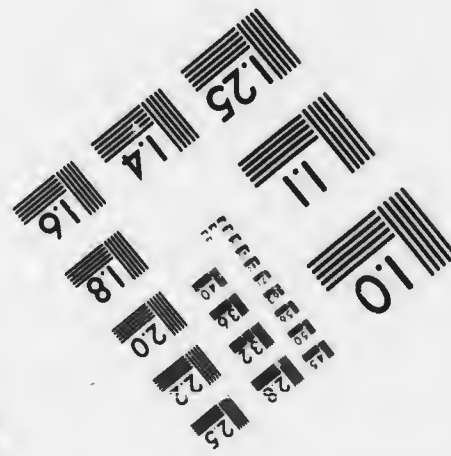
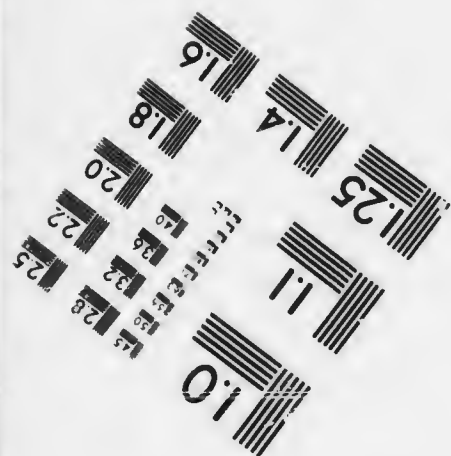
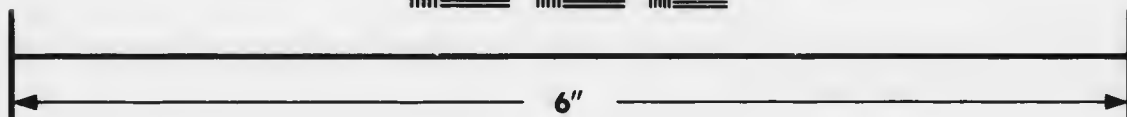
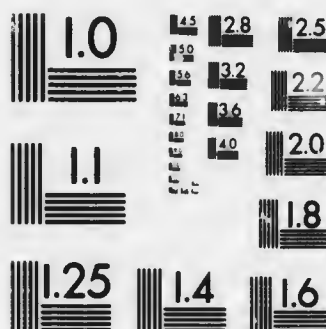


IMAGE EVALUATION TEST TARGET (MT-3)



Photographic Sciences Corporation

**23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503**

8 2.5
22

**CIHM/ICMH
Microfiche
Series.**

**CIHM/ICMH
Collection de
microfiches.**



Canadian Institute for Historical Microreproductions / Institut canadien de microreproductions historiques


© 1987

Technical and Bibliographic Notes/Notes techniques et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming, are checked below.

L'Institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modification dans la méthode normale de filmage sont indiqués ci-dessous.

- ☐ Coloured covers/
Couverture de couleur
- ☐ Covers damaged/
Couverture endommagée
- ☐ Covers restored and/or laminated/
Couverture restaurée et/ou pelliculée
- ☐ Cover title missing/
Le titre de couverture manque
- ☐ Coloured maps/
Cartes géographiques en couleur
- ☐ Coloured ink (i.e. other than blue or black)/
Encre de couleur (i.e. autre que bleue ou noire)
- ☐ Coloured plates and/or illustrations/
Planches et/ou illustrations en couleur
- ☐ Bound with other material/
Relié avec d'autres documents
- ☐ Tight binding may cause shadows or distortion along interior margin/
Le reliure serrée peut causer de l'ombre ou de la distorsion le long de la marge intérieure
- ☐ Blank leaves added during restoration may appear within the text. Whenever possible, these have been omitted from filming/
Il se peut que certaines pages blanches ajoutées lors d'une restauration apparaissent dans le texte, mais, lorsque cela était possible, ces pages n'ont pas été filmées.
- ☐ Additional comments:/
Commentaires supplémentaires:

- ☐ Coloured pages/
Pages de couleur
- ☐ Pages damaged/
Pages endommagées
- ☐ Pages restored and/or laminated/
Pages restaurées et/ou pelliculées
- ☒ Pages discoloured, stained or foxed/
Pages décolorées, tachetées ou piquées
- ☒ Pages detached/
Pages détachées
- ☒ Showthrough/
Transparence
- ☐ Quality of print varies/
Qualité inégale de l'impression
- ☐ Includes supplementary material/
Comprend du matériel supplémentaire
- ☐ Only edition available/
Seule édition disponible
- ☐ Pages wholly or partially obscured by errata slips, tissues, etc., have been refilmed to ensure the best possible image/
Les pages totalement ou partiellement obscurcies par un feuillet d'errata, une pelure, etc., ont été filmées à nouveau de façon à obtenir la meilleure image possible.

