

The RIGHT HON. THE EARL GRANVILLE, K.G., to GOVERNOR-GENERAL THE MOST
HON. THE MARQUIS OF LANSDOWNE, G.C.M.G.

MY LORD,

Downing Street, March 30, 1886.

I DULY received your Lordship's Despatch of the 19th of November last,* enclosing an approved report of a Committee of the Privy Council for Canada, forwarding, with other papers, a joint address to the Queen from the Legislative Council and House of Assembly of Prince Edward Island. This address prays that Her Majesty will require that justice be done by the Government of Canada to Her Majesty's loyal subjects of that province by the immediate "establishment and maintenance of efficient steam service for the conveyance of mails and passengers between this Island and the mainland of the Dominion, both winter and summer, so as to place the Island in continuous communication with the Inter-Colonial Railway and the railway system of the Dominion;" and further, that Her Majesty would be pleased to require that the Government of Canada should compensate the Island for the loss which it is alleged has resulted to its inhabitants by reason of the non-fulfilment of the terms of confederation, in the particulars complained of, in the Address.

I also received your Despatch of 30th January,† with a further report of a Committee of the Privy Council on the subject of the delegation appointed to support the prayer of the address.

Since the receipt of these papers I have had the pleasure of receiving Mr. Sullivan, the Premier and Attorney-General, and Mr. Ferguson, the Provincial Secretary, of Prince Edward Island, who had been appointed as delegates to Her Majesty's Government, and on the 24th of last month they attended here by appointment, and favoured me with a general statement of the circumstances under which the Legislature of Prince Edward Island had addressed the Queen. I explained to them that the Queen had no power, either by statute or otherwise under the Constitution of Canada, to give any direction in this matter; and that therefore I should not be able to advise Her Majesty (who had been pleased to receive the Address very graciously) to take any action upon it, but that it would give me much satisfaction if, by the exercise of any friendly offices which I could tender, I should be able to contribute to the settlement of a question in which the Provincial Government were so much interested. I added that I had confidence in the friendly spirit in which the matter at issue would be dealt with on both sides, and this led me to hope that some acceptable arrangement might be come to.

I then gave the delegates a copy of the Report of the Privy Council of Canada, dated the 7th of November last, which they had not previously received, and I informed them that after receiving and considering the observations which they might desire to make upon that Report I should be happy to see them again, and, if it should be agreeable to both parties, to invite Sir Charles Tupper to be present on behalf of the Dominion Government at the interview.

On the 4th instant I received from the delegates the statement‡ of which a copy is enclosed, and I communicated a copy of it to Sir C. Tupper, who favoured me with his comments thereupon in a memorandum§ of which a copy is also enclosed.

After perusing these papers, I invited the delegates and Sir Charles Tupper to meet me at this office on the 12th instant. The delegates urged at length the claims and contentions of the province, and laid before me the plans of a submarine line of communication which they understood to be feasible. Sir C. Tupper then justified and explained the action of the Dominion Government, adding personally, and not speaking under instructions, that if it could be shown that the scheme of a "metallic subway" is really feasible at a moderate cost, the Dominion Government would no doubt be ready to give their serious consideration to such scheme.

As I stated in the earlier part of this Despatch, although Her Majesty's Government is unable to take the question out of the hands of the Dominion Government, and although I have not seen more than a *prima facie* opinion as to the feasibility at a moderate cost of the proposal for its solution, I hope that it will be found to admit of a satisfactory settlement. On the one hand, the expectations of the Province in regard to the establishment of a constant and efficient communication with the main-

* No. 1.

† No. 2.

‡ No. 1.

§ Enclosure in No. 7.