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CANADA.

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CORRESPONDENCE

RESPECTING THE

ESTABLISHMENT OF STEAM COMMUNICATION

BETWEEN

PRINCE EDWARD ISLAND

AND THE

MAINLAND OF CANADA.

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Presented to both Houses of Parliament by Command of Her Majesty,  
*June 1886.*

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1886.

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CORRESPONDENCE

RESPECTING THE

ESTABLISHMENT OF STEAM COMMUNICATION.

BETWEEN

PRINCE EDWARD ISLAND AND THE MAINLAND OF CANADA.

No. 1.

GOVERNOR-GENERAL THE MOST HON. THE MARQUIS OF LANSDOWNE, G.C.M.G., to  
COL. THE RIGHT HON. F. A. STANLEY, M.P. (Received December 1, 1885.)

Government House, Ottawa.  
November 19, 1885.

SIR,

I HAVE the honour to forward to you herewith a copy of an approved report of a Committee of the Privy Council, transmitting a despatch from the Lieutenant-Governor of Prince Edward Island, with joint addresses of the Legislative Council and House of Assembly of that Province to Her Majesty the Queen, praying Her Majesty's intervention on behalf of the province in order to obtain from the Government of the Dominion a fulfilment of its engagement made at the time when the province entered into federation: "to maintain efficient steam service for the conveyance of mails and passengers between the Island and the mainland, summer and winter."

Colonel the Right Hon. F. A. Stanley, M.P.,  
&c. &c. &c.

I have, &c.,  
(Signed) LANSDOWNE.

Enclosure 1 in No. 1.

To the Queen's most Excellent Majesty.

MOST GRACIOUS SOVEREIGN,

WE, Your Majesty's most dutiful and loyal subjects, the Legislative Council and House of Assembly of Prince Edward Island, in General Assembly convened, humbly approach Your Majesty and represent that:

1. Prince Edward Island entered the Confederation of the Dominion of Canada upon 1st July 1873, on certain terms and conditions set forth in the Order of Your Majesty in Council, dated 26th June 1873, and of which terms the following is one:—"The Dominion Government shall assume and defray all the charges for the following service, viz., efficient steam service for the conveyance of mails and passengers to be established and maintained between the Island and the mainland of the Dominion, winter and summer, thus placing the Island in continuous communication with the Intercolonial Railway and the railway system of the Dominion.

2. During no winter season since the time of the said union has the service provided by the Dominion Government been efficient, or the communication with the mainland continuous.

3. The Dominion Government having shown no sufficient disposition to fulfil their obligation towards the Island in this matter, we are reluctantly compelled to approach Your Majesty as one of the parties to the articles of confederation, and pray Your

Majesty's intervention to obtain for us that justice to which, as a province of Canada, we are entitled by the terms of union.

4. Prince Edward Island is separated from the mainland provinces of Canada by the Strait of Northumberland, and during the winter season, which generally begins about the 1st of December, and lasts until the end of April, the harbours and rivers are frozen, while the passage of the strait is impeded, though at no time wholly prevented, by floating ice. Previous to the union the only connexion with the mainland during the winter was by means of ordinary boats dragged across the drifting ice and propelled by oars through the stretches of open water between Cape Traverse, on the Island, and Cape Tormentine, in New Brunswick—a distance of nine miles.

5. During the first winter after confederation (1873-74) no attempt was made by the Dominion Government to provide such steam service. During the two subsequent years (1874-75, 1875-76), an old wooden steamboat, which had for years been engaged in ordinary navigation, but without a single qualification to fit her for the winter navigation of the strait, was placed upon the route between Georgetown, one of the Island ports, and Pictou, in the province of Nova Scotia, and, as was to be expected, she utterly failed in the service required of her. At the commencement of the winter of 1876-77 a new steamer called the "Northern Light" was placed upon the route. This steamer was not constructed for the service, but was designed for another purpose, and therefore her work can be regarded only in the light of an experiment.

6. The service performed by the "Northern Light" has been most unsatisfactory, her trips being irregular and the accommodation she has afforded has been neither continuous nor efficient. According to the official returns for the last four years, there has been an average in each winter of 64 days during which she has been entirely laid up; nor does this furnish any idea of the irregularity of her trips before she entirely ceased running in each of these years, but only of the continued period when she was laid up and inoperative. At times she has been ice-bound for periods ranging from 10 to 24 days, to the imminent danger of passengers and mails. Upon one occasion, four year ago, some of the passengers, among them women and children, were forced, after remaining on board several days, to leave her, and walk a distance of many miles to the shore, when, night overtaking them, they received injuries from cold and exposure which resulted ultimately in the death of one of the party.

7. During the time when the "Northern Light" is laid up, the people of the Island are obliged to resort to the old method of crossing between the capes (Traverse and Tormentine) already described, a route attended with much hardship and great danger. In the month of January last a party of 22 persons were detained on the ice for two days and one night in an attempt to make the passage, when they suffered most severely from cold and exposure, the majority of them being badly frozen, and several have since suffered amputation of their limbs as a result of the injuries then received.

8. One of the principal inducements held out to the people of this Island to enter the Confederation was the promise contained in that clause of the terms of union quoted at the opening of this memorial, and they naturally expected that a union with the Dominion would bring them uninterrupted communication at all seasons of the year with the rest of Canada and of the world. They believed that they would thereafter enjoy equal facilities for intercourse with the other provinces as those provinces enjoy between themselves, and that thenceforth they would participate in the many benefits and advantages accruing from the Intercolonial Railway and other public works upon the mainland, from which they had previously been debarred for a great portion of the year. Cut off, as they had always been for nearly five months of the twelve, from all communication with the mainland, except by a most uncertain and dangerous route, the promise of continuous communication with the Intercolonial Railway and the railway system of the Dominion, was indeed a strong incentive to them to surrender their self-government and unite with Canada.

9. The inconvenience and loss which they have suffered in consequence of the failure of the Dominion Government to provide them with the efficient communication promised are incalculable, while the disappointment to their reasonable expectations has not tended to enhance in their estimation the value of a connexion with the Dominion, but on the contrary has awakened a feeling of discontent which, though a matter of regret, is not unnatural under the circumstances. Were it only the transport of freight and merchandise that was stopped during the winter, they would have

good reason to complain of being precluded from the benefits of the Intercolonial and other railways which their more fortunate neighbours on the mainland enjoy; but their chief grievance is that, in direct violation of the solemn compact upon which they entered the Confederation, and to which Your Majesty was graciously pleased to be a party, the Dominion Government have not provided that efficient or continuous means whereby mails and passengers can be transported to and from the mainland.

10. The people of this province, we submit, have just ground of complaint at the inaction of the Dominion Government, and at the extraordinary apathy which has been shown in regard to the interest of this Island in the matter of communication with the mainland. Nine winters have passed since the "Northern Light" was first placed on the route, and notwithstanding the fact that her inefficiency for the service was apparent from the outset, no other steps have been taken to fulfil the terms of union. From the time the "Northern Light" ceases running until she again resumes her trips, a period averaging, as already mentioned, 64 days each year, the Post Office Department transmits the mails by the route between Capes Traverse and Tormentine, and during this period in each year the Dominion Government have at no time since confederation made any provision whatever for the transport of passengers, who are forced to make such arrangements as best they can for crossing to and from the mainland. This unaccountable neglect on the part of the Government of Canada is the most direct violation of the terms of union which we are called upon to represent to Your Majesty. Moreover, the Dominion Government have established no communication between the Intercolonial Railway and Cape Tormentine, so that travellers are compelled in passing between these points to drive in open sleighs a distance of 40 miles in the coldest and most stormy portion of the year.

Between Cape Traverse and the line of the Prince Edward Island Railway, a distance of about 12 miles, railway connexion has been opened, and that but partially, only this winter, although provided for by Parliament three years ago.

11. The derangement of business consequent upon the irregularity of the mail service, when for many days at times no communication is had with the rest of Canada, exercises a most prejudicial effect upon the interests of the Island. The hardships of travelling, which only the strong and robust are able to endure, and the dangers attendant upon the present mode, which have been most painfully exemplified this winter, are other disadvantages from which the people of this province suffer most acutely.

12. The feeling that they are being unjustly treated is not without strong foundation. In order to fulfil the terms of union with British Columbia, a province of less than 15,000 of a population, exclusive of Indian and Chinese, Canada has contracted for the construction of nearly 3,000 miles of railway, at a cost of more than 80 millions of dollars. This gigantic undertaking is being pushed forward at a rate unparalleled in the world's history, and a vast expenditure is being made, and still more is contemplated, in acquiring and subsidising other railroads and in forging the links to bind the scattered provinces from the Atlantic to the Pacific; yet the fulfilment of the terms of union with this Island, by providing the means of communication over a strait only nine miles wide, is postponed from year to year, without any thought, it would seem, that thereby a sacred obligation is being violated, and an immense injury being done to a large body of people.

13. This grievance, of which we here complain, has been repeatedly brought to the notice of the General Government, while session after session the representatives of the Island in the Dominion Parliament have called attention to the non-fulfilment by Canada of her pledged faith with this Island. In 1881 we addressed the Governor-General in Council upon the subject, and prayed for the adoption of measures to remedy the state of affairs complained of, as well as for compensation for the loss sustained on account of the non-fulfilment of the terms of union. This address was duly acknowledged, but no practical results followed; and upon the notice of the Dominion Government being again directed thereto, assurances were returned in both of the years 1882 and 1883 that the question was under their consideration.

Again, last year we addressed his Excellency in Council with a like petition, and claiming five millions of dollars for the loss sustained to that time on account of the non-fulfilment of the said terms, and we also informed the Dominion Government that we then approached them for the last time, and that unless a favourable answer was accorded without delay, your Majesty's interference would be invoked.



Beyond a simple acknowledgment of this address, no attention has been paid to it. Again, on the 20th February last, the Executive Council of this Island called the attention of the Dominion Government to the various steps which have been taken by the Island to obtain a settlement of the question, and reminded them of the decision at which we had arrived last year to appeal to Your Majesty, and that no alternative was left except to carry that determination into effect. To this Minute the same unsatisfactory answer was received which has been invariably given. Copies of the correspondence referred to will be transmitted to Your Majesty herewith.

14. In this, the 12th year of their connexion with the Dominion, instead of enjoying that efficient and continuous steam communication with the mainland which was guaranteed them, the people of Prince Edward Island are, for a very considerable portion of the year, dependent upon the mode which their fathers initiated upwards of 60 years ago, before steam power was ever applied for purposes of locomotion. During these 12 years they have patiently awaited the fulfilment by the General Government of the terms of union in this particular, until we are reluctantly constrained to say that the Dominion Government have evinced a marked indifference, not only for the welfare of this Island, but for the sanctity of their own obligations as well.

15. Satisfied that this state of things cannot longer continue without a breach of that harmony which is so indispensable between the provinces of the Confederation, and feeling that the Island is being treated unjustly and its prosperity seriously retarded, we appeal to Your Majesty, and humbly pray that you will take the premises into your most gracious consideration, and require that justice be done by the Government of Canada to Your Majesty's loyal subjects of this province, by the immediate "establishment and maintenance of efficient steam service for the conveyance of mails and passengers between this Island and the mainland of the Dominion, both winter and summer, so as to place the Island in continuous communication with the Intercolonial Railway and the railway system of the Dominion;" and further, that your Majesty will be pleased to require that the Government of Canada compensate this Island for the loss which has resulted to its inhabitants by reason of the non-fulfilment of the terms of confederation in the particulars complained of herein.

(Signed) JOHN BALDERSTON,  
President.

Legislative Council Chamber,  
March 27, 1885.

„ JOHN A. McDONALD,  
Speaker.

House of Assembly.  
March 27, 1885.

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PAPERS relating to COMMUNICATION between PRINCE EDWARD ISLAND and the MAINLAND of the DOMINION under the TERMS of CONFEDERATION, to be forwarded to HER MAJESTY THE QUEEN.

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Province of Prince Edward Island,  
Government House, April 7, 1881.

SIR,

I HAVE the honour to transmit herewith a joint address from the Legislative Council and House of Assembly to his Excellency the Governor-General, praying that immediate measures may be adopted by the Dominion Government to fulfil the terms of confederation with Prince Edward Island by establishing and maintaining efficient steam service for the conveyance of mails and passengers between the Island and the mainland of the Dominion, winter and summer, thus placing the province in continuous communication with the Intercolonial Railway and the railway system of the Dominion, and by causing to be placed at the disposal of the Island compensation for the failure on the part of the Dominion to carry out said terms; and also a joint address from the Council and Assembly, requesting me to cause the said address to his Excellency to be laid before him.

The Hon. the Secretary of State,  
Ottawa.

I have, &c.,  
(Signed) F. HEATH HAVILAND,  
Lieutenant-Governor.

## JOINT ADDRESS.

Session of 1881.

To his Excellency the Right Honourable Sir John Douglas Sutherland Campbell (commonly called the Marquis of Lorne), Knight of the most ancient and most noble Order of the Thistle, Knight Grand Cross of the most distinguished Order of Saint Michael and Saint George, Governor-General of Canada, and Vice-Admiral of the same.

&amp;c.

&amp;c.

&amp;c.

We, Her Majesty's dutiful and loyal subjects, the Legislative Council and House of Assembly of Prince Edward Island, in General Assembly convened, approach your Excellency and represent :

1. That upon the 1st day of July 1873, Prince Edward Island entered the Confederation of the Dominion of Canada upon certain terms and conditions set forth in an Order of Her Majesty the Queen in Council, dated 26th June 1873.

2. That in the said terms and conditions of union it was expressly stipulated that the Dominion Government should assume and defray all the charges for the establishment and maintenance of efficient steam service for the conveyance of mails and passengers between this Island and the mainland of the Dominion, winter and summer, so as to place this Island in continuous communication with the Intercolonial Railway and the railway system of the Dominion.

3. That during no winter season intervening between the year 1873 and the present time has the steam service provided by the Dominion Government been efficient, or the communication with the mainland in any degree continuous.

4. That during the first winter season after the union no attempt was made by the General Government to provide such steam service; that during the two subsequent winter seasons, viz., those of 1874-75 and 1875-76, a wooden steamboat called the "Albert," was placed upon the route between Georgetown and Pictou, but she failed to perform the service satisfactorily. That at the commencement of the winter season of 1876-77, a new steamer, called the "Northern Light," which had been constructed expressly for the work, was placed upon the route.

5. That the records of the trips made by this steamboat are inaccessible to us, but it is notorious that these trips have been most irregular and unsatisfactory, and that at times she has been detained, ice-bound, for periods ranging from 10 to 24 days, to the imminent danger of the passengers and mails.

On more than one occasion during the present winter, some of the passengers, among whom were several females and children, were forced, after remaining on board the vessel for several days, to leave her and walk a distance of many miles to the shore, when, night overtaking them, they received severe injuries from cold and exposure, and one of them has been crippled for life.

6. That the people of this province have suffered great loss by reason of the frequent interruptions to the winter steam service, involving extraordinary delay not only in the transmission of important letters by mail, but also in the conveyance of passengers, thereby causing serious derangement of trade and immense inconvenience to the entire community.

7. That the experience of the last five years fully convinces us that the steamer "Northern Light" is totally unfitted to perform that efficient service undertaken by the Dominion Government, and as we are of opinion that ample time has been allowed for experiments, we submit that means should be adopted without further delay to secure to this province continuous communication in accordance with the terms of union.

8. That one of the principal inducements held out to this province to enter the Confederation was the promise of constant communication with the mainland, and the prospect of participating in the benefits arising from the Intercolonial Railway and other public works, from which its inhabitants had been previously debarred for a large portion of the year, and to the maintenance of which they are called upon to contribute without deriving any corresponding advantage.

9. We submit that the good faith of the Dominion Government is pledged to the fulfilment of the compact of confederation, involving the establishment and main-

tenance of efficient steam service with the mainland, and continuous communication with the Intercolonial and other Dominion railways, and we represent that Prince Edward Island is justly entitled to receive from the Dominion compensation for the non-fulfilment by the Dominion Government of the terms of union in the particular herein mentioned.

Wherefore the Legislative Council and House of Assembly pray that your Excellency in Council will take the foregoing facts into your most serious consideration, and adopt vigorous and immediate measures to remedy the grievances complained of, and cause to be placed at the disposal of Prince Edward Island the compensation to which the province is entitled by reason of the non-fulfilment by the Dominion Government of the terms of confederation.

And as in duty bound we will ever pray.

A true copy,

FREDK. W. HUGHES,  
Assistant Clerk,  
House of Assembly.

SIR,

Ottawa, April 16, 1881.

I AM directed to acknowledge the receipt of your despatch of the 7th instant, enclosing a joint address of the Legislative Council and House of Assembly of the province of Prince Edward Island, in reference to the establishment and maintenance of steam service for the conveyance of mails and passengers between the province and the mainland.

I have, &c.,

(Signed) EDWARD J. LANGEVIN,  
Under Secretary of State.

His Honour the Lieutenant-Governor of  
Prince Edward Island, Charlottetown.

Province of Prince Edward Island,  
Government House, February 28, 1882.

SIR,

My Government have, by a Minute of Council, recommended me to bring to the notice of the Dominion Government that this province is yet without a reply from the Privy Council of Canada to the joint address of the Legislative Council and House of Assembly, passed last Session, on the subject of the failure of the Dominion Government to carry out the terms of confederation by providing continuous communication, winter and summer, between this Island and the mainland provinces of the Dominion.

As the General Assembly meets on the 8th March, my Government are anxious to have the reply with as little delay as possible.

I have, &c.,

(Signed) F. HEATH HAVILAND,  
Lieutenant-Governor.

The Hon. the Secretary of State,  
Ottawa.

SIR,

Ottawa, March 8, 1882.

I HAVE the honour to acknowledge the receipt of your Despatch, of the 28th ultimo, requesting a reply to the joint address of the Legislative Council and House of Assembly of the province of Prince Edward Island, passed during their last Session, respecting continuous communication between that province and the mainland provinces of the Dominion.

I have, &c.,

(Signed) EDWARD J. LANGEVIN,  
Under Secretary of State.

His Honour the Lieutenant-Governor of  
Prince Edward Island, Charlottetown.

This Minute was handed to his Honour the Lieutenant-Governor, and by him was forwarded to the Secretary of State, Ottawa. The receipt thereof was acknowledged.

