

That they have in view, as an incorporated body, under Acts of the Dominion Parliament and of the Legislature of Newfoundland, the construction of an air-line extending from the termini of the Canadian systems at Montreal, through the Provinces of New Brunswick and Nova Scotia and Cape Breton (the Strait of Canso being crossed by a train ferry) and the island of Newfoundland, to a point on the eastern coast of that island, above the limit of fog and ice, thereby affording the shortest and safest transit to Europe.

The Minister observes that the Company do not propose at present to undertake the construction of the Newfoundland line, but to confine their immediate operations to the building or acquisition of an air-line between Montreal and Louisburg, Cape Breton, and that the total length of this line they represent to be about 764 miles, of which, owned and controlled by separate Companies, some 308 miles are in operation and 109 under construction; further, that favorable progress has been made in the way of negotiation for the acquisition and consolidation of these several portions by the Company.

The Minister further observes that the petition put forward by the Company contemplates the grant of aid towards the construction of railway for a distance not exceeding 295 miles, the sum asked for being distributed as follows:—

1. In the Province of Quebec, between *Marieville* and *Lennoxville*, about fifty-five miles, the sum of \$3,200 per mile—\$176,000.
2. In the Province of New Brunswick, between *Fredericton* and *Bay Verte*, about 120 miles, the sum of \$3,200 a mile—\$384,000.
3. In the Province of Nova Scotia, between *Bay Verte* and *Pugwash*, about forty miles, the sum of \$3,200 per mile—\$128,000.
4. In the island of Cape Breton, between the Strait of Canso and *Sydney* or *Louisburg*, about eighty miles, the sum of \$6,400 a mile (the increase in the cost of construction here being more than double)—\$512,000.

That the Company, in addition to the above, ask, 1st, for a postal subsidy for the carriage of mails, after the completion of its line to *Houlton*; 2nd, for free running powers over the *Intercolonial Railway* between *Salisbury* and *Painsec Junction*; and 3rd, a cash subsidy towards the construction of a line from a point either at the Strait of Canso or on its line to *Louisburg*, in the direction of *Whyocomagh* and *Cape North*, not to exceed thirty miles, the sum asked being \$6,400 a mile, or a total of \$182,000.

The Minister represents that the Company, in support of their application, submit statements showing the saving in distance and time which would be practicable through the construction of their line. The advantages, in a national point of view, which the promoters of this scheme consider to attach to its execution, are based on the grounds that all Canadian western traffic must pass through the City of Montreal, and that the rate of speed to be attained by railway transport may be assumed to be three times as fast as that by steamer.

That the following table, which the company submit, shows the distances saved:

Between	Via Shortest Present Route.	G.A. & E. S. L.	Miles Saved.
Montreal and Fredericton.....	561	373	188
“ St. Andrews.....	544	385	159
“ St. John.....	585	410	175
“ Moncton.....	666	476	190
“ Charlottetown (Cape Tormentine), P. E. I....	784	543	241
“ Pictou.....	834	581	253
“ Halifax.....	845	653	192
“ Louisburg or Sydney... ..	994	764	230