax, interest on which amount at the rate of 4 per cent. was guaranteed by the Act, 30 Vict. c. 16, together with a form of bond by which the guarantee of Her Majesty’s Government may be carried into effect.

The Chancellor of the Exchequer states that in consequence of this communication an interview took place between himself and Mr. Rose, who was accompanied by Mr. T. Baring, M.P., and Mr. G. Glyn, M.P., the agents of the Canadian Government, in the presence of the Secretary of State for the Colonies, the Financial Secretary to the Board, and Sir A. Spearman, and that, after full

consideration,

consideration, it appears to him that the terms proposed for the several loans of 3,000,000 £. and 1,000,000 £., to be raised under the provisions of the before-mentioned Act, are unobjectionable; and he, therefore, recommends to the Board that their guarantee should be given for the payment of interest, at the rate of 4 per cent. on the sum of 3,000,000 £., in accordance with the form of bond or debenture, annexed to Mr. Rose's communication.

My Lords have before them the Act 30 Vict. c. 16. My Lords have also before them the following letters from the Colonial Office, viz. :—

5th February 1868, enclosing an Act of the Canadian Legislature (31 Vict. c. 13) respecting the construction of "The Intercolonial Railway," by which provision is made for carrying out the provisions contained in the 2nd and 3rd sections of the before-mentioned Act, 30 Vict. c. 16.

16th May 1868, stating that the Secretary of State is of opinion that in case the line of railway by the Bay of Chaleur is adopted, Her Majesty's Government should accept the provision made by the Canadian Act, 31 Vict. c. 13, of the sum of 1,000,000 £., in addition to the sum of 3,000,000 £., as sufficient for the purpose; and of 14th instant, conveying the approval of the Secretary of State of the selection, as the line in which the railway is to be constructed, of the line passing by the Bay of Chaleur, recommended by Major Robinson, R.E., in his Report of 31st August 1848.

My Lords have also before them the letter from the Colonial Office, of 1st instant, enclosing copy of a Despatch from the Governor General, reporting the appointment by the Canadian Government of Messrs. Baring and Glyn as trustees for the sinking fund of the loan of 3,000,000 £., under the provisions of the Act, 30 Vict. c. 16.

My Lords concur in the recommendation of the Chancellor of the Exchequer, and desire that a letter be addressed to the Honourable John Rose, stating that they have no objection to offer to the terms (as per enclosed statement No. 1) on which it is proposed by the Governor of Canada to raise the sum of 3,000,000 £., under the provisions of the Act 30 Vict. c. 16, and that they are prepared to guarantee the payment of interest at the rate of 4 per cent. on the said sum of 3,000,000 £., in accordance with the terms of the enclosed bond or debenture.

State that my Lords have appointed the Permanent Secretary to the Board, Mr. G. A. Hamilton, to carry into effect the guarantee on behalf of the Board, and that each bond or debenture should be submitted to this Department in order that his signature may be attached thereto.

Prepare warrant accordingly, appointing Mr. Hamilton.

Acquaint Colonial Office, and state that my Lords propose to appoint Sir F. Rogers, the Permanent Secretary to the Colonial Office, and Mr. William Law the Auditor of the Civil List in this office, as trustees to the Sinking Fund on behalf of Her Majesty's Government.

— No. 10. —

COPY of Treasury Warrant, dated 20th July 1868, authorising Mr. *Hamilton* to sign Canada Intercolonial Railway Loan Bonds; and appointing Sir *F. Rogers* and Mr. *Law* Trustees of Sinking Fund.

After our hearty commendations :

WHEREAS, by an Act passed in the 30th year of Her Majesty's reign, entitled "The Canada Railway Loan Act, 1867," it was enacted, That the Commissioners of Her Majesty's Treasury may guarantee, in such manner and form as they think fit, payment of interest at the rate not exceeding 4 per cent. per annum, on any principal money not exceeding the sum of 3,000,000 £., to be raised by way of loan by the Government of Canada, for the purpose of the construction of a railway connecting Quebec and Halifax; and the Commissioners of Her Majesty's Treasury may from time to time cause to be issued out of the Consolidated Fund of the United Kingdom, or the growing produce thereof, any money required for giving effect to such guarantee.