EXTRACT FROM MINUTES OF EXECUTIVE COUNCIL OF PRINCE EDWARD ISLAND.

Council Chamber, January 31, 1883.

At a meeting of the Executive Council in Committee.

Present :

The Honourables Messieurs SULLIVAN, CAMPBELL, McLEOD, FERGUSON, PROWSE,  
LEFURGEY, ARSENAULT.

The Executive Council in Committee have had under consideration the failure of the Dominion Government to fulfil that condition of the terms of confederation, which stipulates that the Government of Canada shall assume "and defray all the charges for" the establishment and maintenance of efficient steam service for the conveyance of "mails and passengers between Prince Edward Island and the mainland of the Dominion, winter and summer, so as to place the Island in continuous communication with the Intercolonial Railway, and the railway system of the Dominion."

In a joint address of the Legislative Council and House of Assembly of this province, to his Excellency the Governor General, adopted in the Session of 1881, were set forth the enormous disadvantages under which the inhabitants of this Island labour, by reason of the insufficiency of the means provided for the transport of mails and passengers during the winter season, and a request was made for the immediate adoption of vigorous measures for the removal of the grievances complained of, as well as for the allowance of compensation by reason of the non-fulfilment, in such respect, of the terms of confederation. The receipt of this address was duly acknowledged by the Secretary of State, in a Despatch dated 16th April 1881, and upon the notice of the Dominion Government being again directed thereto, and a reply requested, it was learned that the question was receiving their earnest consideration.

The Council in Committee desire to draw the attention of the General Government to the fact that, although nearly two years have elapsed since the acknowledgment of the receipt of the said address, no attempt has been made to improve the means of communication with the mainland provinces of the Dominion, and that the grievances complained of therein still remain.

During the first winter succeeding the union it was not expected that much could be effected towards providing "continuous communication," but the inhabitants of the Island patiently awaited the result of the experiment being made by the Dominion Government to demonstrate the practicability of the winter navigation of the Gulf of St. Lawrence. The futile attempts of the steamer "Northern Light" during the last seven years to maintain "continuous communication" are notorious. Experience warrants the assertion that she is unfitted for the service; her trips, during the few weeks of winter in which she runs, are irregular and unsatisfactory; her carrying capacity is exceedingly limited, and her model is generally condemned.

A strong inducement for this province to enter the Confederation was the promise of "continuous communication with the Intercolonial Railway and the railway system of the Dominion"—a service that would be as thoroughly efficient and regular as the railways with which such communication was guaranteed; in short, that Prince Edward Island should have equal facilities for intercourse with the other provinces as those provinces enjoy between themselves, and should participate in all the benefits arising from the Intercolonial Railway and other public works upon the mainland, from which it had formerly been debarred for a great portion of the year, and to which it contributes without receiving any corresponding advantage.

The inconvenience and loss sustained by the people of this province, in consequence of the imperfect means of winter transport, are incalculable. Irregularity of the mail service, in which delays of 10 consecutive days are often experienced; the consequent derangement of business; the hardships of travelling, which only the strong and robust are able to endure; the dangers attendant upon the winter routes; the total stoppage of all transport for freight or merchandise; these are some of the disadvantages attending the present mode of winter communication between this province and the mainland.

Of continuous steam communication, summer and winter, with the mainland, Prince Edward Island received an assurance and guarantee at the time of its entry into the Confederation in 1873. Nearly 10 years have now elapsed since that event, and but one abortive attempt has been made by the General Government to carry out the solemn engagement into which they then entered. It is not the office of the

Government of this province to dictate to the Dominion Government as to the way in which they shall carry out the terms of union in respect to "continuous communication," but the Council in Committee are bound to express the opinion that only a very feeble attempt has been made to accomplish this object, and that the means of attaining this most desirable end have not been nearly exhausted.

To carry out the terms of confederation with British Columbia, the Dominion is expending an immense sum of money in the construction of the Pacific Railway, yet to provide the means of communication between the two provinces, over a distance of scarcely nine miles, and thus fulfil an obligation equally as binding as that with British Columbia, the General Government have displayed a marked indifference.

The Council in Committee feel that the Government of Canada are justly chargeable with a most serious violation of the terms of union in this respect; they desire, once more, to bring the matter prominently before the notice of your Excellency in Council, with the earnest hope that the ensuing session of Parliament will not be allowed to pass without the adoption of effective measures for the immediate fulfilment of the terms of confederation. They request that they may be furnished with a reply to the address of the Council and Assembly herein referred to, as well as to this Minute, in sufficient time to submit the same to the Legislature of this province at the approaching session thereof. Should the Dominion Government fail to comply with the just request of this province, its Government will be reluctantly compelled to lay the grievances complained of at the foot of the Throne, and to appeal for redress to Her Majesty the Queen as one of the parties to the articles of confederation.

Certified, a true extract,

(Signed) R. F. DE BLOIS,  
Clerk, Executive Council.

(TELEGRAM.)

To the SECRETARY OF STATE, OTTAWA.

Charlottetown, March 27, 1883.

REQUIRED immediately to lay before the Legislature now in session, Dominion Government's answer to joint address of Legislature of April 1881, relative to steam communication with mainland, and also to Minute of Council of January last upon the same subject.

(Signed) T. HEATH HAVILAND,  
Lieutenant-Governor.

(TELEGRAM.)

To the LIEUTENANT-GOVERNOR OF PRINCE EDWARD ISLAND, CHARLOTTETOWN.

Ottawa, March 28, 1883.

SUBJECT referred to in your message of 27th instant under consideration.

(Signed) G. POWELL,  
Under Secretary of State.

Government House,  
Charlottetown, Prince Edward Island,  
April 18, 1884.

SIR,

I HAVE the honour to transmit herewith to be laid before his Excellency the Governor-General, a joint address from the Legislative Council and House of Assembly to his Excellency the Governor-General, representing the failure of the Dominion Government to carry out that part of the terms of confederation which requires the Government of Canada "to establish and maintain efficient steam service for the conveyance of mails and passengers between the Island and the mainland of the Dominion, winter and summer, thus placing the Island in continuous communication with the Intercolonial Railway and the railway system of the Dominion," and

praying that his Excellency in Council will take such action as shall cause the grievance complained of to be remedied and the terms of union to be fulfilled, as well as praying that compensation be paid to Prince Edward Island for the non-fulfilment of the said terms.

The Hon. the Secretary of State,  
Ottawa.

I have, &c.,  
(Signed) T. HEATH HAVILAND,  
Lieutenant-Governor.

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JOINT ADDRESS.

Session of 1884.

To his Excellency the Most Honourable Sir HENRY CHARLES KEITH PETTY FITZMAURICE, Marquis of Lansdowne, Governor-General of Canada and Vice-Admiral of the same, &c., &c., &c., in Council.

Her Majesty's dutiful and loyal subjects, the Legislative Council and House of Assembly of Prince Edward Island, in General Assembly convened, approach your Excellency, and represent that,—

During the Session of 1881 they addressed the Governor-General of Canada in Council, calling attention to the fact that the General Government had failed to carry out one of the conditions of the compact under which Prince Edward Island entered the Confederation of the Dominion of Canada, viz. :—

“To establish and maintain efficient steam service for the conveyance of mails and passengers between the Island and the Dominion, winter and summer, thus placing the Island in continuous communication with the Intercolonial Railway and the railway system of the Dominion.”

At the same time they prayed for the adoption of vigorous and immediate measures for remedying the grievances complained of, as well as for compensation to this province on account of the non-fulfilment by the Dominion of the terms of confederation.

The receipt of this address was duly acknowledged by the Secretary of State in a despatch dated 16th April 1881, and upon the notice of the Dominion Government being again called thereto, assurances were returned in both of the years 1882 and 1883 that the question was under their consideration.

Notwithstanding that three Sessions of the Dominion Parliament have been held since the receipt of their address afore-mentioned, no improvement whatever has been made in the means of winter communication, and the Legislature of this province are not aware that as a result of the investigation of the question during the three years which have elapsed, the General Government have decided upon any definite steps towards an absolute fulfilment of their obligations.

In this, the eleventh year of their connexion with the Dominion of Canada, instead of enjoying that efficient and continuous steam communication with the mainland, guaranteed them at the time of their entry into the confederation, for a very considerable portion of the year the people of Prince Edward Island are entirely dependent upon a mode that was in use before steam power was applied to the propulsion of vessels.

During all this time they have patiently awaited the fulfilment by the General Government of the terms of confederation in this particular respect, until the Legislature are reluctantly constrained to say that, in their opinion, the Dominion Government have evinced a marked indifference, not only for the welfare of Prince Edward Island but for the inviolability of their own obligations as well.

During the first winter succeeding the union, the people of this province did not expect that much could possibly be effected towards providing “continuous communication,” neither was anything attempted in such respect; but they anticipated, at the least, that the matter would receive the early and earnest consideration of the Government, who would be only too anxious to carry out the pledged faith of the Dominion to the smallest and most helpless of its provinces. Not so, however; but for three consecutive winters the fulfilment of their guarantee was mocked by the employment of an old vessel called the “Albert,” whose usefulness in every other sphere of navigation had long previously departed.

Eventually, in 1877, a steamer, the “Northern Light,” which had been built for service in the St. Lawrence River, near Quebec, was purchased by the Government,

and placed on the route between Georgetown and Pictou, where she has continued up to the present time.

Whatever may be the general opinion of the work performed by the "Northern Light" during the last seven years, of this fact there is no doubt: that for an average of eight weeks in each winter she is laid up; that during the time she runs her trips are uncertain, irregular, and unsatisfactory, and the accommodation afforded is neither continuous nor efficient. While the "Northern Light" has no doubt been useful in demonstrating the practicability of the winter navigation of the Straits of Northumberland, the Legislature submit that she has proved herself utterly incapable of successfully overcoming its difficulties; and they observe, with regret, that the only improvement contemplated is the adaptation in some way of a steamer intended for the lighthouse service, so as to supplement the work of the "Northern Light."

The Legislature consider it almost unnecessary to recount the peculiar disadvantages under which this province labours, owing to its insular position, for they feel that, from the constant representations which have been made, the Government and Parliament of Canada cannot be ignorant of them, and it is for this reason that the people of the Island are inclined to the belief that they are the victims of a serious injustice at the hands of a body who should protect their interests.

Cut off, as they always were, for nearly five months of the year from all communication with the mainland, except by a most uncertain and dangerous route, a promise of continuous communication with the Intercolonial Railway and the railways of the Dominion was indeed a strong inducement to them to surrender their self-government and unite with Canada. They naturally expected that, within a reasonable time, they would possess uninterrupted communication, at all seasons of the year, with the rest of Canada and of the world—that they would enjoy equal facilities for intercourse with the other provinces as those provinces enjoy between themselves, and would participate in all the benefits arising from the Intercolonial Railway and other public works upon the mainland, from which they had previously been debarred for a great portion of the year.

The inconvenience and loss which they have suffered in consequence of the failure of the Federal Government to provide them with the efficient communication promised are incalculable, while the disappointment to their expectations has not tended to enhance, in their estimation, the value of a connexion with the Dominion, but, on the contrary, has awakened a feeling of discontent which, though a matter of regret, is not unnatural under the circumstances.

Were it only the transport of freight and merchandise that was stopped during the winter season, they would have good reason to complain of being precluded from the benefits of the Intercolonial and other railways which their more fortunate neighbours on the mainland enjoy; but their complaint, as well, is that in direct violation of the compact upon which they entered the Confederation, no efficient and continuous means of steam communication have been provided whereby mails and passengers can be transported to the mainland. The derangement of business consequent upon the irregularity of the mail service, when for 10 days, at times, no communication whatever is had with the rest of Canada, exercises a most prejudicial effect upon their interests. The hardships of travelling, which only the strong and robust are able to endure, and the dangers attendant upon the present mode, are other disadvantages from which they suffer most acutely.

The feeling that they are being unjustly treated is not without great foundation. As members of one vast country, the welfare of all is assuredly the object to be attained, and where difficulties or hardships militate against the prosperity of the people, their removal is undertaken by the General Government. On what other ground can the vast system of railways, canals, and other public works be accounted for than as means to overcome distance and to remove difficulties of transport? So rapidly has Canada grown since confederation that the means of communication are found not to keep pace with the rate at which the country is developing, and millions of dollars are being annually spent in linking together the scattered provinces from the Atlantic to the Pacific. But three years ago the Federal Parliament, in order to keep faith with British Columbia, a province of little more than ten thousand of a population, contracted for the construction of over 2,000 miles of railway at a cost of millions of dollars; yet the fulfilment of the terms of union with Prince Edward Island, a province of equal importance at least with British Columbia, by providing the means of communication over a strait less than nine miles wide, is postponed from year to year without any thought, as it would seem, that thereby a solemn and binding obligation is being broken, and an immense injury being done to its people.

The Legislature of Prince Edward Island are satisfied that this state of things cannot longer continue without a breach of that harmony which is so indispensable between the provinces of the Confederation. They feel that the province is being treated invidiously and unjustly, and that its prosperity is retarded, in a great degree, by the failure to afford that efficient communication with the rest of the world so necessary to an agricultural community.

Were the General Government asked, as a matter of grace, to grant continuous communication with the mainland, some reasonable ground might exist for refusing to do so; but when the request is only that they fulfil their obligations, and carry out their pledged faith, by providing efficient steam service, summer and winter, their neglect to do so is inexcusable.

The Legislature of Prince Edward Island are of opinion that the Government of Canada are justly chargeable with a most serious violation of the terms of union in the manner in which they have pointed out, and they desire to bring again the matter prominently before the notice of your Excellency in Council, in order to the adoption of immediate and effective measures for the absolute fulfilment of the terms of confederation, or otherwise that they may be informed that your Excellency's Government are either unable or unwilling to abide by their compact.

The Legislature submit that on every principle of justice this Province should receive compensation in view of the immense loss and disadvantage which have accrued by reason of the failure of the General Government to provide the efficient and continuous communication guaranteed by the terms of confederation, and they therefore claim, as due to the present time, the sum of \$5,000,000, to which they consider this province justly entitled.

The Legislature trust that this most important matter, which they now, for the last time, bring under the notice of the General Government, may immediately engage their attention, and that a favourable answer will be accorded without delay. otherwise the Legislature desire that the Government of the province invoke the interference of Her Majesty the Queen, by laying a statement of the grievances complained of at the foot of the Throne.

A true copy.

FREDK. W. HUGHES,  
Assistant Clerk, House of Assembly.

SIR,

Ottawa, April 24, 1884.

I HAVE the honour to acknowledge the receipt of your Despatch, No. 8, of the 18th instant, transmitting, in order that the same may be laid before his Excellency the Governor-General, a joint address from the Legislative Council and House of Assembly of Prince Edward Island, on the subject of an efficient steam service for the conveyance of mails and passengers between that province and the mainland of the Dominion, winter and summer, and to state that the matter will receive due consideration.

His Honour the Lieutenant-Governor  
of Prince Edward Island, Charlottetown.

I have, &c.,  
(Signed) G. POWELL,  
Under Secretary of State.

Government House,  
Charlottetown, Prince Edward Island,  
February 28, 1885.

SIR,

I HAVE the honour to transmit herewith, for the consideration of his Excellency the Governor-General in Council, an approved minute of my Council passed on the 28th instant, upon the subject of the non-fulfilment of the terms of confederation in respect to communication with the mainland, together with the copy therein referred to of the address of the Legislature of the Island, as passed in the Session of 1884, on the same subject.

I have, &c.,  
(Signed) A. A. MACDONALD,  
Lieutenant-Governor.

The Honourable the Secretary of State,  
Ottawa.



## EXTRACT from MINUTES of the EXECUTIVE COUNCIL of PRINCE EDWARD ISLAND.

Council Chamber, February 20, 1885.

At a meeting of the Executive Council in Committee :

The following minute was adopted, and ordered to be handed to his Honour the Lieutenant-Governor for transmission to the Dominion Government :

Adverting to the joint address of the Legislative Council and House of Assembly, in the Session of 1884, to his Excellency the Governor-General in Council (a copy of which is herewith transmitted), upon the subject of the non-fulfilment of the terms of confederation in respect to communication with the mainland, the Executive Council in Committee desire to bring to the notice of his Excellency in Council the fact that, beyond a formal acknowledgment of the receipt of the said address, no reply thereto has been received.

Without entering into a recapitulation of the statements set forth in the said address, the Council in Committee wish to draw his Excellency's attention to the several steps which have been taken by this province towards securing the fulfilment of the compact of confederation in the particular alluded to, and which have proved so far entirely unsuccessful. And here they desire to express their surprise and regret at the extraordinary apathy with which the interests of Prince Edward Island have been treated in this regard.

Trusting implicitly in the good faith of the General Government, the people of this province waited patiently for seven years the fulfilment of the terms of confederation, until, in 1881, the Legislative Council and House of Assembly united in an address to his Excellency the Governor-General, setting forth the disadvantages under which they laboured, praying for the adoption of vigorous and immediate measures to remedy the grievances complained of, and requesting compensation for loss sustained by reason of the delay which had occurred.

The receipt of this address was formally acknowledged on 16th April 1881, but no other reply was received. On 28th February 1882 the Lieutenant-Governor of this province communicated with the Secretary of State, directing attention to the address, and to the fact that it had not been answered, when subsequently a reply was received that the Government of Canada were giving their earnest consideration to the question.

Another year having passed, the Council in Committee, on the 31st January 1883, drew the attention of the General Government to the fact that, although nearly two years had elapsed since the receipt of the address of 1881, no attempt had been made to improve the means of communication, and that the grievances complained of in the said address still remained. Upon 3rd March following, the Provincial Government requested a reply to the minute of 31st January, in such form as could be submitted to the Legislature then about to meet. No answer being received, on 27th of March the Lieutenant-Governor telegraphed to the Secretary of State, and was informed in reply that the subject was under consideration.

Wearied with long waiting and ineffectual applications, the Legislative Council and House of Assembly, at their last Session, again approached his Excellency in Council, renewing the relation of their grievances, but, as already mentioned, beyond a simple acknowledgment, their appeal has been unsuccessful.

