

attributable to the more advantageous position the island occupies as a member of the Union, to the efforts of the Dominion Government to aid in the development of its resources, and to the vastly improved communication with the mainland that has been provided.

The foregoing remarks upon Messrs. Sullivan and Ferguson's letter are not so complete as they might be made, owing to the short time that the undersigned has been in possession of the views of those gentlemen.

CHARLES TUPPER.

9, Victoria Chambers, London, S.W.,
March 12, 1886.

No. 8.

MESSRS. W. W. SULLIVAN AND D. FERGUSON to COLONIAL OFFICE.

MY LORD,

London, March 22, 1886.

THE undersigned have perused the memorandum* submitted by Sir Charles Tupper, High Commissioner for Canada, in reply to the letter which they had the honour of addressing to your Lordship on the 1st March instant; and they desire to offer a few observations thereon.

They entirely agree with the High Commissioner that it would have been far better had the special question at issue been dealt with upon its merits; but they are unable to concur with him in saying that for "the departure from this sound principle the Dominion Government cannot be blamed." The High Commissioner endeavours to justify the Dominion Government by stating that the irrelevant controversy was started in the memorial to Her Majesty, by drawing attention to the treatment received by British Columbia in the rapid construction of the Canadian Pacific Railway, although the population of white people in that province was comparatively small. That reference was answered by the Committee of the Privy Council of Canada in the following words: "In a strictly local view it is not unjust to say that expenditure shall in some measure be governed by receipts, present or prospective," and this statement was followed by an elaborate calculation purporting to show the contributions of British Columbia and Prince Edward Island respectively to the General Treasury.

The undersigned, although well aware of the irrelevancy of the matter, and of the impropriety of the principle laid down by Messrs. McLelan and Campbell that communication with Prince Edward Island should be considered as a local work, and that expenditure thereon should to any extent be governed by receipts, present or prospective, felt it to be their duty to demonstrate that the Dominion Government are labouring under a grave, and for Prince Edward Island, a most unfortunate, misapprehension, in regard to the revenue received from the province, and having done so, it is not necessary to make further allusion to that branch of the subject.

With respect to the Halifax Fishery Award, the High Commissioner seems to be under the impression that the undersigned are not aware that prior to the Island's joining the Confederation it had made arrangements with the United States in regard to the inshore fisheries, differing from those made by Canada. The undersigned are not without knowledge of the agreement then made, but their recollection of it differs somewhat from that of the High Commissioner. The understanding then arrived at was come to by Prince Edward Island in compliance with the urgent request of Her Majesty's Imperial Government, in anticipation of the Treaty of Washington's taking effect, and especially in order to avoid complications between Great Britain and the United States. That the arrangement did not cover the period referred to was owing to the fact that the Dominion of Canada failed to take such action as was necessary to give it effect. The refund, about 5,000*l.*, to which in this connexion the High Commissioner refers, was paid, not to Prince Edward Island, as is stated, but to individual Canadian merchants and fishermen. The grievance of Prince Edward Island regarding the distribution of the amount of the Halifax Fishery Award has not, however, any connexion with the question of inter-provincial communication, and the reference to it by the undersigned was only made as appertaining to the discussion of comparative contributions, raised by the Dominion Government. The undersigned shall, therefore,

* Enclosure in No. 7.