And whereas an Act of the Parliament of Canada has been passed providing for the construction of the said railway, for the raising, appropriation, and expenditure of the said loan of 3,000,000 £., for charging the Consolidated Revenue Fund

Fund of Canada with the principal and interest of the said loan, for the payment by way of Sinking Fund of an annual sum, at the rate of 1 per cent. per annum on the entire amount of principal money whereon interest is guaranteed, and for charging the same on the said Consolidated Revenue Fund, and in all other respects providing for the conditions prescribed by the Imperial Act above-mentioned.

And whereas the line in which the railway is to be constructed has been approved by Her Majesty's Secretary of State for the Colonies;

Now, we, being two of the Lords Commissioners of Her Majesty's Treasury, do authorise and empower George Alexander Hamilton, Esq., the Permanent Secretary to this Board, for us and in our name to guarantee the due payment of the interest of 4 per cent. on the said loan so contracted as aforesaid, and generally to do all acts, matters, and things, necessary for effecting such guarantee as aforesaid; so, nevertheless, that all such acts, matters, and things, shall be in all respects conformable with the provisions of the aforesaid Act.

And we do further appoint Sir Frederic Rogers, Bart., Permanent Under-Secretary of State for the Colonies, and William Law, Esq., Auditor of the Civil List and Assistant to the Secretaries to this Board, to be Trustees of the Sinking Fund of the said loan, in accordance with the provisions of the aforesaid Act.

Whitehall Treasury Chambers, this 20th day of July 1868.

*G. G. Montgomery.
Henry Whitmore.*

— No. 11. —

The Honourable *J. Rose* to the Secretary to the Treasury.

Sir,

London, 16 July 1868.

I HAVE the honour to acknowledge receipt of your communication of the 15th instant, informing me, by direction of the Lords Commissioners of Her Majesty's Treasury, that their Lordships have no objection to offer to the proposed mode of raising the loan for the construction of the Intercolonial Railway, and that they are prepared to guarantee interest on the sum of 3,000,000 *l.* sterling in the manner stated in your letter, and that Mr. G. A. Hamilton, the Permanent Secretary of the Board, has been appointed to sign the bonds when forwarded to the department.

Permit me, in reply, to express my grateful acknowledgments, both on my own part and on behalf of the Government of Canada, for the great courtesy and promptitude which the Chancellor of the Exchequer and the Lords Commissioners so kindly evinced in the course of their recent negotiations, and for their readiness to meet the wishes of the Government of Canada.

The bonds will be forwarded, in accordance with your instructions, to the Secretary of the Treasury as soon as they are received from Canada, through Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co., the financial agents of the dominion in England, and will be countersigned by one or other of those firms in evidence of their genuineness.

G. Selater-Booth, Esq., M.P.

I have, &c.
(signed) *John Rose*,
Finance Minister, Canada.

— No. 12. —

Mr. *T. F. Elliot* to the Secretary to the Treasury.

Sir,

Downing-street, 17 July 1868.

I AM directed by the Duke of Buckingham and Chandos to acknowledge the receipt of your letter of the 16th instant, and to request that you will state to the Lords Commissioners of the Treasury that his Grace concurs with their Lordships

STATEMENT OF PROCEEDINGS UNDER THE

Lordships in the selection of Sir F. Rogers and of Mr. Law to be the trustees for Her Majesty's Government of the sinking fund of the loan of 3,000,000 *l.*, to be raised for the construction of the Intercolonial Railway in Canada.

The Secretary to the Treasury. I am, &c.
(signed) *T. Fred. Elliot.*

— No. 13. —

Mr. *T. F. Elliot* to the Secretary to the Treasury.

Sir,

Downing-street, 13 October 1868.

I AM directed by the Duke of Buckingham and Chandos to transmit to you, for the consideration of the Lords Commissioners of the Treasury, the enclosed copy of a letter from Messrs. Baring and Glyn making inquiry relative to the time of making the first investment on account of the sinking fund of the Canadian Intercolonial Loan.

I am to request to be favoured with their Lordships' opinion on the proper course to be taken on this subject.

The Secretary to the Treasury. I am, &c.
(signed) *T. Fred. Elliot.*

Enclosure in No. 13.

Gentlemen,

London, 2 October 1868.