Why the claim of Prince Edward Island to a fulfilment of the compact by which Canada secured its adhesion to the Confederation should be so persistently ignored, it is difficult to conceive. By a contract, entered into with extraordinary solemnity, the General Government agreed, for certain considerations, to "establish and maintain efficient steam service for the conveyance of mails and passengers between the Island and the mainland of the Dominion, winter and summer, thus placing the Island in continuous communication with the Intercolonial Railway and the railway system of the Dominion," yet during no year of nearly 12 which have elapsed since the union, has the communication provided been such as was guaranteed. For eight or nine weeks each winter, the people of this province are dependent, for their postal communication, upon a system in use among them long years before steam power was ever applied for purposes of locomotion. Unsatisfactory as this state of affairs is, it is aggravated by the neglect, during this period, to provide any means whatever for the transport of passengers, and it is only as a matter of favour on the part of the mail couriers that persons are enabled to make the passage, and then only in open boats, which are wholly unprovided with the means of sustenance, warmth, or shelter, and at the

imminent peril of their lives. To show that this language is not extravagant it is only necessary to refer to the experience of the crew and passengers, 22 in number, who, in January last, were detained on the ice between Capes Traverse and Tormentine for two days and one night, during which they suffered most severely, and from which many of them will never entirely recover.

The address of last Session imposed upon the Provincial Government the duty, in the event of a favourable answer not being accorded thereto without delay, of invoking the interference of Her Majesty the Queen to obtain that justice which the Island has been so long denied. While it is a subject of deep regret that the Dominion Government have not seen fit to take any action in the matter therein pressed upon their notice, the Council in Committee feel that no alternative is left to them than to lay at the foot of the Throne a statement of the grievances so long endured, and ask of Her Majesty, as one of the contracting parties to the Articles of Confederation, that she will be graciously pleased to secure to Prince Edward Island that redress which has so repeatedly been sought, but which has not yet been obtained.

Certified a true extract,

R. F. DE BLOIS,  
Clerk, Executive Council.

SIR,

Ottawa, March 6, 1885.

I HAVE the honour to acknowledge the receipt of your despatch of the 28th ultimo, transmitting for submission to his Excellency the Governor-General an approved minute of the Executive Council of Prince Edward Island in respect to winter communication with the mainland, together with a copy, to which the same refers, of the address of the Legislature of the Island as passed in the Session of 1884, upon the subject, and to state that the same will receive due consideration.

I have, &c.,

His Honour the Lieutenant-Governor  
of Prince Edward Island, Charlottetown.

(Signed) G. POWELL,  
Under Secretary of State.

#### LEGISLATIVE COUNCIL.

Session of 1885.

To his Honour the Honourable ANDREW ARCHIBALD MACDONALD, Lieutenant-Governor of the Province of PRINCE EDWARD ISLAND, &c., &c., &c.

MAY IT PLEASE YOUR HONOUR,

WHEREAS during the present Session of the General Assembly this House did join with the House of Assembly in a memorial to Her Majesty the Queen praying Her Majesty's most gracious intervention in order to obtain from the Government of Canada a fulfilment of the terms upon which this Island entered the Confederation, in respect to communication with the mainland, and also the payment of compensation to this province for the loss sustained by its people in consequence of the failure of the Dominion Government to carry out the said terms, and a joint address of both Houses has been adopted, requesting your Honour to forward the said memorial to his Excellency the Governor-General for transmission to Her Majesty the Queen.

And whereas, since the adoption of the said memorial and address, an insurrection has unfortunately been incited in the North-West Provinces, whereby not only the peace and welfare of the Dominion have been disturbed, but the lives and property of its citizens are endangered, while some of Her Majesty's subjects have met their death in bravely endeavouring to uphold the authority of the British Crown.

And whereas this House recognises the paramount obligation of the General Government to suppress lawlessness and rebellion, and it is the imperative duty of every British subject to assist the constituted authorities in the restoration of quietness and good order, and in the maintenance of the Queen's supremacy.

Therefore this House, unwilling to embarrass the General Government while occupied with matters of such weighty moment to the Empire, and looking to a speedy termination of the insurrection, desire to postpone for the present the carrying

out of the constitutional means by which it seeks to redress a grievance of the people of this province, and request your Honour not to forward the said memorial until such time, during the approaching legislative recess, as in the opinion of your advisers shall be deemed opportune.

Whilst this House regrets that an insurrection has been incited in the North-West Territories, whereby not only the peace and welfare of the Dominion has been disturbed, but that the lives and property of its citizens have been endangered, yet as our case is a very urgent one in our opinion, there should be no unnecessary delay in forwarding the said memorial to Her Most Gracious Majesty the Queen, praying Her Majesty's most gracious intervention in order to obtain from the Government of Canada a fulfilment of the terms of confederation in respect to communication with the mainland, and also compensation to the province for the loss sustained by its people in consequence of the failure of the Dominion Government to carry out said terms.

A true copy,  
 JOHN BALL,  
 Clerk, Legislative Council.

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HOUSE OF ASSEMBLY.

Session of 1885.

To his Honour the Honourable ANDREW ARCHIBALD McDONALD, Lieutenant-Governor of the Province of PRINCE EDWARD ISLAND, &c., &c., &c.

MAY IT PLEASE YOUR HONOUR,

WHEREAS, during the present Session of the General Assembly the House of Assembly did join with the Legislative Council in a memorial to Her Majesty the Queen, praying Her Majesty's most gracious intervention in order to obtain from the Government of Canada a fulfilment of the terms upon which this Island entered the Confederation in respect to communication with the mainland, and also the payment of compensation to this province for the loss sustained by its people in consequence of the failure of the Dominion Government to carry out the said terms, and a joint address of both Houses has been adopted, requesting your Honour to forward the said memorial to his Excellency the Governor-General, for transmission to Her Majesty the Queen.

And whereas, since the adoption of the said memorial and address, an insurrection has unfortunately been incited in the North-west Territories, whereby not only the peace and welfare of the Dominion have been disturbed but the lives and property of its citizens are endangered, while some of Her Majesty's subjects have met their death in bravely endeavouring to uphold the authority of the British Crown.

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Therefore this House, unwilling to embarrass the General Government while occupied with matters of such weighty moment to the Empire, and looking to a speedy termination of the insurrection, desire to postpone for the present the carrying out of the constitutional means by which it seeks to redress a grievance of the people of this province, and requests your Honour not to forward the said memorial until such time during the approaching legislative recess, as in the opinion of your advisers shall be deemed opportune.

A true copy,  
 FREDK. W. HUGHES,  
 Assist. Clerk,  
 House of Assembly.

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## EXTRACT from Minutes of the EXECUTIVE COUNCIL of PRINCE EDWARD ISLAND.

Council Chamber,  
August 4, 1885.

The Executive Council in Committee have had under consideration the separate addresses of the Legislative Council and House of Assembly of this province to his Honour the Lieutenant-Governor, passed during their last Session, requesting that, owing to their unwillingness to embarrass the Government of Canada during the existence of the insurrection in the North-West Territories, their joint memorial to Her Majesty the Queen, praying Her Majesty's most gracious intervention in order to obtain from the Government of Canada a fulfilment of the terms upon which this Island entered the Confederation in respect to communication with the mainland, and also the payment of compensation to this province for the loss sustained by its people in consequence of the failure of the Dominion Government to carry out the aforesaid terms, should not be forwarded until such time during the then approaching recess as in the opinion of his Honour's advisers should be deemed opportune.

The Council in Committee advise that, as the insurrection has been effectually suppressed and order restored in the North-West Territories, the said joint address to Her Majesty the Queen, together with the enclosures therein referred to, the said separate addresses to his Honour and a copy of this Minute be immediately forwarded to his Excellency the Governor General for transmission to Her Majesty the Queen.

Certified a true extract,

R. F. DE BLOIS,  
Clerk, Executive Council.

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Enclosure 2 in No. 1.

CERTIFIED COPY of a REPORT of a COMMITTEE of the Honourable the PRIVY COUNCIL for CANADA, approved by his Excellency the GOVERNOR-GENERAL in COUNCIL on the 7th day of November 1885.

The Committee of the Privy Council have had under consideration a Despatch dated 4th August 1885, from the Lieutenant-Governor of Prince Edward Island, transmitting joint addresses of the Legislative Council and House of Assembly of that province to Her Majesty the Queen, praying her intervention on behalf of Prince Edward Island to obtain from the Dominion Government a fulfilment of its engagement "to maintain efficient steam service for the conveyance of mails and passengers between the Island and the mainland, summer and winter."

The Committee advise that your Excellency be moved to forward the aforesaid joint addresses of the Legislative Council and Assembly of Prince Edward Island to Her Majesty the Queen.

The Committee concurring in the report herewith of the Sub-Committee of Council, to whom the despatch and enclosures were referred, further advise that a copy of this Minute and of the annexed Report, if approved, be forwarded, together with a copy of the said joint addresses, to the Right Honourable the Secretary of State for the Colonies.

All which is respectfully submitted for your Excellency's approval.

JOHN J. MCGEE,  
Clerk, Privy Council, Canada.

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Your Sub-Committee find that the Government of Prince Edward Island, previous to confederation, subsidised two steamers for the conveyance of mails and passengers to and from the mainland during the summer season, and that for a period of five months or more mails were carried by ice-boats from Cape Traverse to Cape Tormentine, and thence by sleigh to Amherst, the land carriage being 52 miles, and from cape to cape, over ice and water, nine miles.

Since the union, a subsidy of 10,000 dollars a year has been paid by the Dominion Government to the Prince Edward Island Steam Navigation Company to run steamers daily during the season of open navigation, from Shediac, in New Brunswick, to Summerside, in the Island, and from Pictou, in Nova Scotia, to Charlottetown and Georgetown. This service has been regularly and satisfactorily maintained by that Company, but as their steamers have to lay up early in the fall, the Dominion Government steamer "Northern Light" then takes up the service and continues it as long as the ice permits.

Previous to the union, paddle-wheel steamers only were employed, and it was very generally believed, and for good reasons, that a screw steamer would maintain steam communication to a much later period; but it is altogether improbable that any man who had seen the Straits of Northumberland, or had any knowledge of the ice obstruction in mid-winter, could have supposed it possible to construct a steamer capable of crossing when the ice is at its heaviest in that season, and it is proper to assume that both contracting parties to the union, having such knowledge, understood that the Dominion Government would provide and maintain the means which science and experience might determine as the best and most efficient for the end in view, within the range of possibility.

The Dominion Government, willing and most anxious to do all that was possible in the interests of Prince Edward Island, in the season next following the union, sought by public advertisements for persons to undertake the service, and eventually secured a contract for 10 years with a Mr. King, who claimed to have a steamer specially fitted for ice work. She proved, however, unable to run longer than until the 4th of January. On the part of Mr. King, it was claimed that the season was of unusual severity, and by the inhabitants of Prince Edward Island it was alleged that the steamer was wanting in power, and of a model unsuited to the service.

The contract after this trial was annulled, and the Dominion Government, after the most careful and anxious inquiry, contracted with a Mr. Sewell, of Quebec, to complete a powerful steamer on a model specially designed for ice service.

In December 1876 this steamer, named the "Northern Light," was completed and placed upon the route between Pictou and Charlottetown, and has been maintained each winter to date at an aggregate cost, including construction, of \$249,956 57.

As was feared, the "Northern Light" has been, during the severest part of the winters, unable to force a way through the enormous fields of ice which block the straits at that season, but whilst demonstrating fully the impossibility of continuous steam communication in mid-winter, has reduced the period of interruption to an average of one-third of that previous to the union.

In the Session of the Dominion Parliament of 1883, a Committee of the House of Commons, composed of three representatives from Prince Edward Island, and two from the mainland, was appointed on the 23rd February to investigate the question of steam communication with the Island. All the members of the Committee had personal knowledge of the obstruction to navigation in the straits by ice in winter, and were well qualified for the duty assigned to them.

After long and careful consideration of the subject and examination "of persons, papers, and records," the Committee reported, on the 18th April 1883, in the following words: "It is the unanimous opinion of the members of Committee, confirmed by the testimony of witnesses of large practical experience, that no steamships can be built capable of keeping up continuous communication in mid-winter." The following extracts from the Report set this forth more at large:—

" House of Commons Committee Room,  
April 18, 1883.

" Your Committee beg leave to report as follows:—

" When Prince Edward Island was admitted into the union the following was one of the stipulations on part of the Dominion Government contained in the terms of union,—

" Efficient steam service for the conveyance of mails and passengers to be established and maintained between the Island and the Dominion, winter and summer, thus placing the island in continuous communication with the Intercolonial Railway and the railway system of the Dominion.

" This communication has been maintained in the summer season by the Prince Edward Island Steam Navigation Company between Summerside and Shediac, and between Charlottetown and Pictou, calling at Georgetown, and in the winter season by

the 'Northern Light' between Georgetown and Pictou, and by ice-boats between Capes Traverse and Tormentine.

"To determine the efficiency of this service in the past, and how communication may be most regularly and efficiently maintained in the future, the Committee carefully examined the records of the trips made by the 'Northern Light' during the seasons she has been on the route; also summoned and examined some of the officers in charge, and find that she performed the following number of trips, and failed the number of days marked opposite each season.

\* \* \* \* \*

"That on an average there were 48 days in mid-winter she was unable to effect the crossing.

"The daily records kept by the captain of the 'Northern Light,' and the testimony given by the officers, show that the heavy ice encountered was the cause which compelled him to discontinue crossing in mid-winter.

"The evidence of the officers examined is also to the effect that the steamer is not sufficient to overcome the difficulties of the winter navigation, and although they suggest slight improvements in her model, which would better fit her for the purposes for which she was intended, still are unanimously of opinion that no steamship can be built capable of keeping up continuous communication in mid-winter between the Island and the mainland."

"We examined personally several gentlemen of large practical experience in crossing from the Island in the winter season, all of whom confirm the above, and whose evidence is hereto appended."

The Committee, having reached this conclusion, made certain suggestions for the improvements by the route by the capes, the most important of which, viz., the construction of lines of railway to the capes, and suitable shipping piers, had been previously decided upon by the Dominion Government.

The address points out that the distance from the Intercolonial Railway to Cape Tormentine is 40 miles, and from the Island Railway to Cape Traverse, 12 miles, which it is stated had to be travelled "in open sleighs in the coldest and most stormy portion of the year," but omits to state that a railway to Cape Tormentine was under construction, and a large sum provided for the erection of a shipping pier, whilst to Cape Traverse, on the Island side, the railway had been completed, and, as suggested by the Committee of Parliament, houses of shelter for passengers, boatmen, and boats, had been erected.

The language of the address in alleging that the Dominion Government has "shown no sufficient disposition to fulfil its obligation toward the Island," and with having "unaccountably neglected and treated with apathy and indifference" the interests of the Island, seems to the undersigned, in view of all the circumstances, unwarranted.

For half a century the Government of Prince Edward Island forwarded mails and passengers by ice-boats across the straits, and by open sleighs overland for five months in each year, and more recently by subsidised steamers, in summer, instead of sailing packets. This change from sailing vessels to steamers for summer appears to have been the only change or improvement made by the Island Government in 50 years, although having control of a larger sum in revenue than the Island now pays into the Dominion Treasury.

The efforts of the Dominion Government, as marked by expenditure, to meet the wishes of the people of Prince Edward Island, and to give them improved means of communication with the mainland, are, of course, known to the Legislative Council and Assembly, although they have been overlooked by them when preparing the address. That expenditure may be summarily stated as follows:—

	\$	c.
Cost and maintenance of "Northern Light" - - - -	249,956	57
Subsidies for summer service and for ice-boats at capes - - - -	196,073	75
Construction of Cape Traverse Branch Railway and enlargement of pier - - - - -	199,190	03
Expended by Public Works Department in connexion with piers, boat-houses, and cable service - - - - -	25,678	53
To pay Island Government for pier required in cape services - - - -	12,400	00
Subsidy for construction of railway to Cape Tormentine - - - - -	118,400	00
Appropriation for pier at Cape Tormentine - - - - -	150,000	00
Total - - - - -	951,698	00

This large expenditure for the transmission in comfort of passengers to and from the capes is worthy of more consideration in view of the fact that in the last two seasons the average number of passengers in each crossing of the "Northern Light" was only a fraction over nine, and of the further fact that the Dominion Government has maintained the Island Railway at a cost, since its opening to 30th June 1884, of \$843,911 in excess of all its receipts, besides an expenditure thereon on capital account of about half a million dollars.

The passenger list of the "Northern Light" for the winters 1884-85 averaging only nine per trip, and the large annual deficit in working the Island Railway, are the best evidence of the limited travel to be provided for, and although it may be some inconvenience to have steam communication suspended for a period of 48 days, yet it does not warrant the language of the address that "an incalculable loss has been suffered by the people of Prince Edward Island by the failure of the Dominion Government" to do what a Committee of Parliament says is impossible.

In the accompanying address, passed by the Legislature in 1884, it is claimed that the loss is great because the chief pursuit of the Island people is agriculture, and the compensation for damages is placed at five million dollars as due to the date of the address.

In considering this assertion it must be borne in mind that the Dominion Government did not undertake the carrying of agricultural produce nor freight of any kind, although it has, at all times, afforded facility for the transport of any freight offering.

It is further stated in the address that Prince Edward Island has been unjustly and invidiously treated, inasmuch as the Dominion Government has contracted, at a cost of many millions of dollars, "for 3,000 miles of a railway to British Columbia, a province with 10,000 of a population, exclusive of Indians and Chinese, whilst in the case of Prince Edward Island a sacred obligation is being violated and an immense injury done to a large body of people."

The undersigned cannot refrain from submitting that a discussion of the relative importance of the several provinces, and of the comparative expenditure therein of the Federal moneys, is not the means best adapted to promote that harmony which the address of 1884 says is so "indispensable between the provinces of the Confederation."

In the distribution of public moneys Prince Edward Island has no cause of complaint. It is true that large expenditures have been made for railways and canals in the general interest, but the local wants of the provinces have not been overlooked, and Prince Edward Island has been dealt with in a most liberal manner, and apparently without regard to her contribution to the general revenue.

