

The Committee submit that it would be in direct conflict with the spirit of the above despatch, now to interfere with the Parliament of Canada in the exercise of its constitutional right to declare on what condition alien corporations should be permitted to make use of any portion of its territory.

Certified,
(Signed) W. A. HIMSWORTH,
Clerk Privy Council, Canada.

No. 3.

The Earl of Carnarvon to the Earl of Dufferin.

My Lord,

Downing Street, October 29, 1874.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch of the 2nd instant,* transmitting a copy of a Report of the Privy Council of the same date on the subject of the Marine Electric Telegraphs Bill of the Dominion Legislature, which has been reserved for the signification of Her Majesty's pleasure.

2. I have for some time past felt little doubt as to the advice which it would become my duty to tender to the Queen with reference to this Bill, but I have deferred any expression of opinion on the subject until the receipt of your promised despatch.

3. The Bill was reserved (as stated in the previous Report of the Committee of Council, dated June 4, 1874, which accompanied the Bill) because the measure was "one of some importance, and might possibly be considered to prejudice the interests and rights of property of Her Majesty's subjects not residing in Canada," and it is further stated that this was done merely in deference to the language of the Royal Instructions, as quoted above. The subject to which this Bill relates is, in my opinion, one of those with which the Dominion Legislature has been, under the 91st and 92nd sections of the Imperial "British North America Act, 1867," expressly empowered to deal. It seems to me to be clearly within the competency of the Dominion Government and Parliament to legislate without any interference on the part of the Government of this country upon a local question such as forms the subject-matter of the Bill, involving, as it does, no points in respect of which it would appear necessary that Imperial interests should be guarded, or the relations of the Dominion with other Colonial or foreign Governments controlled.

4. I am well aware, from the numerous representations which have been made to me on both sides, that the reserved Bill affects the pecuniary interests of many persons not residing in Canada, but Her Majesty's Government is not on that account called upon to review the decision arrived at by the Legislature of the Dominion. Looking to the large intercourse maintained between Canada and this country, and the extent to which British subjects residing out of Canada hold real and personal property, and are interested in joint-stock enterprise within the Dominion, it is obvious that, if the intervention of Her Majesty's Government were liable to be invoked whenever Canadian legislation on local questions affects, or is alleged to affect, the property of absent persons, the measure of self-government conceded to the Dominion might be reduced within very narrow limits.

5. It is to the Dominion Government and Legislature that persons concerned in the legislation of Canada on domestic subjects and its results must have recourse; and this Government cannot attempt to decide upon the details of such legislation without incurring the risk of those complications which are consequent upon a confusion of authority.

6. While, therefore, I entirely appreciate the action of your Ministers in reserving the Bill, I am of opinion that any further consideration of the subject should be given by that body whose province, as I have observed, it is to deal with such questions, and that I cannot properly assume the function of deciding between the conflicting views of those who have addressed me, whether in favour of, or against, the policy embodied in this measure. In order to enable this to be done I have decided to leave the present Bill in abeyance, and to tender no advice to Her Majesty respecting it.

I have, &c.
(Signed) CARNARVON.