This item is filmed at the reduction ratio checked below/
Ce document est filmé au taux de réduction indiqué ci-dessous.

10X	12X	14X	16X	18X	20X	22X	24X	26X	28X	30X	32X
					✓						

The copy filmed here has been reproduced thanks to the generosity of:

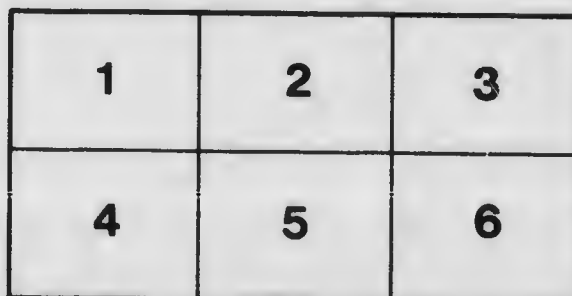
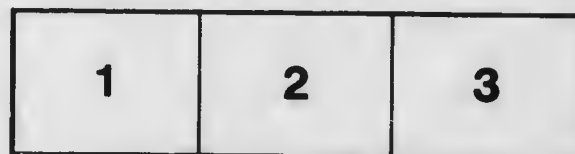
The Nova Scotia
Legislative Library

The images appearing here are the best quality possible considering the condition and legibility of the original copy and in keeping with the filming contract specifications.

Original copies in printed paper covers are filmed beginning with the front cover and ending on the last page with a printed or illustrated impression, or the back cover when appropriate. All other original copies are filmed beginning on the first page with a printed or illustrated impression, and ending on the last page with a printed or illustrated impression.

The last recorded frame on each microfiche shall contain the symbol \rightarrow (meaning "CONTINUED"), or the symbol ∇ (meaning "END"), whichever applies.

Maps, plates, charts, etc., may be filmed at different reduction ratios. Those too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagrams illustrate the method:



L'exemple filmé fut reproduit grâce à la générosité de:

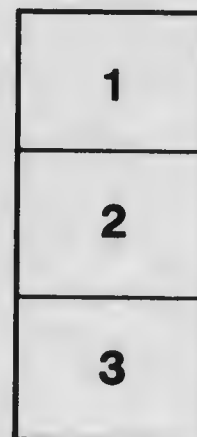
The Nova Scotia
Legislative Library

Les images suivantes ont été reproduites avec le plus grand soin, compte tenu de la condition et de la netteté de l'exemple filmé, et en conformité avec les conditions du contrat de filmage.

Les exemplaires originaux dont la couverture en papier est imprimée sont filmés en commençant par le premier plat et en terminant soit par la dernière page qui comporte une empreinte d'impression ou d'illustration, soit par le second plat, selon le cas. Tous les autres exemplaires originaux sont filmés en commençant par la première page qui comporte une empreinte d'impression ou d'illustration et en terminant par la dernière page qui comporte une telle empreinte.

Un des symboles suivants apparaîtra sur la dernière image de chaque microfiche, selon le cas: le symbole \rightarrow signifie "A SUIVRE", le symbole ∇ signifie "FIN".

Les cartes, planches, tableaux, etc., peuvent être filmés à des taux de réduction différents. Lorsque le document est trop grand pour être reproduit en un seul cliché, il est filmé à partir de l'angle supérieur gauche, de gauche à droite, et de haut en bas, en prenant le nombre d'images nécessaire. Les diagrammes suivants illustrent la méthode.



NOVA SCOTIA
LEGISLATIVE LIBRARY



PROVINCE HOUSE

75 3029

Box 131

EASTERN EXTENSION.

(Copy)

CONTRACTORS' OFFICE,
Digby, N. S., 25th Nov., 1875.

SIR,—

Referring to some informal conversations with members of the Government about the Railway to Canso, we have the honor to state we will be glad, whenever the Government desires it, to meet and confer with any of its members on that matter.