The address seeks, in its reference to the construction of the Canadian Pacific Railway, an opportunity to establish and emphasise a wrong to Prince Edward Island. Doubtless the maintenance of continuous steam communication between the Island and the mainland in mid-winter is of as much interest to the people of that province as is the construction of the Canadian Pacific Railway, although in the one case it means the transport of *nine* passengers a day for an average period of 48 *days* a year in mid-winter, whilst in the other it is a great national work, providing a highway in common for the eastern and western provinces, and the opening up of vast areas of the richest soil, upon which many settlers from the older provinces, including Prince Edward Island, are finding homes, instead of in the United States. To take the view indicated by the address that the construction of the Canadian Pacific Railway is merely a local work, the comparison then suggested with Prince Edward Island should not be confined to British Columbia, as Ontario, Manitoba, and the North-West Territories receive as much local benefit therefrom as does British Columbia.

In a strictly local view, it is not unjust to say that expenditure shall in some measure be governed by receipts, present or prospective, and the tone of the Legislature of Prince Edward Island, in speaking in 1884 of "British Columbia" as a province of "10,000 people, exclusive of Indians and Chinese," and in 1885 "of 15,000," demands a comparison of revenue returns from the two provinces.

In the returns last published—30th June 1884—Prince Edward Island is credited with:—

	\$	c.
From customs	170,863	40
„ excise	22,615	26
Total contribution to revenues	193,478	66

In the same year British Columbia is credited with :--

	\$	c.
From customs - - - - -	884,076	21
„ excise - - - - -	58,018	89
	<hr/>	
Total contribution to revenues - - - - -	942,095	10

Nearly five times as much as Prince Edward Island.

In the comparison which is called for by the reference to the Canadian Pacific Railway in the address, Manitoba and the North-West Territories should be included as follows :--

From customs - - - - -	\$734,185	77
„ excise - - - - -	157,417	99
	<hr/>	
	891,683	76

Total revenue contributed by British Columbia, Manitoba, and the North-West Territories - - - - -	1,833,698	86
As against Prince Edward Island - - - - -	193,478	66

If evidence were wanting of the anxious desire of the Dominion Government to promote the interests of Prince Edward Island in every possible way, it may be found in the same public returns of the expenditure in and for the Island in 1884, which is by no means exceptional, viz. :--

	\$	c.
Payment of interest on her public debt - - - - -	195,407	55
Subsidy to Local Government for local purposes - - - - -	164,510	00
Postal expenses - - - - -	\$46,465	21
Less postal revenue - - - - -	29,154	80
	<hr/>	
	17,311	41
Expenses of operating railway in excess rev. receipts - - - - -	91,924	01
Militia and defence - - - - -	12,141	00
Collection of customs - - - - -	20,856	21
Collection of excise - - - - -	2,506	89
Administration of justice - - - - -	18,800	00
Maintenance of lights and buoys - - - - -	19,059	62
Protection of fisheries and fish breeding, exclusive of bounty payments - - - - -	3,539	38
Superannuation - - - - -	2,156	00
Lieut.-Governor's salary - - - - -	7,000	00
Subsidies to steamers and winter service - - - - -	32,876	00
Subsidy to Fishwick's steamboat - - - - -	3,000	00
Outside expenses :--Lights - - - - -	3,000	00
Indians - - - - -	1,993	87
Public Health - - - - -	885	40
Audit and Assistant Receiver General's offices - - - - -	4,845	92
Subsidy to telegraph connexion - - - - -	1,946	66
Expenditure on harbours and rivers - - - - -	28,581	58
Public buildings - - - - -	7,861	89
Constructing of lights - - - - -	2,158	60
Interest upon a capital expenditure on Island Railway of \$578,920 - - - - -	28,946	00
Relief of sick seamen - - - - -	\$1,226	31
Less dues - - - - -	684	46
	<hr/>	
	541	75
Expenditure by Department of Agriculture - - - - -	1,389	88
Representation, say - - - - -	15,000	00
Repairs of dredges - - - - -	1,714	99
	<hr/>	
Total - - - - -	689,954	91

It will thus be observed that while the expenditure for the fiscal year ended 30th June 1884, is \$689,954 91, the total revenue derived from all sources is but \$193,478 66.

Making an expenditure of over \$6 per head of the population (112,000) of the Island, whilst the total receipts are only \$1<sup>72</sup>/<sub>100</sub> per head.



It will be claimed on behalf of the Island that the population consumes goods the produce of the mainland. No doubt this is true, but the same occurred previous to the confederation.

In 1872 the imports of the colony of Prince Edward Island from the Dominion were—

	\$
From Old Canada - - - - -	381,179
„ Nova Scotia - - - - -	358,961
„ New Brunswick - - - - -	327,340
Total - - - - -	<u>1,067,480</u>
upon which duties were collected.	
The total entered for consumption from all countries was -	1,605,241
And the total revenue - - - - -	<u>302,757</u>

The total exports of the colony were \$1,497,058, of which Nova Scotia and New Brunswick took \$749,129, or, say, one-half.

No doubt, the same inter-provincial trade continues, with this change in favour of Prince Edward Island, that the goods from the other provinces are now free of duty, whilst previous to the union they paid duties the same as on importations from other countries. That Prince Edward Island may have felt inconvenience from the interruption in the trips of the "Northern Light" may be admitted; but that her material interests have suffered greatly is disproved by the fact that her exports to foreign countries have nearly doubled from 1872 to 1884, whilst the increase of the whole Dominion for the same period has been only ten and a half per cent ( $10\frac{1}{2}\%$ ).

In making this comparison of the payments to the general revenue by Prince Edward Island and British Columbia, and the North-West, and in stating the annual expenditures for the Island, the undersigned are moved thereto only by the implied charge in the address, that the Western Provinces are being treated by the Dominion Government more generously than the Island, and it is not intended that the liberal manner in which all the public services of the Island have been dealt with, regardless of the revenue receipts, shall be taken as a consideration or recompense for the alleged failure to carry out the terms of the union.

The liberal treatment of Prince Edward Island results from the policy and practice of the Dominion Government to watch over the interests of the smaller provinces, and Prince Edward Island, from her isolated position, and with a population less than some cities on the mainland, has received especial consideration.

If continuous steam communication has not been maintained, it is certainly not because the Dominion Government sought to avoid expense. The "Northern Light" is as large and powerful a steamer as experience in Arctic exploration has proved advisable, and she is kept on full expense, equipped and ready to run at all times during the entire winter, and were it possible to do so, no additional expense would be incurred except for fuel, whilst the cost of the ice-boat service would be saved, and the construction of railways, piers, and boat-houses to and at Capes Traverse and Tormentine, rendered unnecessary.

It is stated in the addresses that "beyond the formal acknowledgments of memorials from the Island Government, no other answers were given," but the action taken by the Dominion Government was a better answer than any paper declaration. The "Northern Light" was constructed and placed at Charlottetown, as headquarters. Her officers and crew are inhabitants of the Island, and her unceasing and hazardous efforts to make communication in the severest weather cannot be unknown to the Island Government. The representatives of the Island were in Parliament when appropriations were made for the construction of the railway to Cape Traverse, and for the erection of piers. It was publicly known that a railway was under construction to Cape Tormentine, where the Dominion Government had appropriated \$150,000 to erect a suitable shipping pier in connexion with the road (to hasten the completion of which a subsidy of \$118,400 has now been granted), and that boat-houses had been erected at the capes as recommended by the Committee of Parliament herein-before referred to. That the Island Government was fully conversant with the whole action and plans of the Dominion Government may be assumed from the fact, that it demanded payment of \$12,400 for an old public wharf that was utilised in the construction of the pier at Cape Traverse.

In brief, the Island Government knew that every possible effort had been made by the Dominion Government to navigate the straits from Charlottetown and Georgetown to Pictou, with a failure of an average of 48 days; it knew that the Dominion Government in making great expenditures on railway lines to the capes, was most anxious to reorganise and improve, if possible, that route, notwithstanding that in the ordinary annual local services of the Island, the Dominion Government was returning more than *three* dollars for every dollar received.

All which is respectfully submitted.

(Signed) A. W. McLELAN,  
A. CAMPBELL.

## No. 2.

GOVERNOR-GENERAL THE MOST HON. THE MARQUIS OF LANSDOWNE, G.C.M.G., to  
COLONEL THE RIGHT HON. F. A. STANLEY, M.P. (Received February 15. 1886.)

Government House, Ottawa,  
January 30, 1886.

SIR,

I now forward herewith a copy of an approved report of a Committee of the Privy Council together with a despatch from the Lieutenant-Governor of Prince Edward Island of the 18th instant, and copies of two minutes of the Executive Council of that province, both dated the 14th of the present month, relating to the delegation which has been appointed by the Island Government to proceed to London for the purpose of supporting the prayer of the memorial which I had the honour to transmit to you in my despatch of the 19th November last.\*

The delegates appointed by the Island Government are the Honourable William W. Sullivan, Premier and Attorney-General, and the Honourable Donald Ferguson, Provincial Secretary. I have furnished these gentlemen with a letter of introduction to you.

Colonel the Right Hon. F. A. Stanley, M.P.

I have, &c.,  
(Signed) LANSDOWNE.

## Enclosure in No. 2.

CERTIFIED COPY of a REPORT of a COMMITTEE of the HONOURABLE THE PRIVY COUNCIL FOR CANADA, approved by HIS EXCELLENCY the GOVERNOR-GENERAL on the 26th January 1886.

THE Committee of the Privy Council have had under consideration a despatch dated 18th January 1886 from the Lieutenant-Governor of Prince Edward Island, transmitting a minute of his Executive Council, in which it is set forth that a delegation composed of the Honourable William Sullivan, Premier and Attorney-General, and the Honourable Donald Ferguson, Provincial Secretary, have been appointed to proceed immediately to the Colonial Office in London for the purpose of supporting the prayer of the memorial to Her Most Gracious Majesty the Queen, adopted by the Legislative Council and House of Assembly of the Island in the session of 1885, with respect to the question of communication between Prince Edward Island and the mainland.

The Secretary of State, to whom the despatch and enclosure were referred, recommends that the several requests as contained in the despatch be carried into effect.

The Committee advise that your Excellency be moved to transmit the despatch and enclosure to the Right Honourable the Secretary of State for the Colonies, and they further advise that your Excellency be moved to furnish the delegates with a letter of introduction to Colonel Stanley.

All which is respectfully submitted for your Excellency's approval.

(Signed) JOHN J. MCGEE,  
Clerk, Privy Council,  
Canada.

Government House, P. E. Island,

January 18, 1886.

SIR

I HAVE the honour to transmit herewith an approved minute of my Council bearing date the 14th January instant upon the question of communication between this Island and the mainland, stipulated for in the terms of confederation, and recommending that a delegation composed of the Honourable William W. Sullivan, Premier and Attorney-General, and the Honourable Donald Ferguson, Provincial Secretary, be appointed to proceed immediately to the Colonial Office in London for the purpose of supporting the prayer of the memorial on that subject to Her Most Gracious Majesty the Queen, adopted by the Legislative Council and House of Assembly of this Island in the session of 1885. And also requesting me to inform his Excellency the Governor-General of such appointment in order that the delegates may be provided with an introduction to Her Majesty's Principal Secretary of State for the Colonies, and that he may be informed of the appointment of such delegation.

I have also enclosed herewith a further approved minute of my Council bearing the same date, referring to the appointment of such delegation and recommending me to communicate by telegraph to the Right Honourable the Secretary of State for the Colonies a notification of the appointment of such delegation, and at the same time soliciting that Her Majesty's decision may be deferred until the delegates shall have had an opportunity of being heard in support of the prayer of the memorial, which despatch has been forwarded, and recommending me to inform his Excellency the Governor-General of the transmission of such despatch, and to request that his Excellency will likewise be pleased to telegraph the Right Honourable the Secretary of State for the Colonies asking that Her Majesty's decision may be deferred.

I have, &amp;c.,

The Hon. the Secretary of State,  
Ottawa.(Signed) A. A. MACDONALD,  
Lieutenant-Governor.

## EXTRACT FROM MINUTES of the EXECUTIVE COUNCIL of PRINCE EDWARD ISLAND.

Council Chamber, January 14, 1886.

At a Meeting of the Executive Council in Committee,—

Present:

The Honourable Messieurs  
Sullivan,  
Arsenault,  
McLeod,Ferguson,  
Lefurgey,  
Burns,Campbell,  
Prowse,  
Macdonald.

The Executive Council in Committee have had under consideration the memorial to Her Most Gracious Majesty the Queen, unanimously adopted by the Legislative Council and House of Assembly in the session of 1885, representing the great loss which has accrued to the people of this province in consequence of the failure of the Dominion Government to fulfil that portion of the terms of confederation which guaranteed the "establishment and maintenance of efficient steam service for the conveyance of mails and passengers between this Island and the mainland of the Dominion, both winter and summer, so as to place the Island in continuous communication with the Intercolonial Railway and the railway systems of the Dominion"; as also the minute of the Executive Council of the 4th of August 1885 upon the same subject.

Whereupon the Executive Council in Committee recommend that a delegation be appointed to proceed immediately to the Colonial Office in London for the purpose of supporting the prayer of the said memorial.

They further recommend that the Honourable William W. Sullivan, Premier and Attorney-General, and the Honourable Donald Ferguson, Provincial Secretary, do compose the said delegation; and the Committee request that your Honour will be pleased to inform his Excellency the Governor-General of such appointment, in order that the delegates may be provided with an introduction to Her Majesty's Principal Secretary of State for the Colonies; and that your Honour will also be pleased to ask

his Excellency the Governor-General to inform the Right Honourable the Secretary of State for the Colonies of the appointment of such delegation.

Approved by his Honour the Lieutenant-Governor.

Certified a true extract.

(Signed)

R. F. DE BLOIS,

Clerk, Executive Council.

EXTRACT FROM MINUTES of the EXECUTIVE COUNCIL of PRINCE EDWARD ISLAND.

Council Chamber, January 14, 1886.

At a Meeting of the Executive Council in Committee.

Referring to the report of the Committee of the Executive Council of this date, approved by his Honour the Lieutenant-Governor, appointing the Honourable William W. Sullivan, Premier and Attorney-General, and the Honourable Donald Ferguson, Provincial Secretary, a delegation to proceed to London to support the prayer of the memorial to Her Majesty the Queen, adopted by the Legislative Council and House of Assembly in the session of 1885, relative to the non-fulfilment, by the Dominion Government, of the terms of confederation, in respect to steam communication between this Island and the mainland of the Dominion, the Executive Council in Committee recommend that your Honour do communicate by telegraph to the Right Honourable the Secretary of State for the Colonies a notification of the appointment of the said delegation, at the same time soliciting that Her Majesty's decision may be deferred until the delegates shall have had an opportunity of being heard in support of the prayer of the memorial; and also that your Honour inform his Excellency the Governor-General of the transmission of such despatch and request that his Excellency will likewise be pleased to telegraph to the Right Honourable the Secretary of State for the Colonies asking that Her Majesty's decision may be so deferred.

Approved by his Honour the Lieutenant-Governor.

Certified a true extract.

(Signed)

R. F. DE BLOIS,

Clerk, Executive Council.

No. 3.

MESSRS. W. W. SULLIVAN AND D. FERGUSON to COLONIAL OFFICE.

MY LORD,

London, March 1, 1886.

THE undersigned having, at the interview with which your Lordship honoured them on Wednesday last, been favoured by your Lordship with a copy of a Report of a Committee of the Honourable the Privy Council of Canada upon the joint address of the Legislative Council and House of Assembly of Prince Edward Island to Her Majesty the Queen, on the subject of the non-fulfilment, by the Dominion Government, of the Terms of Union with respect to communication between the Island and the mainland of Canada, desire to offer the following comments thereon:—

Your Lordship, whose successful administration of Colonial affairs is well remembered in the Dominion, in a despatch to Sir John Young, Governor-General of Canada, dated 4th September 1869, when commending the action of the Dominion Government in re-opening negotiations with the Island, with a view to its admission into the Confederation, used the following words:—

“I trust that in settling the terms proposed as the basis of this arrangement the Government will deal liberally as well as justly with the Island.”

The undersigned deeply regret that it has been found necessary to appeal to Her Majesty to obtain that justice, in the carrying out of the terms agreed upon, which has hitherto been denied the Island.

The Committee of the Privy Council of Canada give it as their opinion “that it is altogether improbable that any man who had seen the Straits of Northumberland; or

“ had any knowledge of the ice obstruction in mid-winter, could have supposed it possible to construct a steamer capable of crossing when the ice is at its heaviest in that season.”

The undersigned submit that the offer of continuous steam communication, summer and winter, was an entirely voluntary act on the part of the Dominion, made in 1869, when Canada endeavoured, at the instance of the Imperial Government, to induce Prince Edward Island to enter the Confederation, to which the inhabitants of the Island had previously been strongly opposed. The terms of Union then proposed were rejected by the Island; but upon a more favourable basis, in other respects, the Union was effected on 1st July 1873, the conditions containing the same stipulation for continuous communication as were offered in 1869. The undersigned have every reason to believe that the terms were concluded in good faith, and they submit that such terms should be carried out. Ample time has been afforded since the consummation of the Union to effect this communication, yet the undersigned must repeat the language of the memorial to Her Majesty, that “ no sufficient disposition has been shown by the Dominion Government to fulfil their obligations towards the Island in this matter.”

The first steamer which was engaged to attempt the crossing between Georgetown and Pictou was notoriously unfit, as the Committee of Council acknowledge. She possessed no qualification for the service, having been originally employed as a wood boat, and not having been constructed to receive steam machinery. After remaining on the route for two seasons, the Government were obliged to cancel the contract with her owner. The “Northern Light,” which was not designed for the service, was purchased by the Government in 1876, and placed upon the route; her incapacity for the work was early made manifest, and has been patent to the Government for many years, yet no steps have been taken to substitute a more efficient vessel or to supplement her with another steamer. Here the undersigned would call attention to a speech in the Senate in 1884, wherein Sir Alexander Campbell, one of the Sub-Committee whose names are signed to the report now under review, promised that a second steamer would be placed on the route to assist the “Northern Light.” Sir Alexander made use of the following language:—

“ The notice that the hon. gentleman from Charlottetown has given is that he will call the attention of the Government to the expediency of making timely preparation for replacing the steamship ‘Northern Light’ by a new vessel, combining such improvements in design and construction as modern experience dictates. In reply to the inquiry, I may say that the Marine Department has entered into a contract for the building of a wooden screw-steamer for lighthouse service in the maritime provinces, and it is intended to build this vessel with extra strong timbers, sheath her with green-heart, and plate her bows with steel or iron, so as to fit her for ice navigation, and to assist the ‘Northern Light’ when necessary. She will be ready for service in October next. It is also intended to repair the ‘Northern Light’ thoroughly next season, replacing all defective timbers and planks, and otherwise strengthening the vessel and fitting her thoroughly for winter navigation. There would then be, therefore, for the service of the Government in or near these straits, the ‘Northern Light,’ thoroughly restored and strengthened, and this new vessel which is now being constructed, and which is to be finished in October, so that the valuable suggestions of my hon. friend would be acted upon, and there would be another vessel there in the event of an accident happening to one of them.”

