

and I have not had time to do more than glance at the principal document. I forward it, however, being unwilling to delay its arrival in your Lordship's hands.

I have, &c.
(Signed) DUFFERIN.

Inclosure 1 in No. 2.

Report of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council on the 2nd day of October, 1874.

THE Committee of Council having reference to an Order in Council of the 4th June last, of the reserved "Marine Electric Telegraph Company's Bill," have the honour further to report:—

That a telegram to the following effect from the Honourable the Secretary of State for the Colonies was submitted by your Excellency:

"Before a decision is given as to the Marine Electric Telegraph Act, Her Majesty's Government desire to know whether effect of concession of exclusive rights of Anglo-American Company, confirmed so lately as 1869 by Prince Edward Island Act, has been duly considered, and whether that Company could claim compensation for its withdrawal, also whether interests of proprietary were fully considered before the Bill was passed.

(Signed) "CARNARVON."

To which the following reply was sent:

"I am advised that the charter given by Prince Edward Island was not urged upon the Committees in Parliament (when considering the Telegraph Bill), nor was it brought before the Government. It is difficult to ascertain what privileges the concession of exclusive rights to 'New York, Newfoundland, and London' Telegraph Companies originally embraced. It is doubtful whether any such privileges now exist, as the Company is now apparently merged in another Company without Legislative sanction of Prince Edward Island or Canada.

"Despatch will be sent giving further particulars.

(Signed) "DUFFERIN."

That some delay has necessarily arisen in the further consideration of the subject of the above telegram to your Excellency, in order that the Privy Council for Canada might obtain full information thereupon.

That after full inquiry the Committee find as follows:—

1. That any exclusive concession in Prince Edward Island, by Acts of its Legislature, was in favour of "the New York, Newfoundland, and London Telegraph Company," a Newfoundland Corporation, and it was expressly limited "during its existence."*

See Statutes Prince Edward Island—
17 Vict., c. 4, 1854;
20 Vict., c. 13, 1857;
25 Vict., c. 9, 1862;
32 Vict., c. 34, 1869.

2. That the Newfoundland Company did not, in fact, avail itself of the exclusive provisions of the Act of 1854, or construct any cable on the faith of this protection.

3. That another Company had previous to the passing of that Act, laid down a cable from the island to New Brunswick, and this by section 8 was vested in the Newfoundland Company.

4. That the Committee are informed that the service was continued to be so inefficiently performed as to give rise to the conditional revocation of the Company's powers by the Act of 1862.

5. That the Newfoundland Company were to receive an annual subsidy from the Province for maintaining this line; it would, therefore, appear to have been constructed for no local convenience of the island, and not with reference to any cable line in contemplation by the Company, to which the prohibitory provisions of the Act of 1854 might have been attached.

See recitals in Prince Edward Island Statutes, 1862.

6. That, moreover, by section 6 of the Act of 1869, the right would appear to be reserved to the Executive Government to dispense with these services, and to make arrangements with any other Company for this connection.

7. That in May 1873† the Newfoundland Company became merged in the Anglo-

* Act 1854, sec. 2.

† See proceedings at "General Meeting of the Anglo-American Company, May 22, 1873;" also "Société du Cable Transatlantique, May 23, 1873;" also "Terms of Resolution adopted at these Meetings, reported in the 'Money Market Review,' May 24, 1873;" also "Pamphlet of Company."