As a preliminary step to discussion, we take the liberty of suggesting that the Government should possess itself of the surveys, and also one of the charters now current for building the line; with these in hand, and an examination of the country made by us, we would be in a position to make an offer to the Government for the entire completion of the line; such an offer we would agree to leave open until after the House met.

As the season during which an examination of the country would be difficult, if not impracticable, is near at hand, we would require to move in the matter at an early day.

We have, &c.,

(Signed)

SHANLY & PLUNKETT,
Contractors.

Hon. P. C. HULL, &c., &c., Halifax.

NS
385
.04
N 2

(Copy)

PROVINCIAL SECRETARY'S OFFICE,
Halifax, Nov. 27, 1875.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 25th instant, in reference to a railway to Canso.

With regard to the suggestion made by you that the Government should possess itself of the survey of the proposed line of road, I beg to say that Mr. Schreiber, of the firm of Schreiber & Burpee, by whom the surveys were made, is expected in Halifax shortly, and I will take the opportunity of ascertaining the terms on which those documents can be acquired.

The charter now current to which you refer is, I presume, that which expires in May next, and it rests with the corporators interested to decide whether they will relinquish any rights they may possess under such charter before its expiration; I may, however, be able to ascertain this fact also, when I will communicate further with you.

In the meantime,

I have, &c.,

(Signed) P. CARTERET HILL.

Messrs. SHANLY & PLUNKETT, Digby.

(Copy)

PROVINCIAL SECRETARY'S OFFICE,
Halifax, 29th Nov., 1875.

SIR,—

I have the honor to enclose herewith a certified copy of a Minute of Council passed on the 27th instant; and in view of the importance of the subject to the Government of this Pro-

5334

vince, I would venture to request as early a reply as may be convenient to the Government of the Dominion.

I have, &c.,

(Signed) P. CARTERET HILL

The Hon. ALEXANDER MACKENZIE,
Minister of Public Works, Ottawa.

(Copy)

Minute of Council passed 27th Nov., 1875.

Whereas the time limited by the Legislature of Nova Scotia by section 1, chapter 30, of the Acts of 1875, for any Company then incorporated, or thereafter to be incorporated, to give security to the Governor in Council to construct and equip a line of railway from the Strait of Canso to the Harbor of Louisburg, expired on the 1st day of September last:

And whereas no such Company has given the required security to the Government as aforesaid:

And whereas in view of the failure of any company to avail themselves of the provisions of the said Act, it is desirable to secure the building of a railway from New Glasgow eastward as far as possible:

And whereas the Dominion Government did heretofore offer to convey the road known as the Pictou branch in aid of the building of a line to the said Strait of Canso:

Therefore Resolved, that this Government would earnestly request the Dominion Government to grant the said Pictou branch for the purpose of promoting the extension of railway

communication Eastward on such terms and conditions as to them may seem meet.

Certified.

(Signed) P. CARTERET HILL,
Clerk of Council.

(Copy)

OFFICE OF THE MINISTER OF PUBLIC WORKS, CANADA,
Ottawa, January 3rd, 1876.

MY DEAR SIR,—

Recurring to the question of the Eastern extension of the railway system, I have not been able to obtain the acquiescence of the Cape Breton members to the proposal to give up the Truro branch merely to reach the Strait of Canso, and I am somewhat at a loss what to do, while feeling very desirous of meeting your views before the Session of your Legislature.

One other plan has been suggested, which I will mention to you, not at present at least as a definite proposal, but as one which, if you agree to it, might perhaps be pressed upon the people in Cape Breton. It is this: That in the event of a Company getting the concession of this branch, on the condition of their building the road to the Strait, such Company to be bound, as one of the conditions, to give running arrangements to any other Company building eastward in Cape Breton, over the Pictou branch, by the mere payment of what would be the mileage proportion of their traffic as compared with the whole traffic on the road; in other words, that they should simply pay their proportionate share of the maintenance of the road, and no profit to the Company building from New Glasgow to Canso. Of course the running arrangements would have to be granted, also upon the new line from the Strait to New Glasgow, but upon

that portion the terms would be arranged, as is done now on other roads, by arbitration, and would embrace a fair profit to the Company.

You may let me know at your earliest convenience what you think of this proposal, and I will then communicate with some friends in Cape Breton with a view to arrive at some definite conclusion in time for your meeting.

