

EXTRACT of Report of Attorney General on Chap. 11, 1857.

"By this Act the exclusive privilege of transatlantic telegraphic communication is granted to the Atlantic Telegraph Company for twenty-five years, under certain restrictions. This monopoly was strenuously resisted in the legislature, but ineffectually, a majority being found in its favour. On the one side it was opposed, as excluding for a long period the benefits of competition and the advantages that may arise from future scientific improvements. On the other hand it was supported as the means of securing to the province the accomplishment of a scheme of vast results which otherwise might not go into operation or be carried out by some other route, and as being a proper encouragement to those who had ventured their funds in an enterprise bold and hazardous."

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COPY of DESPATCH from the Right Hon. H. LABOUCHERE, M.P., to
Lieutenant-Governor Sir G. LE MARCHANT.

(No. 4.)

Sir,

Downing Street, 18th January 1858.

HER Majesty's Government have had under their consideration an Act passed by the Legislature of Nova Scotia in the month of May last, entitled "An Act to encourage the Establishment of Telegraphic Communication between this Province and the United Kingdom of Great Britain and Ireland," transmitted to me, with other Acts of the session of 1857, by your Despatch, No. 65*, of the 22d October last.

* Page 31.

2. This Act purports to give to the New York, Newfoundland, and London Telegraph Company (subject to their performance of certain conditions, and to the conclusion of the agreement specified in sect. 6) the exclusive right to furnish the Province with the means of telegraphic communication for a period of twenty-five years.

3. I wish to refer you to the Despatch addressed to you by Sir George Grey when holding the seals of this department on this subject, under date of the 22d March 1855*. Her Majesty's Government see no reason to modify the views expressed in that Despatch and its enclosures, which have on the contrary gained additional force by later experience. They consider that the grant of such exclusive privileges is highly inexpedient, not only for the interests of the province, but of the empire in general.

* Page 34.

4. They are fully aware that it was urged that similar privileges have been conceded by the Legislatures of Newfoundland and of Prince Edward Island, without the disallowance of the Crown. But they must reply that the implied sanction of these Acts, given without fully advertent to considerations the magnitude of which has been ever since acquiring a greater development, does not bind them to a continuance in a course of policy which they are satisfied cannot but prove extremely injurious, and this beyond the limits of the colony immediately concerned.

5. An order for the disallowance of this Act will accordingly be submitted to Her Majesty to be passed in Council, and shortly transmitted to you. But I wish to give notice of the intention of Her Majesty's Government beforehand, because the Act contains a provision repealing certain clauses of a former Act (that to incorporate the Nova Scotia Electric Telegraph Company, 1851), and I cannot be certain that inconvenience might not be occasioned by disallowing this repealing provision, and bringing those clauses again into operation, before the Legislature has had time to provide against such a contingency.

I have, &c.

Sir G. Le Marchant,
&c. &c.

(Signed) H. LABOUCHERE.