

The Quebec and Lake St. John Railway is the first portion, and about the one-third of the mileage of the Quebec and James Bay Railway.

The country to be traversed and developed by this portion of the projected line of railway, is well known to be rich in natural resources and well adapted to settlement. The Main Line—with the branch lines, which will be gradually constructed to meet the requirements of colonization—will in time bring into play, some fifteen millions of acres of arable land.

See the letter of E. E. Taché, Assistant Commissioner of Crown Lands Province of Quebec, and pamphlet "Le Nord," by T. C. Langelier, hereunto annexed.

And this portion of the projected line of railway has been located. See A. L. Light's Report to the Honorable the Minister of Railways and Canals, dated 1881, hereunto annexed.

The country beyond the height of land to James Bay, is not as well known, but there is already at hand sufficient information to warrant the statement that the country is rich in soils, forests, minerals, water-powers, and enjoys a climate milder than is generally believed.

A thorough exploration and study of this country would be decidedly in the general interest, and would come within the legitimate sphere of governmental action with the view of furnishing information of a character to carry weight in the money markets of the world.

Time has shown that the measure of assistance extended last Session is entirely inadequate to meet the requirements of the case.

And from negotiations carried on in Europe the financial basis upon which it may be hoped to float the Company's bonds for this portion of the projected line of railway—170 miles in length—may be stated as follows:—

The federal guarantee for the payment of interest, during a period of twenty-five years, on the Company's bonds, to be issued at the rate of \$20,000 per mile of road, equal to \$3,500,000, and for sections of ten miles or more in length received by the Government Engineer.

Towards this guarantee fund there is now available a subsidy of \$850,000 from the Legislature of Quebec which will be transferred over in the event of the Federal guarantee being granted, and the subsidy of \$384,000 from the Parliament of Canada.

With this measure of assistance the Federal guarantee, the construction of this portion of the projected line of railway will be completed within four years, during which period time will be afforded to complete the study of the country and the location of the line to James Bay.

Considering—

The conditions under which the projected line of railway will be built through the interior of the country and across the Laurentian Range, involving many and serious difficulties and heavy outlays;

The magnitude and importance of the project which in time will develop the varied resources of an immense territory. See conclusions of a work in manuscript by T. C. Langelier, entitled "The Southern Watershed of Hudson Bay," hereunto annexed;

That the gradual development and settlement of this territory will directly augment, and in increasing proportions, the Federal revenue;

That reasons of State policy are involved in the fostering of the settlement of the eastern as well as the western portions of the Dominion;

And the evident and urgent necessity of giving such an extension of the railway policy laid down last Session as will enable the objects thereof to be worked out;

It is confidentially expected that Parliament will grant this Session, to the Quebec and James Bay Railway Company, the measure of assistance above set forth.

OTTAWA, 21st April, 1883.

M. W. BABY.