Yours, &c.,

(Sgd)

A. MACKENZIE.

Hon. P. C. HILL, &c., &c., Halifax.

(Copy)

PROVINCIAL SECRETARY'S OFFICE,

Halifax, January 10th, 1876.

GENTLEMEN,—

When Mr. Plunkett, of your firm, was recently in Halifax I called his attention to the legislation of this Province on the subject of Railway extension Eastward, and requested him to take the matter into consideration, and let me know whether, in the event of the branch line to Pictou being given by the Dominion Government as a bonus, your firm would be disposed to enter upon the project. Mr. Plunkett was of opinion that both Mr. Shanly and himself would be in Halifax early in the present month, when I might expect to hear from you on the subject; as I have not had the pleasure of seeing you, and the meeting of the Legislature is drawing near, I write to ask whether you have considered the subject in connection with the legislation as it at present exists; and also to ask whether you would be disposed to entertain the proposal to build a line of railway from New Glasgow to the Strait of Canso, with the following modi-

fications in the grant of the Pictou branch ; assuming it to be granted by the Dominion Government, viz : In the event of a Company getting the concession of this branch on the condition of their building the road to the Strait, such Company to be bound, as one of the conditions, to give running arrangements to any other Company building eastward in Cape Breton, over the Pictou branch, by the mere payment of what would be the mileage proportion of their traffic as compared with the whole traffic on the road ; in other words that they should simply pay their proportionate share of the maintenance of the road, and no profit to the Company building from New Glasgow to Canso. Of course the running arrangements would have to be granted, also upon the new line from the Strait to New Glasgow, but upon that portion the terms would be arranged as is done now on other roads, by arbitration, and would embrace a fair profit to the Company.

I shall be glad to hear from you at as early a day as convenient, and in the meantime

I remain, &c.,

(Sgd) P. CARTERET HILL.

Messrs. SHANLY & PLUNKETT.

(Copy.)

PROVINCIAL SECRETARY'S OFFICE,

Halifax, January 10th, 1876.

GENTLEMEN,—

Adverting to my conversation with Mr. Schreiber of your firm, when that gentleman was recently in Halifax, on the subject of Railway extension eastward, I am still without a

reply to my request on that occasion, that you would take the subject of building a line as far east as to the Strait of Canso into consideration, the notice required by law from a company undertaking to build to Louisburg not having been given to the Government. Such a proposition, if made by you, would be based on the present legislation, but I would now invite your attention to certain modifications in the transfer of the Pictou branch, which may be suggested by the Dominion Government in the event of their handing over the branch line as a bonus towards effecting railway extension eastward, viz: that in the event of a company getting the concession of this branch, on the condition of their building the road to the Strait, such Company to be bound, as one of the conditions, to give running arrangements to any other Company building eastward in Cape Breton, over the Pictou branch, by the mere payment of what would be the mileage proportion of their traffic as compared with the whole traffic on the road; in other words that they should simply pay their proportionate share of the maintenance of the road, and no profit to the Company building from New Glasgow to Canso. Of course, the running arrangements would have to be granted also upon the new line from the Strait to New Glasgow; but upon that portion the terms would be arranged as is done now on other roads, by arbitration, and would embrace a fair profit to the Company.

I shall be glad to hear from you at your earliest convenience, and in the meantime,

I remain, &c.,

(Signed)

P. CARTERET HILL.

Messrs. SCHREIBER & BURPEE.

(Copy)

ST. JOHN, 13th January, 1876.

*The Hon. P. C. Hill,**Provincial Secretary, Halifax:*

DEAR SIR,—

I have to acknowledge the receipt of your letter of the 10th instant, addressed to Messrs. Schreiber & Burpee. When last I had the honor of an interview with you upon the subject of Railway extension Eastward, I explained to you the embarrassing position in which I stood with my friends in England upon this question, owing to the action of the Government and House of Assembly last session. Mr. Burpee I have corresponded with upon the subject, urging him to give me his views. I have his reply, which I herewith enclose; it speaks for itself. He has sailed for England, and, I doubt not, I shall hear from him upon the subject in due course. In the meantime I shall be glad if you will make it convenient to pay the amount of our account rendered in connection with our surveys, &c., of last season. If we go on with the work we shall be quite prepared for you to debit against the subsidy. The moment I have anything new to communicate I will again address you.

