

Two days later, on receipt of a telegram from Capt. Finlayson asking instructions, the following was sent him:—

“Capt. FINLAYSON, steamer ‘Northern Light.’

“Ottawa, January 18, 1883.

“With knowledge of ice, you must be judge, and held responsible for safety of boat. Incur no undue risks.

“WM. SMITH.”

“Sir,

“Ottawa, January 12, 1884.

“REFERRING to my letter of 14th December 1882, I have again to instruct you to use your own judgment as to whether the ‘Northern Light’ should run, and you are to incur no risk whereby the safety of the vessel may be endangered by being caught in the ice. No risk also is to be incurred for the purpose of carrying over any particular passenger or passengers, and the Department expects that you will use your judgment in all matters affecting the running of the boat, and will hold you responsible for her safety.

“WILLIAM SMITH,

“Deputy Minister of Marine.”

“Capt. A. Finlayson,

“‘Northern Light.’

The undersigned submit that these instructions were quite sufficient to discourage and deter the officers of the “Northern Light” from making those strenuous effort to effect a crossing which otherwise they might have been disposed to do.

Under the British North America Act, and the terms agreed upon subsequently, with the various provinces, Canada undertook to effect the following great public works, with the object of connecting, by the bonds of commercial relationship, the political union which had been entered into, viz.:—The Canadian Pacific Railway, the Intercolonial Railway, the deepening and widening of the great canals, and communication by steam, winter and summer, with Prince Edward Island. The first three of these undertakings have been carried out with the cordial concurrence and support of the people of Prince Edward Island. The sum of about \$43,000,000, a much larger amount than was anticipated, has been spent on the Intercolonial Railway, and although that road has not yet paid more than working expenses, the General Government have granted large subsidies to a competing line of railway. The people of Prince Edward Island are very far from objecting to the faith of the country being maintained inviolate, and to liberal expenditure being made for necessary public works, and have cheerfully borne their share of the burdens, but they do complain that the communication guaranteed them by the terms of confederation is not provided, although the expenditure necessary to do so would be very small compared with the enormous outlay incurred on the other public works to which the undersigned have referred.

With regard to the claim for compensation by reason of the non-fulfilment of the terms of confederation, the undersigned submit that a review of the facts adduced will conclusively show that the Island has suffered great loss, and is therefore entitled to indemnity. Should further evidence on this point be needed, the undersigned will be pleased to supply the same, as well as to furnish any other information that may be required by your Lordship in order to a full consideration of the whole case.

We have, &c.,

The Right Hon. Earl Granville, K.G.,
Secretary of State for the Colonies.

(Signed) W. W. SULLIVAN:
D. FERGUSON.

No. 4.

COLONIAL OFFICE to the HIGH COMMISSIONER FOR CANADA.

Sir,

Downing Street, March 8, 1886.

You are probably aware that a delegation was recently appointed by the Government of Prince Edward Island to proceed to this country and lay before the Secretary of State for the Colonies the views of the Provincial Government with regard to certain questions in dispute between that Government and the Government of the Dominion respecting the establishment of steam communication between the Island and the mainland.