WE are informed by the Minister of Finance of Canada that you have been appointed by Her Majesty's Government to act conjointly with Mr. Thomas Baring and Mr. George C. Glyn as trustees for the sinking fund of the Canadian Intercolonial Loan, and we are requested at the same time to inquire when you think that the first investment should be made on account of this fund.

We shall be glad to learn your views on this subject, and in the meanwhile

We have, &c.
(signed) *Baring Brothers & Co.*
Glyn, Mills, Currie, & Co.

Sir F. Rogers, Bart., William Law, Esq.,
Trustees of the Sinking Fund
of the Canadian Intercolonial Railway Loan,
Downing-street.

— No. 14. —

Mr. *G. A. Hamilton* to the Under Secretary for the Colonies.

Sir,

Treasury Chambers, 24 October, 1868.

THE Lords Commissioners of Her Majesty's Treasury have had before them your letter of the 13th instant, enclosing copy of a letter from Messrs. Baring Brothers, and Glyn, Mills, Currie, & Co., making inquiry relative to the time of making the first investment on account of the sinking fund of the Canadian Intercolonial Loan. I am to state, for the information of the Secretary of State, that, as by the terms of the loan the bonds bear interest from 1st July last, and by the provisions of the third section of the Act 30 Vict. c. 16, the payments on account of sinking fund are directed to be made half-yearly, my Lords are of opinion that the first half-yearly payment should commence on 1st January 1869, at the rate of 10 *s.* per cent. on the whole of the amount raised under the provisions of the above-mentioned Act on which interest is guaranteed.

The Under Secretary for the Colonies,
&c. &c. &c. I am, &c.
(signed) *Geo. A. Hamilton.*

— No. 15. —

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

Sir,

Downing-street, 17 December 1868.

I AM directed by Earl Granville to transmit to you, to be laid before the Lords Commissioners of the Treasury, with reference to former correspondence, the enclosed copy of a letter from Messrs. Baring Brothers & Co., respecting the arrangements to be made for the periodical investments on account of the sinking fund of the Canadian Intercolonial Railway Loan.

I am desired to request to be informed of the answer which their Lordships would recommend should be returned to this letter.

I am, &c.

(signed) *Frederic Rogers.*

The Secretary to the Treasury

Enclosure in No. 15.

Messrs. *Baring Brothers* to Sir *F. Rogers*.

Sir,

8, Bishopsgate-street Within, London,
16 December 1868.

WE are instructed, in conjunction with Messrs. Glyn, Mills, Currie, & Co., as financial agents of Canada, to communicate with you and Mr. Law respecting the arrangements which it may be desirable to make for the periodical investments on account of the sinking fund of the Canadian Intercolonial Railway Loan.

We are prepared, by instructions of the Minister of Finance, to hand over to the trustees of the sinking fund bonds of Nova Scotia, New Brunswick, or the dominion of Canada, and as you are aware all now form a direct liability of the dominion, for the value of 7,500 *l.*, the amount to be invested on the 1st January next, and we trust that this arrangement will meet the approval of the Lords Commissioners of Her Majesty's Treasury; we shall be glad to learn your views as to the arrangement to be made for the safe custody, under the joint control of the four trustees, of the securities purchased from time to time on account of the sinking fund, and for the collection and reinvestment of the dividends thereon. If you think it desirable to have any personal communication on the subject, Mr. Thomas Baring, one of the trustees appointed by Canada, will call upon you on learning when it will be convenient to you; Mr. G. C. Glyn, the other trustee, is not within reach at present.

We have, &c.

(signed) *Baring Brothers & Co.*Sir *Frederic Rogers*, Bart.,
&c. &c. &c.

— No. 16. —

Mr. *G. A. Hamilton* to the Under Secretary for the Colonies.

Sir,

Treasury Chambers, 29 December 1868.

THE Lords Commissioners of Her Majesty's Treasury have had before them your letter of the 17th inst., enclosing copy of a letter from Messrs. Baring Brothers & Co., respecting the arrangements to be made for the periodical investments on account of the sinking fund of the Canadian Intercolonial Railway Loan.

I am to state, for the information of Earl Granville, that my Lords have no objection to offer to the arrangements proposed by Messrs. Baring to hand over to the trustees, bonds of Nova Scotia, New Brunswick, or the dominion of Canada, to the amount of 7,500 *l.*, the amount to be invested on 1st January next.

