

2, WHITEHALL COURT,
LONDON, S.W.
Jan. 13th., 1899.

To the Right Honourable,
SIR WILFRID LAURIER, M.P.,
President of the Council,
Ottawa.

CHIGNECTO RAILWAY.

DEAR SIR WILFRID LAURIER,

In the letter of the 18th April, 1898, which you were kind enough to send me you informed me that the Report of the Sub-Committee of the Privy Council would be referred back for further consideration on the grounds stated in my letters to yourself dated 26th March and 1st. May last year.

As six months elapsed without any further communication having been received in regard thereto I went to Ottawa last October and had the pleasure of meeting the Sub-Committee, namely:—The Hon. Sir Richard Cartwright, the Hon. A. G. Blair, the Hon. W. S. Fielding and the Hon. Sir Louis Davies.

We met in the Finance Minister's room and discussed the question. The Sub-Committee asked me if I had authority to settle the business with them. I explained that we were still without their reply to my two letters referred to above and that all I could do was to ascertain their views and place them before the investors' Committee.

Briefly stated I gathered from the Sub-Committee that the Government did not favour the reinstatement of the Company, but they said they would consider any proposal for a settlement by compensation which I might place before them. In the event of our being unable to agree on a sum I proposed that this point should be settled by arbitration, but they expressed themselves as not favoring such a course.

In reply to the Sub-Committee's questions on the subject, I repeated in substance what I said to yourself when I had the honour of meeting you in London in 1897 to the effect that if the Government made a proposal to pay us half the amount which the Company had expended on the undertaking, I would endeavour to induce the investors to accept it.

The Sub-Committee said that they would have difficulty in obtaining the assent of Parliament to any large claim, but they would not say what sum they considered large, nor give me any idea what amount would be considered reasonable by them. I was therefore left without any indication as to their views on this point.

Being without the power to make any definite offer, I said I would, on my return, place their statements before our Committee and endeavour to arrive at a