## Senators :

Donald Montgomery, John Ferguson, John Glasier, Thos. McKay, A. E. Botsford, Alex. McFarlane, W. Macdonald, R. P. Haythorne, H. A. N. Kaulbach, Pascal Poirier, Javid Wark, T. D. Sutherland, William Jalmon, W. H. Odell.
R. B. Dickcy, J. S. Carvell.
R. B. Dickey, J. S. Carvell

## Members of Parliament :

Since then, up to the present time, several letters have passed between Sir John Macdonald and myself regarding this matter, and I do not think it can be said that that correspondence could have any bearing on an election that did not take place until 1887. Several letters passed between us and we had several interviews as well. The first letter I wrote to him was as follows :

OTTAWA, March 10th, 1886.

To the Right Hon. Sir John Macdonald, K. C. B., Premier of Canada.

DEAR SIR,—Referring to our several interviews respecting the construction of a subway across the Northumberland Straits; between Capes Traverse and Tormentine, I beg to submit for the consideration of the Government the following propositions:—

1. The Government is expending annually at Prince Edward Island over two hundred thousand dollars, i. e.,

The loss annually on railway.

The cost and maintenance of Northern Light.

The subsidy to summer steamers, and

The expense of running the ice boats at the capes.

This sum cannot, in my opinion, be decreased however much it may be increased, as the present state of the winter and summer connection is neither satisfactory to the travelling public nor to the people of the Island.

2. With a view to make the Prince Edward Island Railway and subway remunerative, it will be necessary to build several branches which have been prayed for by the people from time to time, and which, in my opinion, are necessary, viz.:

From O'Leary station to the Western Shore.

From County Line station to New London and Rustico. From Charlottetown to Belfast and Murray Harbor.

From Souris to East Point.

Those branches pass through some of the most fertile and prosperous parts of the Island, as well as tap the carrying trade from the Fisheries of the North and South Sides.

3. I am prepared to form a Company to build these Branches and take the Railway off the hands of the Government, complete the Subway across the Straits, and work the whole system, finding ample security therefor, to the satisfaction of the Government, on a tariff subject to the approval of the Governor in Council, thus affording--"Efficient steam service for the conveyance of mails and passengers daily, Winter and Summer, between the Island and the Dominion, and also placing it in a continuous communication with the Intercolonial Railway and the Railway system of the Dominion.

4. The Government shall deed to the said Company the Railway and equipment, with a right of way to said Subway.

That all materials for its construction shall come in free of duty and the Government shall pay or cause to be paid to the said Company, in half-yearly payments, the year y sum of Two Hundred and Fitty Thousand dollars. Without being in a position to speak for the (lovernment of Prince Edward Island, I may state that in my opinion such an arrangement as I have above proposed, would, if not altogether acceptable, go a long way towards a final settlement of the difficulties now existing between the Government of Prince Edward Island and the Dominion of Canada.

All of which is respectfully submitted by your obedient servant,

GEORGE W. HOWLAN.

After this we we had further correspondence and several interviews, the last being on the 28th January last, when he gave me the following letter:

## EARNSCLIFFE, OTTAWA.

January 28th, 1887.

MY DEAR HOWLAN,—Referring to our several conversations and especially to the one of to-day, on your return from the south, I desire to repeat that the Government has shown its interest in your Subway already by the expenditure last year.

The Governmeut continues its interest, and is encouraged to make further examinations and surveys, and to submit those already made, as well as those proposed to be made, to a Board of Civil Engineers accustomed to hydraulic works, and works altogether or principally in the water, with a view of ascertaining—lst, the feasibility of construction; 2nd, the durability; 3rd, the danger of injury or destruction from any known causes, and, 4th, the cost. This all important point will be strictly scrutinized in Parliament, and it must depend on the

HON. MR. HOWLAN.