Strange as it may seem, the new vessel has never been employed to assist the “Northern Light,” although the latter was unavailable for service last winter from the 26th January to the 28th April, a period of 91 days.

It is true that a branch railway has been built to Cape Traverse, but it was not completed until January 1885, nearly three years after the appropriation for its construction, and nearly 12 years after the Island entered the Union. A pier has also been constructed at that point, but, until some natural obstructions are removed, it is available only for vessels of light draught, and a steamer cannot lie at it. A branch railroad is also in course of construction to Cape Tormentine in New Brunswick, but it is, even at this date, only about one-half finished, and, being in the hands of a private company, there is no certainty when it will be completed, notwithstanding that the Dominion Government have voted a subsidy to the undertaking. An appropriation was also made, some years ago, for the construction of a pier at Cape Tormentine; but, up to the present time, so far as is known to the undersigned, the site even has not been fully determined, and no attempt has ever been made to run a steamer at any season between Capes Traverse and Tormentine.

The Committee of Council assume that the Island Government were fully conversant with the whole action and plans of the Dominion Government towards improving the winter communication; yet the undersigned have reason to believe that the Dominion Government themselves were not fully advised of what was being done in the matter. Although a Committee of Parliament in 1883 recommended the erection of boat-houses at both Capes for the accommodation of the men engaged in the service, and for the shelter of the boats, they were not finished until the winter of this year. Sir Alexander Campbell, speaking in the Senate in 1884, said:—

“I am surprised to hear from my hon. friend opposite that the boat-houses have not been built. I called the attention of the Minister of Marine (Mr. McLelan) to the matter last Session, and he told me that the boat-houses would be provided. I shall again call his attention to that question, and to the various suggestions that have been made.”

Again, in the Parliamentary Session of 1885, Sir Alexander Campbell, speaking on the same subject, said:—

“My hon. friend from Prince Edward Island, who introduced the subject to the notice of the House, has, I think, just ground for complaint—ground for complaint, I am sorry to think, perhaps against myself, although really, as he has almost admitted, I am not responsible for the non-execution of the measures which from time to time I have been authorised by the Government to promise in this House. I remember quite distinctly the undertaking which I gave that the boat-houses should be constructed, one on each side of the ferry. I made that promise with the authority of the then Minister of Marine and Fisheries, and, as is my constant practice, the very day the promise was made, I wrote to the Minister of Marine and Fisheries that, pursuant to what he had told me, I made the promise, and that I hoped he would keep it in mind. I afterwards called attention to it, and there were reasons which were more or less sound—I can hardly say sound—which made the delay more or less excusable. It was thought for a time that the orders had been given, and that the boat-houses were in course of construction.”

The Dominion Government have totally neglected, ever since Confederation, to make any provision whatever for the transport of passengers when compelled to resort to the Capes route. While the contract with the ice-couriers stipulated for the carriage of mails, no arrangements were made for passengers, who were forced to effect the crossing as best they could, although the terms of Union require like provision to be made for passengers as for mails. The undersigned would remark that the benefits conferred by the Branch Railway to Cape Traverse are very questionable when it is understood that, after landing passengers at that point, the Government made no arrangements for carrying them across the Straits.

Nearly 13 years have elapsed since the Island became a member of the Confederation, and all that has been accomplished in the fulfilment of the guarantee to provide continuous communication has been the purchase, for the Georgetown-Pictou route, of a steamer, which, during the last five years, has been laid up an average of 70 *days* each winter, and the completion, on the Capes route, of a branch railroad 12 miles in length, only a small part of the distance intervening between the Island Railway and the Inter-Colonial Railway. Even the promises made by a Minister of the Crown (Sir Alexander Campbell) have received only tardy fulfilment, and his assurance that a steamer should be employed to assist the “Northern Light” has never been carried out.

Referring to the Report of the Committee of Parliament in the Session of 1883 to investigate the question of steam communication with the Island, the Committee of Council say that, after long and careful consideration of the subject, and the examination of persons, papers, and records, the Parliamentary Committee reported, on the 18th April 1883, in the following words:—

“It is the unanimous opinion of the Members of Committee, confirmed by the testimony of witnesses of large practical experience, that no steamships can be built capable of keeping up continuous communication in midwinter.”

The undersigned have examined the Report of the said Parliamentary Committee, and have failed to discover therein that they came to this conclusion.

The Island Legislature, in their Memorial to Her Majesty, having instanced the anxiety of the Dominion to fulfil its obligations to British Columbia, by the construction, at an enormous cost, of the Canadian Pacific Railway, as contrasted with the apathy and neglect exhibited in carrying out its pledged faith with Prince Edward

Island in the matter of continuous communication, the Committee of Council proceed to institute a comparison between the amounts contributed to the general revenue by British Columbia and Prince Edward Island, stating them at \$942,095.10 and \$193,478.66 respectively.

Before proceeding to remark upon this point, the undersigned desire to submit that the question of comparative contributions, on either side, is one altogether apart from the issue in this case, which is simply one of performing the terms of a most solemn compact.

There is a not unimportant factor which should enter into a consideration of the amounts contributed by the two Provinces, to which reference has been made. The Halifax Commission, sitting under the provisions of the Treaty of Washington, awarded Great Britain the sum of \$5,500,000, to be paid by the United States for the privilege of using, for twelve years, the fisheries in the waters of Eastern Canada and upon the coast of Newfoundland. This amount was duly paid by the United States to the Imperial Government, who, thereupon, handed over to Newfoundland the sum of \$1,000,000 as the share of that Island. Prince Edward Island, like Newfoundland, ratified the Treaty while a separate Province, and did not at the time of Confederation cede to Canada its right to compensation, and as the whole consensus of evidence before the Commission tended to prove that the fisheries on the coast of Prince Edward Island were the most valuable of any to which United States fishermen were admitted, the Island claimed the sum of \$1,250,000 as its share under the award. This demand, although frequently presented, the Dominion Government have steadily ignored, and have retained in the Federal Treasury the amount which the Island still claims as justly its right. The undersigned submit that, in any consideration of the contributions to the General Revenue, Prince Edward Island has a right to receive credit for the interest, at four per cent., upon the sum claimed, and which would amount annually to \$50,000.

The undersigned cannot refrain from expressing their surprise that the Committee of Council, aware as they must have been of the unequal circumstances of the two Provinces, should have adopted so unfair a comparison as that they propose now to review, and which is based upon partial and misleading returns. The positions of the two Provinces present no points of similarity. The figures quoted are for the year ended 30th June 1884. At that time British Columbia possessed no direct means of communication with the settled portions of the Dominion at any season of the year, and accordingly was compelled to purchase almost all its supplies directly from other countries. These imports all paid duty at the ports of entry in British Columbia, and the amounts collected are credited to that Province. With Prince Edward Island, however, the circumstances are vastly different. Owing to its proximity to the older Provinces, a very large proportion (at least three-fourths) of the dutiable goods which its people use is purchased from wholesale houses in Quebec, Ontario, Nova Scotia, and New Brunswick. As will be readily understood, the duties upon these goods are collected at the ports of entry, and go to swell the apparent contributions of the other Provinces to the Dominion Exchequer. The customs receipts, \$171,443.89 (quoted by the Committee of Council at \$170,863.40) represent only the duties upon the goods which the Island imports directly from countries outside of Canada, so that it is manifestly unfair, under such circumstances, to institute a comparison between British Columbia and Prince Edward Island. It is much to be regretted that the Dominion Government should labour under the grave misapprehension that the customs duties collected in the ports of a Province can at all indicate its contributions to the general revenue. By a parity of reasoning, the Metropolitan county of Middlesex in Great Britain might claim that it contributes the greater proportion of the customs revenues of the United Kingdom, while outlying or inland agricultural counties, such as Suffolk or Bucks, might be held as not yielding adequately to the Imperial Exchequer.

The difficulty of arriving at an absolutely correct calculation of the amount of dutiable goods which the people of Prince Edward Island consume cannot fail to be appreciated, yet the undersigned submit that there are several methods by which it may fairly be estimated. It must be premised that the people of the Island are very large consumers of dutiable goods, for the reason that, being chiefly engaged in agriculture and fishing, their manufactures are very small as compared with the rest of Canada, valuing, according to the last census returns, only \$31.33 per head to \$72.63 per head of the other Provinces.

In proof of the assertion that the people of the Island are principally engaged in agriculture and fishing, the undersigned would again advert to the Census Returns of 1881, which show that (the N.W. Territories not being included)—

One-half the area of Prince Edward Island is cultivated.

Only one-twenty-fifth of the other Provinces is cultivated.

Prince Edward Island has a population of 51 to the square mile.

The other provinces only 4·72.

Prince Edward Islands owns 55 animals of live stock for every 100 acres of improved land.

The other provinces only 38.

In field products, Prince Edward Island raises to the acre of improved land 108 $\frac{3}{4}$  bushels.

The other provinces only 61 $\frac{1}{4}$  bushels.

From the Fisheries, Prince Edward Island produces \$17·08 per head value.

The other provinces \$3·55.

The people of the Island are generally in comfortable circumstances, in proof of which may be adduced the amount of deposits per head in the Savings Banks, which averages \$16·59 for the Island against \$7·66 for the rest of the Dominion.

These figures clearly prove that the people of Prince Edward Island, from the fact of their not being extensive manufacturers, are under the necessity of using imported goods to a large extent, while the fertility of their soil, the value of their fisheries, and their general independence, demonstrate their ability to purchase. This being understood, the undersigned submit the following calculations, designed to show that the imports of dutiable goods into the Island are very much larger than suggested by the Committee of Council, and consequently the contributions to the revenue proportionately greater.

#### METHOD 1.

The average revenue of the Dominion from customs and excise, for the three years ended 30th June 1884, was \$27,603,479. The population of Prince Edward Island to that of the whole Dominion is in the proportion of 1 to 39·7. Upon this ratio, the Island's share of the customs and excise revenue would amount to \$695,301.

#### METHOD 2.

In 1872, the year before its admission into the Union, Prince Edward Island imported directly from countries beyond Canada goods valued at - - - -	\$1,372,581	
The duty on which amounted to - - - -		\$184,227
And from Canada, goods the growth and manufacture of other countries, valued approximately at - - - -	429,354	
The duty on which amounted to - - - -		\$89,168
	<u>\$1,801,935</u>	<u>\$273,395</u>

It will surely not be argued that, in thirteen years, with a large increase in population, the Island's imports from countries outside the Dominion have decreased from \$1,801,935 to \$822,966, or over 45 per cent., yet this would appear to be the contention of the Committee of Council.

In 1861 the imports of the Island amounted to \$1,021,669; in 1872 they had increased to \$2,459,064, or at the rate of 138·9 per cent. At the same rate, its imports from countries beyond the Dominion should have increased from \$1,801,935 in 1872 to \$4,304,824 in 1884, which, at the present average tariff (free and dutiable combined) of 18·64 per cent., would give a customs revenue of \$802,419.

#### METHOD 3.

It is a well-established principle that the imports and exports of a country bear a reasonable relation to each other. The imports of the Island for the 10 years preceding Confederation aggregated in value 3,543,147 $\frac{1}{2}$  sterling; the exports in the same period, 2,559,091 $\frac{1}{2}$  sterling, showing that the imports exceeded the exports by



about 100,000*l.* sterling or \$500,000 annually. The imports of the Dominion for the last 17 years aggregated in value \$1,732,983,486; the exports in the same period, \$1,390,946,803; showing that the imports exceeded the exports by about \$20,000,000 annually, or in the same proportion, according to population, as the imports of Prince Edward Island exceeded the exports in the years already quoted.

The exports of the Island have steadily increased during the last 25 years. In 1861 it exported to all countries goods valued at \$793,810, which had increased in 1872 to \$1,497,058, or at the rate of 88 $\frac{2}{3}$  per cent.

In 1872 the Island exported to countries beyond the Dominion goods valued at \$722,333, which had increased in 1884 to \$1,310,039, or at the rate of 81 $\frac{1}{3}$  per cent.

Apply this rate of increase to the Island's imports from countries beyond the Dominion in 1872, and we have, as a result for 1884, imports valued at \$3,267,509.

But the figures contained in the Dominion Trade and Navigation Returns do not represent the total exports of the Island to countries beyond the Dominion, inasmuch as a considerable proportion, being shipped through Nova Scotia and New Brunswick territory, is credited to the exports of those Provinces. The annual export of horses from the Island to the United States is not less than 1,500, valued at \$150,000. The Dominion returns for 1883-84 credit the Island with only 256, valued at \$27,486. This is but one instance of many. A considerable part of the large trade which the Island does in eggs with the United States is credited to New Brunswick, while fish and potatoes, which are largely exported to Newfoundland, St. Pierre, and the West Indies, are much of them credited to Nova Scotia, being shipped by way of Halifax. In view of these facts, it would be within the mark to estimate, as indeed the Committee of Council admit, that the Island's foreign export trade has doubled since 1872. Apply the same rate of increase to its imports from countries beyond the Dominion as they stood in 1872, and we have, as a result for 1884, imports valued at \$3,603,371, yielding under an 18 $\frac{1}{6}$  per cent. tariff, an annual revenue of \$671,668.

The exports of Prince Edward Island since Confederation have increased in a much larger ratio than have those of the Dominion, as the following figures will show:—

The total exports of the Dominion for 1871-2 were \$82,639,683; for 1883-4, exclusive of the Island, \$90,096,437, or an increase of only 9 $\frac{1}{2}$  per cent. as against 100 per cent., by which the Island's exports have increased in the same time.

To recapitulate the results of the various methods:—

Method I.	-	-	-	-	-	-	\$695,301
„ II.	-	-	-	-	-	-	802,419
„ III.	-	-	-	-	-	-	671,668
<hr/>							
Average annual contribution by the Island from Customs and Excise	-	-	-	-	-	-	723,129
To which add interest on the sum claimed as Island's share of Fishery Award (less amount expended for fishing bounties \$8,569)	-	-	-	-	-	-	41,430
<hr/>							
							\$764,559

This sum of \$764,559, the undersigned submit, should be accepted as closely approximating the annual contributions of Prince Edward Island to the Dominion Exchequer, and is much more likely to be within than in excess of the amount.

In proof of the assertion that a vast proportion of the dutiable goods which not only Prince Edward Island consumes, but Nova Scotia and New Brunswick as well, is imported from wholesale houses principally in the Province of Quebec, the undersigned present the following table, showing the amount per head apparently contributed to the Customs and Excise Revenues in the following Provinces in 1881 and 1884 respectively:—

	1881.	1884.
Quebec	\$7.29	\$7.54
Ontario	4.78	5.14
New Brunswick	4.84	4.93
Nova Scotia	4.00	4.77
British Columbia	13.09	19.10
Prince Edward Island	2.76	1.78

It is absurd to suppose that the foregoing figures represent the actual consumption, per head, of dutiable goods, by the people of the various Provinces; rather do they prove that Quebec is the great importing and distributing Province for the whole of Eastern Canada. The extraordinary percentage for British Columbia is due, as the undersigned have already pointed out, to the peculiar circumstances of that Province in being compelled to import, almost exclusively from countries beyond the Dominion, as well as to the inflation of trade, consequent upon the construction of the Canadian Pacific Railway and other large public works, no less than twelve millions of dollars having been expended thereon in 1885. Now that the Canadian Pacific Railway has been completed, it cannot be expected that the collections in British Columbia will be so large in the future as they have been in the past. As has been the case with Prince Edward Island, so it will be in that Province. While the Canadian Pacific Railway will pour into British Columbia British and West Indian goods, Quebec will continue to be the great importing and distributing Province, and in proportion as the Customs returns of British Columbia decrease, those of Quebec will increase.

The Committee of Council then proceed to make a comparison as between British Columbia, Manitoba, the North-West Territories, and the Island, their figures being as follows:—

Total revenue contributed by British Columbia, Manitoba, and the North-West Territories, \$1,833,698.86, as against Prince Edward Island, \$193,473.66.

The undersigned have only to remark that the same observations which they have applied to British Columbia hold good in the case of Manitoba and the North-West Territories. No direct communication existed between these portions of the Dominion and the rest of Canada when these returns were compiled, and consequently large imports of dutiable goods were made from the United States, with which country direct communication did exist. The immense inflation of trade consequent upon the construction, at so rapid a rate, of the Canadian Pacific Railway, upon which not less than 100 millions of dollars have been expended since 1881, accounts chiefly for the large returns from Manitoba and the North-West Territories, as well as from British Columbia.

The undersigned feel that no further arguments are necessary to prove that Prince Edward Island pays directly and indirectly into the Dominion Exchequer, Customs and Excise duties at least four times as great as that stated by the Committee of Council, while, if the annual interest upon the amount claimed by the Island as its share of the fishery award be included, its contributions will be still further in excess of the sum estimated.

As evidence of the desire of the Dominion Government to promote the interests of Prince Edward Island, the Committee of Council submit a table of the expenditure upon the Island in the year 1884, amounting in the aggregate to \$689,954.91.

Upon the first item, that of interest charged the Island on the Public Debt which the Dominion assumed, the undersigned observe that it is calculated at 5 per cent. As the whole amount of the Island bonds, which the Dominion assumed at the time of Union has been paid off, with the exception possibly of \$1,000, the undersigned consider that it is unreasonable to charge the Island 5 per cent. on her proportion of the Public debt, while the Dominion is able to borrow at 4 per cent., and while the latter is the average rate paid upon the aggregate debt of Canada. The difference between the two rates would cause a decrease in the amount charged of \$39,081.51.

In like manner interest is charged at 5 per cent. upon the capital expenditure on the Island railway. Calculating the interest at 4 per cent., would reduce the sum by \$5,789.20.