I am to add that the bonds should be delivered into the custody of the Governor and Deputy Governor of the Bank of England, who will be instructed to open

an account in the names of the trustees; and that the trustees should give a power of attorney to the cashiers of the Bank to receive the dividends on the said bonds, and reinvest them under the directions of the trustees.

I am, &c.
(signed) *Geo. A. Hamilton.*

The Under Secretary for the Colonies,
&c. &c. &c.

— No. 17. —

Mr. *G. A. Hamilton* to the Governor and Deputy Governor of the
Bank of England.

Gentlemen, Treasury Chambers, 29 December 1868.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you, that their Lordships have received from the Colonial Office a communication from Messrs. Baring Brothers & Co., respecting the arrangements to be made for the periodical investments on account of the sinking fund of the Canadian Intercolonial Railway Loan.

Messrs. Baring Brothers propose to hand over to the trustees of the sinking fund bonds of Nova Scotia, New Brunswick, or the dominion of Canada, to the value of 7,500 £., the amount to be invested on January 1st next.

Their Lordships have no objection to this arrangement, and are of opinion that the bonds should be delivered into your custody, and I am, therefore, to instruct you to open an account in the names of the trustees, who will give a power of attorney to your cashier to receive the dividends on the said bonds, and reinvest them under the direction of the trustees.

I am, &c.
(signed) *Geo. A. Hamilton.*

The Governor and Deputy Governor
of the Bank of England.

P.S. (The account should be opened in the names of Sir Frederic Rogers, Bart., Permanent Under Secretary of State for the Colonies; William Law, Esq., Auditor of the Civil List, and assistant to the Secretaries to this Board; Thomas Baring, Esq., and George Carr Glyn, Esq., trustees on behalf of Her Majesty's Government, and of the Government of Canada).

— No. 18. —

The Chief Cashier of the Bank of England to Mr. *G. A. Hamilton.*

Sir, Bank of England, E.C., 30 December 1868.

I BEG to acknowledge the receipt of your letter of yesterday's date, and to inform you that an account has been opened in the names of the trustees of the Canadian Intercolonial Railway, viz.: Sir Frederic Rogers, Bart., Permanent Under Secretary of State for the Colonies, William Law, Esq., Auditor of the Civil List, and assistant to the Secretaries of the Treasury; Thomas Baring, Esq., and George Carr Glyn, Esq., trustees on behalf of Her Majesty's Government, and of the Government of Canada.

The Bank will be prepared to receive the securities you mention, and, under instructions from the trustees, to collect and invest the interest as it accrues.

I am, &c.
(signed) *George Forbes,*
Chief Cashier.

G. A. Hamilton, Esq.

— No. 19. —

Mr. *G. A. Hamilton* to the Governor and Deputy Governor of the Bank of England.

Gentlemen, Treasury Chambers, 11 January 1869.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you, with reference to your letter of the 30th ultimo, in which you state that an account has been opened in the names of the trustees of the Canadian Intercolonial Railway Loan, that Messrs. Baring & Co. have informed my Lords of the payment to the Bank of England of 7,500 *l.*, as the first investment on account of the sinking fund of this loan.

I am to request, with reference to my letter of the 29th ultimo, that the necessary power of attorney may be forwarded for the signature of the trustees, in order that the necessary investments may be made in accordance with the instructions contained in that letter.

The Governor and Deputy Governor
of the Bank of England.

I am, &c.
(signed) *Geo. A. Hamilton.*

— No. 20. —

MEMORANDUM.

IN pursuance of the authority conveyed to him by Treasury Warrant, dated 20th July 1868, Mr. *G. A. Hamilton*, Permanent Secretary to the Treasury, has attached his signature, testifying the guarantee of the Lords Commissioners of Her Majesty's Treasury to the payment of interest on bonds issued by the Government of the dominion of Canada, to the extent of 1,500,000 *l.*, being one moiety of the sum of 3,000,000 *l.* authorised to be guaranteed by the said Act.

This proceeding took place on different occasions between 1st January and 31st March 1869.

CANADIAN RAILWAYS.

STATEMENT AND ACCOUNT

OF

PROCEEDINGS

UNDER THE

CANADA RAILWAY LOAN ACT.

(Presented pursuant to Act of Parliament.)

*Ordered, by The House of Commons, to be Printed,
18 June 1869.*

272.

Under 2 oz.

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