

Sullivan, the Premier and Attorney General, and Mr. Ferguson, the Provincial Secretary of Prince Edward Island, who had been appointed as Delegates to Her Majesty's Government, and on the 24th of last month they attended here by appointment, and favored me with a general statement of the circumstances under which the Legislature of Prince Edward Island had addressed the Queen. I explained to them that the Queen had no power either by statute or otherwise, under the constitution of Canada, to give any direction in the matter, and that therefore I should not be able to advise Her Majesty, (who had been pleased to receive the address very graciously) to take any action upon it, but that it would give me much satisfaction, if by the exercise of any friendly offices which I could tender, I should be able to contribute to the settlement of a question in which the Provincial Government were so much interested. I added that I had confidence in the friendly spirit in which the matter at issue would be dealt with on both sides, and this led me to hope that some acceptable arrangement might be come to. I then gave the delegates a copy of the report of the Privy Council of Canada, dated the 7th of November last, which they had not previously received, and I informed them that after receiving and considering the observations which they might desire to make upon that report, I should be happy to see them again, and if it should be agreeable to both parties, to invite Sir Charles Tupper to be present on behalf of the Dominion Government at the interview.

On the 4th inst., I received from the Delegates the statement of which a copy is enclosed, and I communicated a copy of it to Sir Charles Tupper, who favoured me with his comments thereupon in a memorandum, of which a copy is also enclosed.

After perusing these papers I invited the Delegates and Sir Charles Tupper to meet me at this office on the 12th inst. The Delegates urged at length the claims and contentions of the Province, and laid before me the plans of a submarine line of communication which they understood to be feasible. Sir Charles Tupper then justified and explained the action of the Dominion Government adding personally and not speaking under instructions, that if it could be shown that the scheme of a "metallic subway" is really feasible at a moderate cost the Dominion Government would, no doubt, be ready to give their serious consideration to such a scheme.

As I stated in the earlier part of this despatch, although Her Majesty's Government is unable to take the question out of the hands of the Dominion Government, and although I have not seen more than a *prima facie* opinion as to the feasibility, at a moderate cost, of the proposal for its solution, I hope that it will be found to admit of a satisfactory settlement. On the one hand the expectations of the Province in regard to the establishment of a constant and efficient communication with the mainland have not been fulfilled, but on the other hand, the Dominion Government has shown that it has made considerable efforts to improve the communication in the face of serious physical difficulties during the winter season. There seems to be reason for doubting whether any really satisfactory communication by steamship can be regularly maintained all the year round, which makes it all the more important that the proposed