The undersigned observe also that the expense of operating the railway, in excess of the receipts, is charged at \$91,924.01. They desire to remark that this amount includes the sum of \$16,000 of extraordinary expenditure, which should not be debited to the Island, and they consider that it should be deducted.

The undersigned also observe that the subsidies to the steamers employed in the summer and winter service, and to the men engaged in the Capes crossing, amounting to \$32,876, are charged in full to the Island. This they consider unfair. Many of the inhabitants of the other Provinces derive equal advantages from this service with the people of the Island, and the means of communication provided are used to a much larger extent by the residents of the mainland than by those of the Island. The undersigned therefore consider it only just that a portion of the expenditure thus incurred should be charged to Canada, and submit that not more than one-half of the

sum expended in such connection should be debited to the Island, in which case an abatement would result of \$16,438.

The subsidy to Fishwick's steamboat of \$3,000 for communication between Halifax, Cape Breton, and the Island, the undersigned submit, has no right to be charged in full to the Island; they object to more than one-third of the amount being so debited, and then a further reduction would be effected of \$2,000.

These sums, which the undersigned consider should not in justice be charged to the Island, amount in the aggregate to \$79,308.71, thus reducing the expenditure for 1884, as stated by the Committee of Council, to \$610,646.20.

To recapitulate, the undersigned submit the following comparative statement of what the Island annually contributes to the General Revenue, and what it receives in return:—

Average annual contribution by the Island from Customs and Excise	-	-	-	-	-	-	\$723,129
To which add interest on the sum claimed by the Island as its share of the fishery award, less the sum paid for fishing bounties	-	-	-	-	-	-	41,430
							<u>\$764,559</u>
Sum claimed by Committee of Council to be annually expended on the Island	-	-	-	-	-	\$689,954	
Less amounts which undersigned contend should be deducted	-	-	-	-	-	79,308	
							<u>610,646</u>
Excess of annual contributions of Prince Edward Island over Dominion expenditure	-	-	-	-	-		<u>\$153,913</u>

In proof of the efforts of the Dominion Government to provide improved means of communication, the Committee of Council adduce various items of expenditure since Confederation, aggregating \$951,698. Among these items appears the sum of \$150,000, appropriated for the construction of a pier at Cape Tormentine, *which has not been expended*, the site, so far as the undersigned are aware, not having yet been finally determined. Another item is that of \$118,400 subsidy for the construction of a branch railway to Cape Tormentine. This road is only about half completed, and the subsidy *paid* up to November last, when the Report of the Committee of Council was adopted, did not exceed \$20,000. Neither do the undersigned consider that the whole of this subsidy should be charged against the Island. The work is situate in the Province of New Brunswick, and must be presumed to be of great benefit thereto, otherwise a private Company would not undertake to build it without any previous assurance of assistance from the Federal Government. Besides, the subsidy has only been granted in accordance with a policy pursued by the Dominion Government of giving aid to certain lines of railway on the mainland. The sum of \$12,400 to pay the Island Government for a pier at Cape Traverse, is also included in the expenditure, though at the time the Committee of Council made their report that amount had not been *paid*. Another item is for cable service, which doubtless means the subsidy of 400*l.* sterling annually paid to the Anglo-American Telegraph Company. As the assumption of this subsidy by the General Government was under a distinct and separate article of the terms of Confederation, and has no connection with communication by steam across the Straits, the undersigned object to its being included in the expenditure for the improvement of steam communication. This subsidy for twelve years amounts to \$23,372. The Committee of Council include also in their memorandum the subsidies for the summer mail service and for the winter crossing at the Capes. As similar amounts were paid by the Island Government previous to Confederation, and as they represent only the cost of maintaining the communication which the Island had before the Union, the undersigned cannot admit that they should be included as expenditure for *improving* the means of communication.

The undersigned consider that these various items to which they have taken objection should be deducted from the amount which the Committee of Council claim to have been expended, when the memorandum of expenditure would read as follows:—

Amount claimed to have been expended	-	-	-	\$951,698
Deduct for Cape Tormentine Pier, not expended	-	-	\$150,000	
Allow one-half paid as subsidy to Cape Tormentine Branch Railway, and deduct balance	-	-	108,400	
Deduct half of summer mail and ice-boat service	-	-	196,073	
Deduct for Cape Traverse Pier	-	-	12,400	
Deduct cable service	-	-	23,372	
			<hr/>	\$490,245
Leaving	-	-	-	<hr/> \$461,453

as the amount *actually expended* within the last 12 years to meet the wishes of the Island, and to give improved means of communication with the mainland.

In the foregoing pages the undersigned have endeavoured to show, and, as they consider, have clearly established—

(1.) That the Dominion Government voluntarily, and without any solicitation on the part of the Island, covenanted to provide continuous communication, by efficient steam service, winter and summer, between the Island and the mainland; that this engagement they have entirely failed to carry out. Further, that the Dominion Government have never, up to the present winter, provided in any manner for the transport of passengers, when obliged to resort to the Capes route, where they have not even attempted the use of steamers; that they have failed to carry out the promises made by their Ministers to the representatives of the Island; and, generally, that they have displayed great inactivity and reluctance to improve such communication as has been afforded.

(2.) That the Committee of Council have erred in representing that the Dominion expenditures exceed by more than three times the amount received from the Island, the undersigned having plainly demonstrated, as they believe, that the Island contributes to the Dominion Exchequer an amount far in excess of what is expended.

(3.) That the amount which the Committee of Council claim to have been expended by the Dominion Government in the improvement of the means of communication with the mainland is largely in excess of the sum actually paid therefor.

Referring to other points, the Committee of Council state that “since the Union, a subsidy of \$10,000 a year has been paid by the Dominion Government to the Prince Edward Island Steam Navigation Company, to run steamers daily during the season of open navigation, from Shediac in New Brunswick to Summerside on the Island, and from Pictou in Nova Scotia to Charlottetown and Georgetown.” The undersigned desire to correct a misapprehension under which the Committee of Council seem to labour, that daily communication exists between Nova Scotia and the Island. This is not the case, as the steamers connect with Pictou only four times a week. Lest it might be inferred that the payment of \$10,000 a year for this service was under a recent agreement entered into by the Dominion Government with the Steam Navigation Company, the undersigned desire to say that such agreement was made by the Island Government previous to Confederation, and the Dominion, in now paying that amount, is only carrying out that agreement.

The statement of the Committee of Council that “previous to the Union paddle-wheel steamers were employed” might lead to the supposition that since then the Dominion Government have obtained the substitution of screw-steamers. The undersigned desire to say that the identical boats which plied on the route for nearly 10 years previous to the Union are still the only ones employed in that service.

Adverting to the report of the Committee of Parliament in 1883, upon the best means of improving the communication between the Island and the mainland, the undersigned find that many recommendations were made, upon which they desire to offer some remarks.

That Committee recommended that the crossing at the Capes should be undertaken by the Government rather than let by contract, yet this suggestion was not acted upon until the present winter.

In regard to the ice-boat service at the Capes, the Committee of Parliament recommended that stations for observation and signal service should be adopted for the guidance of the boats while crossing. No such stations have been provided.

The Committee of Parliament also stated it as their opinion, from the evidence before them, that a small screw-steamer could be used during a considerable portion of the winter in connexion with the ice-boats, and could be safely docked in the board ice when not at work, and they recommended the Government to take measures to test, by actual experiment, the feasibility of this project. No such steamer has

been provided, nor has any attempt been made to test the practicability of such a project.

The Committee of Parliament further reported that the boats of the Steam Navigation Company, subsidised by the Dominion Government, were altogether inadequate to perform the work required of them; that being driven by paddle-wheels they are not capable of contending with ice, and that suitable screw-boats could continue crossing about three weeks later in the fall, and commence two or three weeks earlier in the spring, and they recommended that good substantial boats should be provided to meet the requirements of the Island, and that at least one of these boats should be a screw boat, of such construction as would enable her to run as late in the fall and as early in the spring as a proper regard for the safety of life and property would permit.

This recommendation has been wholly disregarded, and, notwithstanding the fact that the contract with the Steam Navigation Company expired two years ago, the same paddle-wheel boats which have been engaged in the service for the last 22 years are still employed.

The Committee of Parliament further recommended that, inasmuch as the evidence taken before them went to show that the "Northern Light" was fast becoming unfit for service, another suitable steamer should be provided to take her place.

This recommendation has also been disregarded, the "Northern Light" being still employed, and although she annually undergoes some repairs her seaworthiness is open to grave question.

The undersigned have thus deemed it necessary to call attention, at considerable length, to the indifference shown by the Dominion Government to the recommendations of a Committee of Parliament who, the Committee of Council state, reached their conclusions "after long and careful consideration of the subject, and examination of persons, papers, and records."

The Committee of Council say that "the change from sailing vessels to steamers for summer appears to have been the only improvement effected by the Island Government, in their means of communication in 50 years, although having control of a larger sum in revenue than the Island now pays into the Dominion." The unfairness of the latter part of this statement the undersigned having already pointed out, they need not again refer to it. They would merely remark that the promise to overcome the obstructions which, for so large a portion of the year, had cut the people of the Island off from connection with the mainland, was one of the principal inducements for them to enter the Union, and they considered that by confederating with Canada the co-operation of many of the people of the other Provinces, who were interested equally with the people of the Island, would be secured.

The Committee of Council state that during the last two seasons the average number of passengers in each crossing of the "Northern Light" was only a fraction over nine. While not disputing the correctness of this calculation, it is instructive to note that, about three years ago, an order was issued by the Department of Marine, restricting the number of passengers upon any trip to thirty. The making of such an order, the undersigned submit, is sufficient proof that, at times, the passenger travel is large; indeed, the steamer has occasionally carried from 80 to 100 persons. It may be remarked that the officers of the "Northern Light" have found it impossible to enforce the order restricting the number of passengers to 30, and that it has remained inoperative almost ever since its promulgation.

On this point the undersigned desire to introduce an extract from a speech delivered last Session, in the Senate, by the Hon. Mr. Haythorne, wherein he called attention to the very large number of passengers crossing at times in the "Northern Light," and to the want of accommodation afforded by that steamer. He spoke as follows:—

"On my return home from my duties in this House last spring, I was detained on the mainland for two or three days awaiting a change of weather which would enable the 'Northern Light' to come to Pictou. A telegram informed us that she had left Georgetown on her passage. Ultimately she arrived, bringing, as it was said, about 100 passengers. The point to which I wish to draw the attention of the House, and particularly the attention of the Government, is, that there were from 75 to 87 passengers on board on her return; my hon. friend who sits opposite (Mr. Montgomery) says there were 87 passengers on board; but this I have no hesitation in saying, there was barely standing room, to say nothing of sitting accommodation, which one expects to find in a passenger steamer. Hon. gentlemen might suppose that there was a simple remedy for this, by instructing the captain not to take more than a certain number of passengers on board. Well, that of course would be a remedy, but it would be a vast

inconvenience ; and it would be something more,—it would be a cruel thing,—because it is within my knowledge that, last spring, numbers of poor people were waiting for a passage across, and they had not the means to pay their expenses if they had been long detained there. I was informed that some of them went out and sought work while waiting for the arrival of the ‘Northern Light’; and therefore, while taking fewer passengers might be a remedy for the danger, it would be cruel, when the Government have another vessel, fully capable of assisting the ‘Northern Light,’ to detain passengers there.”

The Committee of Council state that the small passenger list of the “Northern Light,” and the large annual deficit in working the Island Railway, are the best evidence of the limited travel to be provided for. The undersigned submit that this argument constitutes no justification for the failure of the Dominion Government to carry out their obligations to the Island. So long as communication with the mainland is at all certain, the traffic is large, but with the irregular movements of the “Northern Light,” and the doubt that exists as to her seaworthiness, it is not extraordinary that travel and traffic are limited. So far as the Island Railway is concerned, traffic is restricted, for the reason that, after the close of navigation, no shipments can be made from the Island. Were the Island’s communication with the Intercolonial Railway and the other railways of the Dominion continuous, as Canada solemnly promised it should be, the case would be different.

The Committee of Council desire it to be borne in mind that the Dominion Government did not undertake the carrying of agricultural produce nor freight of any kind, although they have at all times afforded facility for the transport of any freight offering. The facility afforded may be judged of when it is explained that the freight capacity of the “Northern Light” is not more than 200 barrels. But while it is true that the Dominion Government did not expressly undertake the carrying of freight, it is well known that freight traffic is more remunerative than passenger traffic, and that if a larger and more powerful steamer had been provided, having increased cargo room, the returns would have been much greater, and the outlay proportionally less.

The Committee of Council say that “it will be claimed on behalf of the Island that the population consumes goods the produce of the mainland, but that, while this is true, the same occurred previous to the Confederation;” and they proceed to quote the value of the imports of the Island from the Dominion in 1872, upon which duties were collected, at \$1,067,480. The undersigned desire to say that this amount accurately represents the value of the Island’s imports in 1872 from and through the Dominion of Canada, but that in those imports there were included dutiable goods the growth and manufacture of other countries valued at \$371,163, as also articles on which the Island levied no duty, valued at \$58,190; so that, these amounts being deducted, the sum of \$638,127 would represent the real value of our imports from the Dominion.

The Committee of Council state that the total value of goods entered for consumption in Prince Edward Island from all countries, in 1872, was \$1,605,241. The undersigned cannot conceive where such information was obtained. They have carefully examined the Trade Returns of the Island for that year, and they find that the total imports into the Island amounted in value to \$2,439,078, nearly if not all of which were entered for home consumption. The undersigned must express their regret that so grave a misapprehension should be entertained by the Committee of Council as to the trade of the Island.

The Committee of Council say that “no doubt the same inter-provincial trade continues with this change in favour of Prince Edward Island—that the goods from the other provinces are now free of duty, whilst, previous to the union, they paid duties the same as on importations from other countries.” There can be no doubt that inter-provincial trade continues, as the present tariff of the Dominion is framed with the special view of encouraging manufactures. This trade is, however, much more advantageous to the other provinces than to the Island, as it is impossible that manufactures can be carried on on the Island to any great extent while regular communication with the mainland is interrupted for over four months of the year. That the people of the Island obtain certain goods from the other provinces free of duty is true; but the statement is, nevertheless, misleading. Protected by a high customs duty, the Quebec or Ontario manufacturer is able to obtain in many lines of goods, prices nearly, if not altogether, equal to the cost and duty of the same goods of British or foreign manufacture. Situated as Canada is, and having a view to the infant state of her manufactures, and the tariff policy of the United States, the undersigned believe the fiscal policy of Canada to be a justifiable one; but, while the terms

of union in the matter of steam communication remain unfulfilled, the people of the Island are precluded, to a considerable extent, from participating in the benefits which that policy is calculated to confer.

The Committee of Council, while admitting that the Island may have felt inconvenience from the interruption in the trips of the "Northern Light," yet consider that the material interests of the province have not greatly suffered, owing to the fact that its exports to foreign countries have nearly doubled from 1872 to 1884. The undersigned fail to comprehend why this argument should be admitted in justification of the failure of the Dominion Government to carry out the terms of union. That the Island has improved is notwithstanding the inaction of the Dominion Government, and its progress is due to its natural resources and the great industry of its people, and tends to show how much greater its prosperity would have been had it enjoyed the continuous communication which was guaranteed it, and which it had a right to expect. The Island's contributions to the Federal Treasury in excess of the expenditure, together with the money which has been uselessly expended upon the inefficient communication afforded, would very probably be adequate to defray the interest upon a sum necessary to construct a work which would effectually overcome its isolation. Here the undersigned desire to say that the Ministry of Prince Edward Island, so far from regarding the Canadian Pacific Railway as a local work for the benefit of British Columbia only (as alleged by the Committee of Council), have always warmly supported the present Administration of the Dominion in their policy of constructing that great national highway; and all that they now ask is that a work of vast importance, not only to the Island but to the whole of the Dominion, as solemnly guaranteed as was the railway to British Columbia, should be undertaken and brought to a successful completion.

Within the last few months a scheme has been proposed which, it is claimed, will successfully remove the disabilities from which the Island has so long suffered. Engineers of the highest standing in America, and whose reputations are well established in Great Britain, have given it as their opinion that it is practicable to lay a metallic subway across the Straits of Northumberland, through which railway communication could be effected, and that the cost of such an undertaking would not exceed a sum which it would not be unreasonable to ask the Government of Canada to expend. During the past summer, soundings were taken, and the bed of the Straits was found to be admirably adapted for the laying of the tube, the Admiralty charts corroborating the results of the examination which was made.

The Committee of Council speak of the "liberal treatment" of the Island by the Dominion Government, and that it has received especial consideration, on account of its isolated position, though possessing a population less than some cities on the mainland. To this statement the undersigned desire to except. They have clearly proved, as they believe, that Prince Edward Island contributes to the general revenue more than is returned in expenditure. To the unfortunate misapprehension that the Island is being treated with exceptional liberality, and that it does not return to the general revenue one-third of the amount expended, is probably due the invidious distinction made by the General Government in the remuneration of their officials on the Island. The same erroneous impression has possibly influenced the General Government in declining, up to the present time, to maintain many of the public piers in the province, although expressly bound to do so by the British North America Act.

The Committee of Council say "the 'Northern Light' was placed at Charlottetown as head-quarters; her officers and crew are inhabitants of the Island, and her unceasing and hazardous efforts to make communication in the severest weather cannot be unknown to the Island Government." The Committee of Council seem to entertain the idea that the officers and crew of the "Northern Light," being Island men, are consequently bold enthusiasts, and would be willing to incur great risk in the effort to maintain communication with the mainland. The undersigned desire to remark that, whatever zeal the officers of the "Northern Light" have displayed in the performance of their duties, their ardour must have been considerably dampened by the instructions which were issued some time ago by the Department of Marine, and which are as follows:—

"Capt. FINLAYSON, steamer 'Northern Light.'

"Ottawa, January 16, 1883.

"Telegram received urging Department order you run. Responsibility is with you. Expect you to run no undue risks.

"A. W. McLELAN."

Two days later, on receipt of a telegram from Capt. Finlayson asking instructions, the following was sent him:—

“ Capt. FINLAYSON, steamer ‘ Northern Light.’

“ Ottawa, January 18, 1883.

“ With knowledge of ice, you must be judge, and held responsible for safety of boat. Incur no undue risks.

“ WM. SMITH.”

“ SIR,

“ Ottawa, January 12, 1884.

