

"We believe the questions raised in the case have been fully brought before us. We see no reason to modify our former opinions in any way. By section 4 of the Act of 1857 the right of pre-emption is clearly reserved.

(Signed)

"RICHARD BAGGALLAY.

"HENRY JAMES.

"LINCOLN'S INN, May 31st, 1873."

**31.** These opinions have been recently confirmed upon a reference of the whole subject by Lord Carnarvon, to the Law advisers of the Crown, and in his despatch of the 17th November, 1874, to the Governor of Newfoundland, the Colonial Secretary states, "I am accordingly advised that the expressions 'other property,' and 'all other property connected therewith,' used in the 15th sec. of the Act of 1854, were intended to comprise merely property of the same nature as the property mentioned in the parts of the section immediately preceding those expressions, and therefore that upon payment of the amount awarded as the value of the Telegraph Lines, Wires, &c., under the provisions of the above section, the undertaking of the Telegraph Company will become vested in Her Majesty, and that the Telegraph Company *will not be able to insist upon the arbiters, or umpire, awarding an amount of compensation for the good will of the concern, or the loss of the monopoly.*" (*See Despatch printed in message of Governor General to House of Parliament, pages 14 and 15.*)

**32.** The purchase then by Newfoundland involves only the value of the land line from Saint John's to Cape Ray, with Telegraphic appliances. The line from Saint John's to Trepassy was never made, and the Atlantic Cables do not come within the terms of the 15th section of the Act of 1854, the permission to land them having been first granted by the Act of 1857.

**33.** An estimate of the cost of constructing the proposed lines was submitted by the promoters of the New York Company to the Newfoundland Legislature, before the passing of the Act of 1854, and it confirms the construction placed by Counsel upon the 15th section. This estimate appears in the Journals, Assembly of Newfoundland, 1854, appendix, p. 265, and is as follows:—

Cost of land line, St. John's and Cape Ray.....	£56,596
"                    "                    Trepassy, completed 75	
miles.....	7,500
Total cost of land lines.....	£64,096
Cost of cable to connect Newfoundland and Prince Edward's	
Island, 150 miles.....	£37,500
Cost of Attendant Expenses.....	2,500
"    Steam Yacht "Victoria".....	5,000
"    Running Expenses, 6 months.....	1,500
	£110,596
"    25 per cent for Contingencies.....	27,649
	£138,245 sterling.