I am, &c.,

(Signed) COLLINGWOOD SCHREIBER.

(Copy)

BANGOR, Dec. 31st, 1875.

MY DEAR SCHREIBER,—

I have your several letters. I am now at a loss what to say about the extension from New Glasgow to Canso. The panic in regard to railway securities is such that it is next to impossible

to float any bonds. It has been growing worse for the last two years; it would now be impossible for us to build it in the subsidies before granted, the least we could take would be \$7000 per mile, and the land and the Pictou and Truro Railway in complete running order as it now is—or, in lieu of the land make the subsidy \$7,500 per mile.

I intend to sail for England on 8th January and you can write me there, care Richardson.

Yours truly,

E. R. BUPPER.

(Copy)

PROVINCIAL SECRETARY'S OFFICE,

Halifax, January 24, 1876.

SIR,—

Your letter of the 13th instant has been considered carefully by the Executive Council, and I am directed to say that as it contains no reference to the modifications suggested in my letter of the 10th instant, in connection with the transfer of the Pictou (should it be granted by the Dominion Government), the Council would be glad to hear from you on that subject at your earliest convenience, not later than the 7th proximo, if possible, as the Legislature meets on the 10th idem, and it is necessary that the Government should know, at as early a day as possible, whether such modifications will affect the action of intending contractors in making a proposal to construct the road.

In making any proposition you will understand that it is the wish of the Government that you should include the Strait and a further extension in Cape Breton to West Bay.

I have, &c.,

(Signed) P. CARTERET HILL.

COLLINGWOOD SCHREIBER, Esq.

(Copy)

OFFICE OF WALTER SHANLY, C. E.

Montreal, 17th Jan'y, 1876.

SIR,—

Mr. Plunkett, my partner in the "Western Counties Railway" Contract, informs me that he has had some conversation with you about the "Canso" Railway, and that there seems to be some expectation that the Dominion Government may make a gift of the Pictou Railway in aid of the Canso project, as it has already done of the "Windsor Branch" in aid of the Western Counties line. In the event of such a gift being made and with a money subsidy from Nova Scotia we would be pleased to have an opportunity of treating with your Government for the construction of the line to Canso and in Cape Breton.

I am, &c.,

(Signed)

W. SHANLY.

Hon. P. CARTERET HILL, &c., &c., Halifax.

(Copy)

PROVINCIAL SECRETARY'S OFFICE.

Halifax, Jan'y 24th, 1876.

MY DEAR SIR,—

I am in receipt of your letter of the 3rd instant, but have been unable to reply until I had endeavored to learn from such firms of railway contractors as were accessible to me, whether the modifications suggested by you in the transfer of the Pictou branch would affect their action in making a proposition to construct the road.

I lost no time in making such enquiries, and believe that the terms proposed would not form an insuperable obstacle to a

proposal, although one of the parties referred to expresses a fear that the value of the road, subject to the conditions suggested, will not be so high as if those conditions did not exist, and that it may be, if onerously exercised, such conditions would prevent the sale of securities altogether.

Notwithstanding these fears, however, I am in hopes of receiving a definite proposition from one or more firms of railway contractors for the construction of the road. In each case I have asked for a proposal to build a line not merely to the Strait of Canso, but also from thence to West Bay at the head of the Bras d'Or Lake, including a steam ferry across the Strait.

The distance from the Strait to West Bay is about $11\frac{1}{4}$ miles.

It is hoped that a line thus extended would meet, for a large portion of the year, the requirements of the traffic, and prove generally acceptable to the people of Cape Breton and of the Eastern portion of the Province.

I shall be glad to hear as early as convenient of the decision of your government in connection with this matter, so important to our interests, and in the meantime

I remain, &c.,

(Sgd) P. CARTERET HILL.

The Hon. ALEXANDER MACKENZIE,
Minister of Public Works, Ottawa.

(Copy)

HALIFAX, 24th January, 1876.