“ REFERRING to my letter of 14th December 1882, I have again to instruct you to use your own judgment as to whether the ‘ Northern Light’ should run, and you are to incur no risk whereby the safety of the vessel may be endangered by being caught in the ice. No risk also is to be incurred for the purpose of carrying over any particular passenger or passengers, and the Department expects that you will use your judgment in all matters affecting the running of the boat, and will hold you responsible for her safety.

“ WILLIAM SMITH,

“ Deputy Minister of Marine.”

“ Capt. A. Finlayson,

“ Northern Light.’

The undersigned submit that these instructions were quite sufficient to discourage and deter the officers of the “ Northern Light” from making those strenuous effort to effect a crossing which otherwise they might have been disposed to do.

Under the British North America Act, and the terms agreed upon subsequently, with the various provinces, Canada undertook to effect the following great public works, with the object of connecting, by the bonds of commercial relationship, the political union which had been entered into, viz. :—The Canadian Pacific Railway, the Intercolonial Railway, the deepening and widening of the great canals, and communication by steam, winter and summer, with Prince Edward Island. The first three of these undertakings have been carried out with the cordial concurrence and support of the people of Prince Edward Island. The sum of about \$43,000,000, a much larger amount than was anticipated, has been spent on the Intercolonial Railway, and although that road has not yet paid more than working expenses, the General Government have granted large subsidies to a competing line of railway. The people of Prince Edward Island are very far from objecting to the faith of the country being maintained inviolate, and to liberal expenditure being made for necessary public works, and have cheerfully borne their share of the burdens, but they do complain that the communication guaranteed them by the terms of confederation is not provided, although the expenditure necessary to do so would be very small compared with the enormous outlay incurred on the other public works to which the undersigned have referred.

With regard to the claim for compensation by reason of the non-fulfilment of the terms of confederation, the undersigned submit that a review of the facts adduced will conclusively show that the Island has suffered great loss, and is therefore entitled to indemnity. Should further evidence on this point be needed, the undersigned will be pleased to supply the same, as well as to furnish any other information that may be required by your Lordship in order to a full consideration of the whole case:

We have, &c.,

The Right Hon. Earl Granville, K.G.,  
Secretary of State for the Colonies.

(Signed) W. W. SULLIVAN:  
D. FERGUSON.

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No. 4.

COLONIAL OFFICE to the HIGH COMMISSIONER FOR CANADA.

SIR,

Downing Street, March 8, 1886.

You are probably aware that a delegation was recently appointed by the Government of Prince Edward Island to proceed to this country and lay before the Secretary of State for the Colonies the views of the Provincial Government with regard to certain questions in dispute between that Government and the Government of the Dominion respecting the establishment of steam communication between the Island and the mainland.



The members of the delegation, Mr. W. Sullivan, Premier and Attorney-General, and Mr. D. Ferguson, Provincial Secretary, have had an interview with Earl Granville, and have submitted to his Lordship the statement\* of which a copy is enclosed. It is presumed that you are already in possession of the report of the Dominion Privy Council to which this statement is a reply.

It would give Lord Granville much gratification if he could be instrumental in promoting some satisfactory and amicable arrangement of this dispute, and he would be glad if you would assist at a discussion of the question with the delegates at this office.

His Lordship understands that you have no objection to such an interview, and he wishes me to state that he will be happy to see you on Friday next at 3 p.m. if that occasion will suit your convenience.

The High Commissioner for Canada. I am, &c.,  
(Signed) EDWARD WINGFIELD.

## No. 5.

COLONIAL OFFICE to MESSRS. W. W. SULLIVAN AND D. FERGUSON.

GENTLEMEN,

Downing Street, March 9, 1886.

I AM directed by Earl Granville to acknowledge the receipt of your letter of the 1st instant\* relative to the question of the establishment of steam communication between Prince Edward Island and the mainland.

I am to state that his Lordship would be glad if it should suit your convenience to meet him at this office on Friday next at 3 p.m. His Lordship has invited Sir Charles Tupper to attend for the purpose of informally discussing the matters referred to in your letter.

W. W. Sullivan, Esq. I am, &c.,  
D. Ferguson, Esq. (Signed) ROBERT G. W. HERBERT.

## No. 6.

The HIGH COMMISSIONER FOR CANADA to COLONIAL OFFICE.

9, Victoria Chambers, London, S.W.  
March 11, 1886.

SIR,

I HAVE the honour to acknowledge the receipt of Mr. Wingfield's letter of the 8th instant† with reference to the delegation appointed by the Government of Prince Edward Island, which has recently arrived in this country to lay before the Secretary of State for the Colonies the views of the Provincial Government with regard to certain questions in dispute between that Government and the Government of the Dominion respecting the establishment of steam communication between that Island and the mainland.

In reply, I beg to acquaint Earl Granville that I shall be glad to comply with the request of his Lordship by assisting at a discussion of the question with the delegates, it being of course understood that I have no power to commit the Canadian Government to anything in the premises. I shall, therefore, do myself the pleasure of attending at the Colonial Office on Friday next at 3 p.m., as suggested.

The Under Secretary of State, I am, &c.,  
Colonial Office. (Signed) CHARLES TUPPER.

No. 7.

## The HIGH COMMISSIONER FOR CANADA to COLONIAL OFFICE.

9, Victoria Chambers, London, S.W.,

DEAR SIR ROBERT HERBERT,

March 12, 1886.

I BEG to send you, for the information of Lord Granville, a memorandum I have prepared on the subject of the steam communication between Prince Edward Island and the mainland, in reply to the letter from Messrs. Sullivan and Ferguson to his Lordship, dated March 1st, in which they comment upon the report of a Committee of the Privy Council of Canada, upon the joint Address of the Legislative Council and House of Assembly of Prince Edward Island, to Her Majesty the Queen.

No instructions have reached me from my Government upon the subject, and the views expressed in the memorandum are based upon my own knowledge of the facts of the case, but I venture to transmit it in the hope that Lord Granville may be able to peruse it before the meeting which takes place this afternoon.

I have, &c.,  
(Signed) CHARLES TUPPER.

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Enclosure in No. 7.

## PRINCE EDWARD ISLAND.

MEMORANDUM by Sir CHARLES TUPPER on the observations submitted by the PRINCE EDWARD ISLAND DELEGATES to EARL GRANVILLE in their Paper of March 1, 1886.

The rejoinder, addressed to Earl Granville, of the Prince Edward Island Delegates, Messrs. Sullivan and Ferguson, to the report of the Committee of the Privy Council of Canada respecting the memorial to Her Majesty on the subject of the communication between the island and the mainland, commences by a general justification of the memorial in question.

They then quote from the report of the Committee of the Privy Council, Messrs. McLelan and Campbell, "that it is altogether improbable that any man who had seen the Straits of Northumberland, or had any knowledge of ice obstruction in mid-winter, could have supposed it possible to construct a steamer capable of crossing when the ice is at its heaviest in that season." They do not, however, comment upon this statement, or deny it, but content themselves by remarking that the offer of continuous steam communication, summer and winter, was entirely a voluntary act on the part of the Dominion, and they submit that it should be carried out. They do not contend that it is practicable to do so, but merely repeat the language of the memorial to Her Majesty that "no sufficient disposition has been shown by the Dominion Government to fulfil their obligations towards the island in this matter." Then they state the failure of the first vessel employed in 1874 and 1875, the "Albert." The unsuitability of the "Northern Light," put on the service in 1876, is also commented upon, and it is added that "she was not specially designed for the service." The report of Messrs. McLean and Campbell gives a clear answer to the allegations so far mentioned. In the first place they point out, very fairly, that prior to Confederation there was a regular service during the summer season, but that for five months or more, during the latter part of the autumn, the winter, and the early spring, there was no steam service at all, the mails, and presumably passengers, being carried by ice boats from Cape Traverse to Cape Tormentine, and thence by sleigh to Amherst, the land carriage being 52 miles, and the distance from Cape to Cape 9 miles. This appears to demonstrate very clearly that the Island Government had not found "continuous steam service" practicable during the winter season, otherwise the assumption is that they would have adopted it before Confederation. But they appear to imagine that all the difficulties which to them had been insurmountable, should have entirely vanished when the island joined the Dominion. In the circumstances, the phrase "continuous steam service" might fairly and properly have been accepted with the qualification "as far as practicable," and the obligations have been carried out by the

Dominion Government in this spirit. The impossibility of continuous steam communication in mid-winter has been fully demonstrated, as pointed out by Messrs. McLelan and Campbell, but the efforts of the Dominion have been so far successful as to reduce the period of interruption to an average of one-third of what it was previous to the Union. Messrs. Sullivan and Ferguson say that the "Northern Light" is not suitable for the service, and was not specially designed for the work. They apparently forget that in the joint address to the Governor-General from the Legislative Council and House of Assembly in 1881, this same vessel is spoken of as having been "constructed expressly for the work, and placed upon the route," although complaint was made of the irregular and unsatisfactory trips she made. Upon this point Messrs. McLelan and Campbell say:—"The Dominion Government, after a most careful and anxious inquiry, contracted with a Mr. Sewell, of Quebec, to complete a powerful steamer on a model specially designed for ice service. In December 1876 this steamer, named the 'Northern Light,' was completed and placed upon the route between Pictou and Charlottetown, and has been maintained each winter to date at an aggregate cost, including construction, of \$249,956.57."

No representation appears to have been made in the matter to the Dominion Government until 1881, although the "Northern Light" was put on in 1876. Messrs. Sullivan and Ferguson state the average period the vessel is unavailable during the winter as 70 days; in the Address to Her Majesty 64 days is given, and the Parliamentary Committee at Ottawa in 1883 gave 48 days as the average. The latter also said in their report that "the daily records kept by the captain of the 'Northern Light,' and the testimony given by the officers show that the heavy ice encountered was the cause that compelled him to discontinue crossing in mid-winter;" and further, that "the evidence of the officers examined is also to the effect that the steamer is not sufficient to overcome the difficulties of the winter navigation, and although they suggest slight improvements on her model, which would better fit her for the purposes for which she was intended, still are unanimously of opinion that no steamship can be built capable of keeping up continuous communication in mid-winter between the island and the mainland." They add, "We examined personally several gentlemen of large practical experience in crossing from the island in the winter season, all of whom confirm the above, and whose evidence is hereto appended." This Committee consisted of three representatives from Prince Edward Island, and two from the mainland, and surely their opinions are worthy of credence, and justify the contention of the Dominion Government that the utmost has been done to carry out the terms under which the island entered the Union. Messrs. McLelan and Campbell in their report also say, "If continuous steam communication has not been maintained, it is certainly not because the Dominion Government sought to avoid expense. The 'Northern Light' is as large and as powerful a steamer as experience in Arctic exploration has proved advisable, and she is kept on full expense, equipped and ready to run at all times during the entire winter, and, were it possible to do so, no additional expense would be incurred, except for fuel, whilst the cost of the ice-boat service would be saved, and the construction of railways, piers, and boat-houses to and at Capes Traverse and Tormentine, rendered unnecessary." The Government have, it may be added, spent, or are committed to spend, about \$951,698 in connexion with the communication between Prince Edward Island and the mainland. The remainder of the rejoinder addressed to Lord Granville refers to other matters, some of which do not directly refer to the questions at issue.

Messrs. Sullivan and Ferguson call attention to the speech of Sir Alexander Campbell in the Senate in 1884, respecting the provision of one of the lighthouse steamers to supplement the "Northern Light" during the winter, which certainly seems to have been promised. Considering the narrowness of the Strait, it appears doubtful if a second steamer would be of much advantage, but in any case there is no mention of the matter in the papers in the possession of the High Commissioner for Canada.

They admit, as Messrs. McLelan and Campbell contended, that a railway to Cape Traverse had been built and a pier constructed, although stating that the latter requires some alterations; also that the railway to Cape Tormentine is being made with the aid of a large subsidy from the Dominion Government. Complaint is made that although an appropriation has been made for a pier at Cape Tormentine, its construction has not yet been commenced. But the Dominion Government have said that it will be built, and no doubt the delay is owing to the time taken in laying the railway with which it will be connected.

Messrs. Sullivan and Ferguson combat the statement of Messrs. McLelan and Campbell, that the Island Government were fully conversant with the whole action and plans of the Dominion Government, and raise a question respecting the erection of boat-houses in which some delay occurred. The boat-houses were, however, finished last year, and the criticism mentioned, therefore, seems in this view to be rather captious, especially as nothing is said in the same paragraph about the railway and pier at Cape Traverse, and the railway to and the pier at Cape Tormentine which the Government have warmly taken up, and of which it must be presumed the Island Government were fully informed.

It is stated also by Messrs. Sullivan and Ferguson that "the Dominion Government have totally neglected, ever since confederation, to make any provision whatever for the transport of passengers when compelled to resort to the Capes' route." In explanation of this may be quoted an extract from a letter that has recently been received from Mr. McLelan, the late Minister of Marine and Fisheries of Canada. 'The 'Northern Light' made regular trips this season until the 27th January, or some time last week. I took (as Minister of Marine and Fisheries) charge of the crossing at the Capes, and there is now a good organisation and equipment. The delegates crossed by that route, and I believe they said it was the first time that they had ever been brought over—that is, they had on all previous occasions to work their passage."

Messrs. McLelan and Campbell, in referring to the Parliamentary Committee of 1883, state "It is the unanimous opinion of members of the Committee, confirmed by the testimony of witnesses of large practical experience, that no steamships can be built capable of keeping up continuous communication in mid-winter." Messrs. Sullivan and Ferguson say: "The undersigned have examined the report of the said Parliamentary Committee, and have failed to discover therein that they came to this conclusion." This may be literally correct, but the actual wording of the report quoted below of the Committee, shows that Messrs. McLelan and Campbell had every foundation for making the statement. "The evidence of the officers examined is also to the effect that the steamer is not sufficient to overcome the difficulties of the winter navigation, and although they suggest slight improvements on her model, which would better fit her for the purposes for which she was intended, still are unanimously of opinion that no steamship can be built capable of keeping up continuous communication in mid-winter between the island and the mainland." "We examined personally several gentlemen of large practical experience in crossing from the island in the winter season, all of whom confirm the above, and whose evidence is hereto appended."

Messrs. Sullivan and Ferguson in their rejoinder deprecate the action of Messrs. McLelan and Campbell in comparing the amounts contributed to the revenue by British Columbia and Prince Edward Island respectively. But they should remember that the controversy was started in the memorial to Her Majesty by drawing attention to the treatment the former province was said to have received by the rapid construction of the Canadian Pacific Railway, although its population of white people was comparatively small. It would have been far better had the special question at issue been dealt with upon its merits; but for the departure from this sound principle the Dominion Government cannot be blamed.

Messrs. Sullivan and Ferguson dispute altogether the accuracy of the proportion of the revenue of the Dominion contributed by the island as specified by Messrs. McLelan and Campbell, but before going into details they remark that in any such calculations interest should be allowed on \$1,250,000, the proportion of the Halifax Fishery award claimed by the island, which they say would annually amount to 50,000 dols. It must be remembered, in the first place, that the position in this matter of Prince Edward Island is precisely the same as that of Nova Scotia and New Brunswick, and different to that of Newfoundland, which has not joined the Confederation, and is, therefore, a separate Colony. Prince Edward Island has been treated similarly to the other maritime provinces in every respect, and has shared in the general benefit derived from the measures taken by the Government in connexion with the fisheries, and has participated in the payments of bounties to fishermen. Messrs. Sullivan and Ferguson do not appear to be aware also that prior to Prince Edward Island joining the Confederation the island made arrangements with the United States in regard to the inshore fisheries differing from those made by Canada. In fact they allowed the United States fishermen to share the inshore fisheries on the unratified understanding that the exports of fish to the United States should not be charged duty, or in any case that any duty charged should be refunded: When the American Government

refused to ratify these arrangements, the Dominion Government refunded the duties to Prince Edward Island, and this should be taken into consideration in connexion with the matter.

The long discussion entered into by Messrs. Sullivan and Ferguson with the object of showing that the revenue contributed by the island to the Dominion, as stated in the Trade and Navigation Returns, is incorrect, and gives an inaccurate idea of the actual position of the island in this respect, opens up an interminable source of argument. Messrs. McLelan and Campbell quote this revenue as \$193,474, as against \$942,095 in British Columbia, and \$891,683 in Manitoba and the North-West. Messrs. Sullivan and Ferguson base their objections to the figures on the ground that the island's imports, upon which the revenue is collected, come from countries outside Canada, and that since Confederation a very large portion of the articles consumed come from the maritime provinces and Quebec and Ontario, having already paid duty in those provinces, which should in any revenue calculations be credited to the island. They proceed to make hypothetical estimates of the actual imports and of the actual revenue on various bases, assuming the importations had been made direct, and chargeable at an average duty of 18.64 per cent. By these methods they bring up the revenue contributed by the island to \$764,559 as the average of three calculations. Then, the larger figures of British Columbia and Manitoba and the North-West territories are accounted for by stating that at that time (1884) British Columbia possessed no direct means of communication with the settled portions of the Dominion at any season of the year, and accordingly was compelled to purchase almost all its supplies directly from other countries. These imports all paid duties at the ports of entry in British Columbia, and the amounts collected are credited to that province. The same reasons, they allege, also apply to Manitoba and the North-West territories. This does not seem to bear upon the question of "continuous steam service." It cannot, however, be too often stated that the communication between the island and the mainland has been more regular in winter since 1873 than before Confederation, and that the period of interruption is now not more than one-third of what it was, and that a regular daily steam service is an impossibility, as evidenced by the report of the Parliamentary Committee which in 1883 inquired into the matter. But apart from this, the reasons advanced by Prince Edward Island to account for its small revenue apply to every province, more or less, as there is a large general inter-provincial trade, and as the island admittedly participates in such trade it must be presumed that the inhabitants of the province find it to their advantage to do so rather than to get their imports from other sources.

