

“66, Grosvenor Street, January 29, 1867.

“MY DEAR SIR,

“Can you let me have your mem. in writing of the schemes which you proposed to-day with regard to the constitution of the ‘Senate’ and the promulgation of the lists? A mem., however brief, is all that I need, and it is only, as lawyers say, *ex abundanti cautelâ*, that I may not fall into any mistake in considering the proposals.

“Believe me,

“Yours very sincerely,

“CARNARVON.

“The Hon. J. A. Macdonald.”

“Westminster Palace Hotel, Victoria Street,
“London, S.W., January 30, 1867.

“MY DEAR LORD CARNARVON,

“Our propositions were:—

“1. That the tenure of office for the Senate should be for life.

“2. That to preserve sectional interests, each of the three sections should be equally represented.

“We left the case there, but Your Lordship called our attention to the chance of a deadlock. To meet Your Lordship’s views, and, as we understand it, the opinion of the Cabinet, we offered this suggestion, that whenever a money Bill was rejected once, or whenever any other Bill passed by the Commons was rejected by the Upper Chamber three times, it would be a justification for the Governor, with the advice of his Council, to add to the Upper House a sufficient number to carry the measure, provided that such Bill was carried at its third reading in the Commons by a majority of two out of the three sections of which the Confederation is composed. This majority is to be an absolute majority, and not merely of those voting.

“In making the additions equality is to be preserved. As vacancies occur they are not to be filled up until the normal number of twenty-four for each section is reached. Of course provision must be made for the contingency of another deadlock before we get down to our original numbers.

“With respect to the constitution of the Senate on its first formation, we propose that the names shall be settled by the Governors of the respective provinces with their Councils. Should any irreconcilable difference of opinion arise—which I cannot well anticipate—the parties shall be appointed by the Imperial Government on the Governors’ recommendation and on their personal responsibility as Imperial officers.

“It is suggested that the names should be inserted in the proclamation declaring the Union. I can say now to you, what I could not well say at the meeting yesterday, that any immediate nomination would be prejudicial to the existing Governments in Nova Scotia and New Brunswick. The Legislatures of both those provinces meet in March, and if the list were settled now,

Why do they
not to
preserve ✓
well interests

every man in the Upper House of both those provinces who is omitted, rightly or wrongly, would vote against the Government.

“Believe me to be, dear Lord Carnarvon,

“Very sincerely yours,

“JOHN A. MACDONALD.”

“Colonial Office, February 21, 1867.

“MY DEAR SIR,

“I understand that the amendment which it is desired to introduce in committee in the Bill with regard to the Protestant minority in Lower Canada is a provision to the effect that such minority shall have the same relative representation always secured to them in the federal and local Legislatures as now. I conclude that this would be a grave infraction of the terms agreed to and embodied in the Bill.

“Believe me,

“Yours very sincerely,

“CARNARVON.”

“[Private.]

“February 28, 1867.

“MY DEAR MACDONALD,

“I should be very glad if you would bring before your colleagues the strong opinion which I entertain on the subject of the unrestricted power of borrowing money which is conferred on the local Governments by the Union Bill as it stands at present. I don't think this provision will have any effect on the passage of the Union Bill.

“The injurious effect which I apprehend from it is with reference to the Bill for guaranteeing the cost of the Intercolonial Railway.

“It is true that power is only given to each local Legislature to bind the resources, by loan, of its own province; but, as the only security for the debt of the united province is the aggregate of the local resources, it is obvious that anything which tends to diminish the solvency of the local Governments will depreciate the value of the debentures of the General Government.

“Everything which reduces the solvency of the principal debtor renders it more likely that his guarantor may be called upon, and this is the point of view in which the unlimited power of the local Governments to borrow will probably be placed in the debate on the Guarantee Bill.

“I think, with the object of meeting this objection, some restriction ought to be put on this power. One mode of doing it would be to compel the local Governments to borrow through the Central Government. To this there are obvious objections from the undue pressure which such a system would enable members from particular provinces to bring upon the Central Executive.

“I think, however, the object might be attained by introducing a provision analogous to that which I believe exists in the municipal law of Upper Canada, and which compels the municipality when the loan exceeds a certain amount, to appropriate specific taxes for the payment of the interest. I think