SIR,—

I have the honor to acknowledge receipt of your letter of the 10th ultimo, addressed to Shanly & Plunkett, referring to the Railway proposed to be built to Canso and West

Bay, Cape Breton. At the time I mentioned that project to Mr. Shanly we supposed the Pictou Branch would be granted, if at all, unconditionally, and it was on that basis we considered the matter. I cannot, therefore, now speak advisedly as to Mr. Shanly's views on the project, under circumstances so different from those assumed by us when discussing it. The value of the security issued on a line subject to the conditions you name in your letter of the 10th, will not be so high as if these conditions did not exist; and—it may be—such conditions, if onerously exercised, would prevent the sale of securities altogether. As, however, I am assured by yourself and colleagues that these conditions will be made to bear as lightly as possible, I will, on that understanding, undertake to advise Mr. Shanly to make the offer originally contemplated, notwithstanding the altered circumstances.

I forward to Mr. Shanly to-day your letter of the 10th, and pending his reply, or probable arrival here shortly, I will proceed to obtain the necessary data to enable us to submit to your Government, at as early a day as practicable, before the meeting of the House, a formal offer for the construction of the line referred to.

Before undertaking the laborious and lengthy examination preparatory to such an offer, I would respectfully submit the following propositions for the concurrence and assent of the Government, in order that the basis, upon which the negotiations are to proceed, may be defined and understood.

1. The Government shall, if our offer is accepted, obtain from the next meeting of the Legislature a charter of the usual character for a company formed by us. Such charter to provide for the right of way, service grounds, &c., being furnished free of charge.

2. The kind and amount of the securities to be issued under said charter shall be such as the company decides.

3. Existing legislation, which provides only a bonus from your Government of \$5,000 cash per mile and 150,000 acres of

land (being evidently insufficient in view of the entire absence of municipal or private aid), it is to be understood that new and more liberal legislation shall be introduced by the Government, and such additional aid shall be commensurate with the resources of the Province, the importance of the work, and the requirements of the case.

4. The Government to use its influence to have the conditions attached to the grant of the Pictou Branch made as favorable for the new company as possible, and also to obtain for the new company early possession of the Branch in good order and well supplied with suitable rolling stock and appurtenances, &c.

Upon receiving the assent of the Government to the above preliminary propositions, I will at once proceed to make the necessary examinations, &c., so as to be able to submit an offer on behalf of Mr. Walter Shanly and myself.

I have, &c.,

(Signed) E. W. PLUNKETT.

The Hon. P. CARTERET HILL,
Provincial Secretary, Halifax.

(Copy)

ST. JOHN, 2nd February, 1876.

The Hon. P. C. Hill,
Provincial Secretary, Halifax:

DEAR SIR,—

I have the honor to acknowledge your communication dated 24th ultimo, and your subsequent telegram urging an immediate reply thereto.

In the absence of advices from Mr. Burpee (who is now in

England) I am unable to give you anything more definite in relation to the construction of the Railway from New Glasgow to the Strait of Canso than is contained in Mr. Burpee's letter which I enclosed to you with my letter of the 13th ultimo. With reference to the modifications suggested in your letter of the 10th instant, in connection with the transfer of the Pictou branch I certainly am of opinion that they will materially affect the action of intending contractors in making a proposal to construct the road. So soon as I hear from Mr. Burpee upon the subject I shall do myself the honor of again addressing you.

I have, &c.,

(Signed) COLLINGWOOD SCHREIBER.

(Copy)

Telegram.

MONTREAL, 9th Feb'y, 1876.

Hon. P. C. HILL,—

Please send me in writing statement of what you want and I will see as to furnishing it; it will take some time to prepare. I understand it is the work between Pictou and Truro.

(Signed) C. J. BRYDGES.

(Copy)

HALIFAX, 9th February, 1876.

The Hon. P. Carteret Hill, &c, &c, Halifax.

SIR,—

The following is a statement of the information I would like to obtain respecting the Pictou Branch Railway:

1. The No. of passengers per annum for the last five years.
2. The No. of tons freight " " "
3. The passenger mileage " " "
4. The freight " " "
5. The cash receipts from mails and sundries per annum for last five years.
6. The gross cash receipts per annum for last five years.

Assuming the five years to end 30th June, 1875, will answer my purpose.

Inasmuch as the information referred to above is published in the Minister of Public Works report every year (although not exactly in the form I desire to have it, being incorporated with the entire Intercolonial Railway returns), there will probably be no objection to furnish the information on the part of the authorities.

I remain, &c.,

(Signed) E. W. PLUNKETT

Telegram.

(Copy)

MONTREAL, 10th February, 1876.

