

main line. Until it is known what is to be the route and terminus of that line and what offers may be made by contractors for its construction, I feel that it would be improper to come to any conclusion on the subject.

16. I sincerely regret the immense engineering difficulties which have presented themselves, and which have necessarily rendered impracticable in some respects the settlement which I recommended in 1874, but I am satisfied that the Dominion Government has contended with them to the best of its ability; and while I trust that the Province will now wait patiently until the terminus can be settled, and tenders for the work can be received. I shall be ready when in possession of this information to assist so far as I can, if both parties should desire it in the settlement of the minor, though, of course, very important, question which has arisen as to the compensation offered in substitution for the Railway on the Island.

I have, &c.,

(Signed)

CARNARVON.

Governor-General,

The Right Honorable,

The Earl of Dufferin,

K.P., G.C.M.G., K.C.B.

&c., &., &c.