

country, with only 80,000 inhabitants, was not financially able to have such an enormous debt thrust upon it as the construction of a railway must entail. The question of confederation, which had never been left at rest since 1864, was again seriously discussed in 1873, and Messrs. Haythorne and Laird were appointed a delegation to confer with the Ottawa authorities, and, if possible, agree on terms advantageous to the Island. This movement in favour of confederation was caused by the fact that the executive council intimated to the house, at its opening in January, 1873, that the country would either have to submit to taxation, in order to meet the expense incurred by the building of the railway, or become part of the Dominion. In March, after the return of the delegates from Ottawa, the house was dissolved and a new assembly met in April. The lieutenant-governor on opening the house stated that papers relating to union would be laid before parliament. However, when the terms proposed by the Dominion were made known, the amounts offered were declared to be entirely inadequate to meet the expenditure of the colony, and a delegation of four gentlemen was appointed to proceed to Ottawa and endeavour to obtain better terms. Although all that was asked for was not accorded the Island representatives, a compromise was effected, and an agreement signed by them and the committee of the Privy Council of Canada. The delegation returned to Charlottetown and the conditions of union were put before the house. They were virtually the same as those obtained by Messrs. Haythorne and Laird.

The principal conditions of confederation were as follows :— That \$800,000 be advanced for the purpose of buying the land from the large proprietors. That the Island should be allowed to incur a debt of \$4,701,050, or \$50 per head of its population as shown by the census of 1871. That the revenue derived from various sources amount to about \$210,000. That the Dominion Government assume and defray all the charges for the following services, viz :— (a) The salary of the Lieutenant-Governor ; (b) The salaries of the Judges of the Supreme Court, and District or County Courts, when established ; (c) The charges in respect to the Department of Customs ; (d) The Postal Department ; (e) The protection of the Fisheries ; (f) The provision for the Militia ; (g) The Lighthouses,