Hon. P. C. HILL, Halifax,—

It will take some time to pick out figures, because traffic goes for longer distances and calculations have to be made to see how much the traffic was in each case. Please send me written application and I will have it attended to at once.

(Signed) C. J. BRYDGES.

(Copy)

HALIFAX, February 10th, 1876.

DEAR SIR,—

I have the honor to acknowledge the receipt of your telegram of this day, requesting me to send a written application for the information I wish to obtain, relative to the Pictou Branch of the Intercolonial Railway; and of which I beg now to append the following particulars, viz :

1. The No. of passengers per annum for last five years.
2. The No. of tons freight “ “ “
3. The passenger mileage “ “ “
4. The freight “ “ “ “
5. The cash receipts from mails and sundries per annum for last five years.
6. The gross receipts, cash, per annum for last five years.

Assuming the five years to end 30th June, 1875, will be sufficient for the purpose of information.

I have, &c.,

(Signed) P. CARTERET HILL.

C. J. BRYDGES, Esq.,

General Superintendent Government Railways.

(Copy)

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, February 10, 1876.

SIR,—

I have the honor to transmit to you herewith, for the information of your Government, a copy of an order of His Excellency the Governor General in Council, relative to a pro-

posed transfer on certain conditions therein named, of the Truro & Pictou Branch of the Government Railways in the Province of Nova Scotia.

I have, &c.;

(Signed)

R. W. SCOTT.

HIS HONOR THE LIEUT.-GOVERNOR
of Nova Scotia, Halifax, N. S.

[Copy of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council, on the 7th February, 1876.]

On a memo. dated 2d Feb., 1876, from the Hon. the Minister of Public Works, reporting that to the present time no definite offer has been received by the Government from any company or individuals willing to extend Railway system from the neighborhood of New Glasgow to any place in Cape Breton, although negotiations have taken place between parties interested in the Railway system of Cape Breton, with a view to that end, and although the Government of Nova Scotia have obtained Legislative authority for the payment of a certain bonus to any company which may construct such line :

That an offer was received from Messrs. E. R. Burpee & Co., representing the Eastern Counties Railway Co., to undertake the construction of a line of Railway as far as the Strait of Canso, on condition of the transfer to such Company of the Truro and Pictou Branch of the Government Railways, under the resolution of the House of Commons of May 19, 1874 :

That a strong feeling exists in Cape Breton in favor of the

extension of the Railway system through that Island by means of the proposed transfer, but that no definite proposition has been made which could possibly secure that being done :

The Minister, therefore, recommends that the Nova Scotia Government be informed that the Dominion Government will submit, for the approval of Parliament, a proposition to transfer the said branch to a company undertaking the construction of a line to the Strait of Canso, and from thence to West Bay at the head of Bras d'Or Lake, including a Steam Ferry across the Strait, subject, however, to the following conditions :

1. That the said Company shall be bound to give running powers over their road from West Bay on the Strait of Canso to New Glasgow, to any Company which may extend the Railway Eastward to Louisburg, or to any other Port, upon fair and reasonable terms, to be determined by mutual agreement, or by arbitration ; one arbitrator to be appointed by each Company, and the third by the Government.

2. That any such Company obtaining the Truro Branch Railway shall give running powers for the trains of such Cape Breton Railway Company over the Truro and Pictou Branch (to be transferred) upon such terms as will simply provide for such Company paying a pro rata share, according to the Trains mileage, of the cost of the actual maintenance of the road-way and station expenses ; no allowance to be made for any profit to accrue to the Company holding the transfer of the line ; provided always that mutual arrangements for the transfer of traffic over the combined lines may be made by the respective companies, if such arrangements can be made without arbitration.

In the event of any dispute as to the proportion payable by such Company in Cape Breton, of the cost of maintenance of the Truro and Pictou Branch, the matter shall be referred to the Minister of Public Works, whose decision on such reference

shall be final, and who shall also settle such further details as may not be provided for.

The Committee concur in the foregoing recommendations and submit the same for your Excellency's approval.

Certified.

(Signed) W. A. HIMSWORTH, C. P. C.

(Copy)

Telegram.

OTTAWA, February 21st, 1876.

Hon. P. C. HILL,—

We can have no objections to any point in Cape Breton as a terminus that you agree to, I am asked to say.

(Signed) A. MACKENZIE.