The amount spent annually in Prince Edward Island (in 1884 it was \$689,954, although this is disputed also,) demonstrates the way in which the island has been treated by the Dominion Government, and upon this point Messrs. McLelan and Campbell say, "The liberal treatment of Prince Edward Island results from the policy and practice of the Dominion Government to watch over the interests of the smaller provinces, and Prince Edward Island from her isolated position, and with a population less than some cities on the mainland, has received especial consideration." Messrs. Sullivan and Ferguson admit that the exports from the island to countries beyond the Dominion in 1884 were 81½ per cent. more than they were in 1872, and that the amount per head deposited in the savings banks averages \$16.59, as against \$7.66 for the rest of the Dominion. This does not indicate that much injury has resulted to the island from the want of continuous steam service, and clearly proves the benefit derived from the connexion of the island with the Confederation, and the improved service since 1873. The total customs revenue of the island in 1872 was about \$302,000, and admitting, for the sake of argument, that it amounts to \$764,559 now, this increase of 120 per cent. does not support their case that injury has resulted to the island from the terms of the Union not having been fulfilled, and that it has obtained no advantage from joining the Dominion, and from the encouragement that has been given to inter-provincial trade and manufacturing industry.

Messrs. Sullivan and Ferguson also object to the figures given by Messrs. McLelan and Campbell as representing the expenditure upon the island in 1884. The amount specified is \$689,954, but they contend that \$79,308 should be deducted. The total they admit, however, is \$610,646, and the difference relates to controversial matters.

Messrs. Sullivan and Ferguson say, "The statement of the Committee of Council that, previous to the Union, paddle-wheel steamers were employed might lead to the supposition that since then the Dominion Government have obtained the substitution of screw steamers, but the undersigned desire to say that the identical boats which plied on the route for nearly 10 years previous to the Union are still

“the only ones employed in the service.” What Messrs. McLelan and Campbell did say was, “Previous to the Union paddle-wheel steamers only were employed, and it was very generally believed, and for good reasons, that a screw steamer would maintain steam communication to a much later period; but it is altogether improbable that any man who had seen the Straits of Northumberland, or had any knowledge of the ice obstruction in mid-winter, could have supposed it possible to construct a steamer capable of crossing when the ice is at its heaviest in that season, and it is proper to assume that both contracting parties to the Union having such knowledge understood that the Dominion Government would provide and maintain the means which science and experience might determine as the best and most efficient for the end in view, within the range of possibility.” This full extract places a different light upon the matter, and it has been amply demonstrated above that the Dominion Government has done its best to provide continuous steam service “within the range of possibility,” and that its efforts have been beneficial to the island.

Objection is also taken to the remark of the Committee of Council, “that the change from sailing vessels to steamers for summer appears to have been the only improvement effected by the Island Government in their means of communication in 50 years, although having control of a larger sum in revenue than the island now pays into the Dominion.” The first part is not denied by Messrs. Sullivan and Ferguson, but the revenue question is again disputed. They go on to say that the prospect of continuous steam service was one of the principal inducements that led the island to enter the Dominion. Messrs. McLelan and Campbell’s report gives the impression that they desired to convey the idea that, although the Island Government had not done much before Confederation to provide continuous steam service in winter, the Dominion Government had since that time much improved the communication; and this cannot be denied.

The next point of difference is the number of passengers using the route. Messrs. McLelan and Campbell say that during the past two winter seasons the average number of passengers in each crossing of the “Northern Light” was only nine (the average of the present season so far is said to have been only six); also that the loss on the Island Railway since its opening has been \$843,911, besides an expenditure thereon on capital account of about \$500,000. Messrs. Sullivan and Ferguson in reply give instances of 100 passengers crossing at one time. This only proves how small the number must have been on other occasions, if the average of each crossing is only nine. Then they say that the number of passengers would be greater if the service were more regular, *and the seaworthiness of the ship more assured.* This latter is a grave charge against the Dominion Government, and cannot be allowed to pass without protest, especially as the statement is but a general one and unsubstantiated.

Exception is also made to the remark of the Committee of Council, “that the Dominion Government did not undertake the carrying of agricultural produce or freight of any kind, although they have at all times afforded facility for the transport of any offering.” Messrs. Sullivan and Ferguson say, “The facility afforded may be judged of when it is explained that the freight capacity of the ‘Northern Light’ is not more than 200 barrels.” It must be remembered that the phrase “continuous steam service” applied to passengers and mails only, and *any* provision for freight is therefore a gain to the province.

Messrs. McLelan and Campbell say, “It will be claimed on behalf of the island that the population consumes goods the produce of the mainland. No doubt this is true, but the same occurred previous to the confederation.” The figures for 1872 are given as \$1,067,480. The Prince Edward Island delegates state that of this \$371,163 came from countries other than Canada, although through Dominion ports, reducing the imports from Canada to \$638,127. The accuracy of these figures (there is no means of checking them in the office of the High Commissioner), does not affect the general question.

The Dominion Government gave the total value of the goods entered for consumption in the island in 1872 as \$1,605,241. This Messrs. Sullivan and Ferguson object to, and state that the figures should be \$2,439,078. There are no means of checking this in the office of the High Commissioner.

Messrs. McLelan and Campbell say that “No doubt the same inter-provincial trade continues with this change in favour of Prince Edward Island—that the goods from the other provinces are now free of duty, whilst previous to the Union they paid duties the same as on importations from other countries.” Messrs. Sullivan and Ferguson do not object to this, and express their concurrence in the present fiscal

policy of Canada; but they say that the existing tariff is more favourable to other provinces than to the island, as the latter has no manufactures, and that the Quebec and Ontario manufactures "protected by a high customs duty" are able to obtain in many lines of goods prices nearly, if not altogether, equal to the cost and duty of the same goods of British or foreign manufacture. This sounds rather paradoxical, but it is evident from the increased prosperity of the island, from its increased exports, and from its increased savings bank deposits, that no injury has resulted to the province from the present fiscal policy of the Dominion; but, on the other hand, much benefit. Besides what applies to the consumer of home manufactured lines of goods in Prince Edward Island, affects equally the people of the other provinces; and instead of enhancing the price of goods, it is notorious that since the adoption of the present fiscal policy, of which Messrs. Sullivan and Ferguson approve, the prices of many articles of consumption have declined in every part of Canada.

Messrs. Sullivan and Ferguson admit in a subsequent paragraph that the island has prospered, as they put it, "notwithstanding the inaction of the Dominion Government." This statement, in view of what has already been stated, may be left to take care of itself; but the object of their representation appears to be to secure the laying of a metallic subway across the Straits of Northumberland, through which railway communication could be effected, "the cost of which undertaking," Messrs. Sullivan and Ferguson say, "would not exceed a sum which it would not be unreasonable to ask the Government of Canada to expend." If it can be shown that such a work is practicable, that it can be constructed for a reasonable outlay, and maintained without a large expenditure, the matter seems to be one that may fairly be placed before the Canadian Government for consideration.

Messrs. Sullivan and Ferguson again return to the charge of the revenue contributed to the Dominion. They take exception to the statement that the island has received liberal treatment from the Dominion, and repeat that it pays more to the Dominion annually than it receives, which is certainly open to argument, although it does not bear upon the question of the feasibility of "continuous steam service."

Messrs. McLelan and Campbell say "the 'Northern Light' was placed at Charlotte-town as headquarters, her officers and crew are inhabitants of the island, and her unceasing and hazardous efforts to make communication in the severest weather cannot be unknown to the Island Government." The delegates remark upon this, "The Committee of Council seem to entertain the idea that the officers and crew of the 'Northern Light,' being island men, are consequently bold enthusiasts, and would be willing to incur great risk in the effort to maintain communication with the mainland." They then go on apparently to complain that the running of the ship was left to the discretion of the officer in charge, and that he was ordered not to incur any undue risks. That unceasing and hazardous efforts have been made is proved by the memorial from Prince Edward Island to Her Majesty, which states that "at times she ('Northern Light') has been ice-bound for periods varying from 10 to 24 days, to the imminent danger of passengers and mails. Upon one occasion, four years ago, some of the passengers, among them women and children, were forced, after remaining on board several days, to leave her and walk a distance of many miles to the shore, when, night overtaking them, they received injuries from cold and exposure which resulted ultimately in the death of one of the party." This shows that the officers and crew have made hazardous efforts to keep up communication, and the necessity of discretion, and the avoidance of undue risks. It also proves the impossibility of continuous steam service which the island insists on. It must be remarked that it was the officers of the "Northern Light" who gave evidence to the effect "that no steamship can be built capable of keeping up continuous communication in mid-winter between the island and the mainland."

Messrs. Sullivan and Ferguson conclude their rejoinder by saying, "With regard to the claim for compensation by reason of the non-fulfilment of the terms of confederation, the undersigned submit that a review of the facts adduced will conclusively show that the island has suffered great loss, and is therefore entitled to indemnity." In the first place, it is incorrect to say that the terms of confederation have not been complied with. Only one of the "terms" has been brought forward as not having been carried out, and proof has been adduced that continuous steam service has been provided, so far as was practicable. Daily steam communication is not feasible, it being impossible, in the opinion of competent witnesses, to construct a steamship to fulfil such conditions. The period of interruption prior to confederation has been reduced by two-thirds, and instead of suffering any injury the island has, since 1873, made rapid advances in wealth and prosperity, which may fairly be

attributable to the more advantageous position the island occupies as a member of the Union, to the efforts of the Dominion Government to aid in the development of its resources, and to the vastly improved communication with the mainland that has been provided.

The foregoing remarks upon Messrs. Sullivan and Ferguson's letter are not so complete as they might be made, owing to the short time that the undersigned has been in possession of the views of those gentlemen.

CHARLES TUPPER.

9, Victoria Chambers, London, S.W.,  
March 12, 1886.

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No. 8.

MESSRS. W. W. SULLIVAN AND D. FERGUSON to COLONIAL OFFICE.

MY LORD,

London, March 22, 1886.

THE undersigned have perused the memorandum\* submitted by Sir Charles Tupper, High Commissioner for Canada, in reply to the letter which they had the honour of addressing to your Lordship on the 1st March instant; and they desire to offer a few observations thereon.

They entirely agree with the High Commissioner that it would have been far better had the special question at issue been dealt with upon its merits; but they are unable to concur with him in saying that for "the departure from this sound principle the Dominion Government cannot be blamed." The High Commissioner endeavours to justify the Dominion Government by stating that the irrelevant controversy was started in the memorial to Her Majesty, by drawing attention to the treatment received by British Columbia in the rapid construction of the Canadian Pacific Railway, although the population of white people in that province was comparatively small. That reference was answered by the Committee of the Privy Council of Canada in the following words: "In a strictly local view it is not unjust to say that expenditure shall in some measure be governed by receipts, present or prospective," and this statement was followed by an elaborate calculation purporting to show the contributions of British Columbia and Prince Edward Island respectively to the General Treasury.

The undersigned, although well aware of the irrelevancy of the matter, and of the impropriety of the principle laid down by Messrs. McLelan and Campbell that communication with Prince Edward Island should be considered as a local work, and that expenditure thereon should to any extent be governed by receipts, present or prospective, felt it to be their duty to demonstrate that the Dominion Government are labouring under a grave, and for Prince Edward Island, a most unfortunate, misapprehension, in regard to the revenue received from the province, and having done so, it is not necessary to make further allusion to that branch of the subject.

With respect to the Halifax Fishery Award, the High Commissioner seems to be under the impression that the undersigned are not aware that prior to the Island's joining the Confederation it had made arrangements with the United States in regard to the inshore fisheries, differing from those made by Canada. The undersigned are not without knowledge of the agreement then made, but their recollection of it differs somewhat from that of the High Commissioner. The understanding then arrived at was come to by Prince Edward Island in compliance with the urgent request of Her Majesty's Imperial Government, in anticipation of the Treaty of Washington's taking effect, and especially in order to avoid complications between Great Britain and the United States. That the arrangement did not cover the period referred to was owing to the fact that the Dominion of Canada failed to take such action as was necessary to give it effect. The refund, about 5,000*l.*, to which in this connexion the High Commissioner refers, was paid, not to Prince Edward Island, as is stated, but to individual Canadian merchants and fishermen. The grievance of Prince Edward Island regarding the distribution of the amount of the Halifax Fishery Award has not, however, any connexion with the question of inter-provincial communication, and the reference to it by the undersigned was only made as appertaining to the discussion of comparative contributions, raised by the Dominion Government. The undersigned shall, therefore,

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\* Enclosure in No. 7.



make no further allusion to it now, except to say that they do not agree with the High Commissioner that the position of the Island in the matter is precisely the same as that of Nova Scotia and New Brunswick.

Under the terms of Confederation, the Dominion Government undertook to provide "efficient steam service for the conveyance of mails and passengers, to be established and maintained between the Island and the mainland of the Dominion, winter and summer, thus placing the Island in continuous communication with the Inter-colonial Railway and the railway system of the Dominion." The question is, have the Dominion Government performed this obligation? They are forced to admit that they have failed. But the High Commissioner answers that "a regular daily steam service is an impossibility," and that "proof has been adduced that continuous steam service has been provided as far as was practicable." The report of the Parliamentary Committee of 1883 is referred to as justifying these statements; but the undersigned feel impelled to remark that a perusal of that report has led them to a very different conclusion. It is said that the Island Government, prior to Confederation, had accomplished no more than the Dominion Government have done since that time, but it is apparently forgotten that one of the chief inducements to enter the union was to secure continuous steam service. The High Commissioner states that no representation was made in this matter to the Dominion Government till 1881, although the steamer named the "Northern Light" was put on in 1876. That the people of Prince Edward Island endured this grievance without formal remonstrance from their Government, not only from 1876 to 1881, but from 1873 to 1881, is a proof that they have acted most reasonably in giving the Dominion Government ample time to carry out their undertaking, and should not now be used as an argument against their claim. The High Commissioner takes exception to the statement that the "Northern Light" was not specially "designed" for the service, and refers to the address to the Governor-General adopted by the Legislature of Prince Edward Island in 1881, wherein that vessel is alluded to as having been "constructed expressly for the work." Both these expressions are correct. The "Northern Light" was "designed" for a totally different service—namely, for navigating fixed and comparatively thin ice in the River St. Lawrence—and, after having been so "designed," she was purchased by the Dominion Government and "constructed" for the service she has been attempting to perform. This is confirmed by Messrs. McLelan and Campbell, for they say, "The Dominion Government, after a most careful and anxious inquiry, contracted with a Mr. Sewell, of Quebec, to complete a powerful steamer on a model specially designed for ice service." They do not say, nor does the High Commissioner, that she was specially designed for the work to which she has been devoted, but it is stated that she was *completed* for that service.

The High Commissioner seems to labour under the impression that he has discovered a discrepancy in the statements in regard to the average period the "Northern Light" is unavailable during the winter, as in the communication of the undersigned it is given as 70 days, in the Address to Her Majesty in 1885, 64 days, and in the report of the Parliamentary Committee in 1883, 48 days. These statements, we have every reason to believe, are all correct, for the periods to which they apply. The average time, when the Parliamentary Committee reported in 1883, was 48 days, which increased in 1885 to 64 days, and in 1886 to 70 days. It is here worthy of remark that the steam service instead of improving is, year after year, becoming less efficient and continuous. Last winter the vessel was laid up 90 days.

With reference to the failure of the Dominion Government to make any provision for the conveyance of passengers, the High Commissioner explains by quoting from a letter of the late Minister of Marine, Mr. McLelan, that the "Northern Light" made regular trips this season until 27th January. Mr. McLelan states: "the delegates crossed by that route, and I believe they said it was the first time that they had ever been brought over—that is, they had, on all previous occasions, to work their passage." In the opinion of the undersigned this is the strongest confirmatory proof of the allegation that "no sufficient disposition has been shown by the Dominion Government to fulfil their obligations towards the Island in this matter." Your Lordship will probably learn with surprise that for thirteen years the Government of Canada, notwithstanding their obligation to provide efficient steam communication for mails and passengers winter and summer, have allowed such a state of things to exist, and that a merit is now being made out of the circumstance that once, and that less than two months ago, in those 13 years, even the official representatives of the Island Government were relieved of the labour of "working their passage." This favour will be still better appreciated when it is known that the delegates were only conveyed

after a persistent remonstrance on their part against working their passage. All the other travellers, numbering about a dozen, were obliged to assist in drawing the boats.

It is said to be the contention of the Dominion Government that the utmost has been done to carry out the terms under which the Island entered the Union, that the efforts made by the "Northern Light" prove the impossibility of providing continuous steam service, and the report of the Parliamentary Committee is appealed to in verification of this contention. In that report it is recommended that the Government adopt Capes Traverse and Tormentine as the points of communication for mails and passengers, and the Committee also made several other recommendations which have not been acted upon by the Dominion Government, although three years have elapsed since that time. Beyond the abortive efforts of the "Northern Light" no attempt has been made to provide steam service. At the narrowest place—between Capes Traverse and Tormentine—steam, in any way, has never been applied, and no means of crossing have been used, except the ice-boat system, adopted about 60 years ago and continued, almost without improvement, to the present time. The Dominion Government, not having tried steam at the Capes, as recommended by the Parliamentary Committee, are in no better position now to say that steam communication is impracticable than they were at the time of Confederation.

The undersigned therefore submit that the Dominion Government have failed to carry out the terms of Confederation, and they are unable to agree with the High Commissioner that it is not a failure because the default is at present applied to only a part of those terms. When it is shown that the Dominion Government have failed in performing any portion of the conditions, it cannot surely be inconsistent with the fact to assert that there is a failure in carrying out the terms.

If what the Dominion Government have agreed to perform is impracticable by steam navigation, then it is clearly their duty to provide communication by other means, and should they ultimately fail and thus demonstrate the impossibility of their undertaking, then Prince Edward Island is unquestionably, on every principle of justice, entitled to an indemnity, covering the failure of the past and applying to the future, as the province has performed its part of the compact, and Canada receives, at least, its full consideration.

The contention of the High Commissioner that the progress of Prince Edward Island, referred to by the undersigned in their letter of 1st inst., "does not indicate that much injury has resulted to the Island from the want of continuous steam service, and clearly proves the benefit derived from the connexion of the island with the Confederation, and the improved service since 1873," is, the undersigned submit, wholly unwarranted. It is notorious that the progress of Prince Edward Island was equally great during the 13 years previous to Confederation, when, the High Commissioner contends, the means of communication were less efficient than they have been since. The undersigned are not now called upon to express any opinion on the advantage or disadvantage of Confederation to Prince Edward Island, as that point is beside the question at issue.

The undersigned regret that they have been obliged to extend these observations further than they could desire, and they feel that after the lengthened interviews with which your Lordship has favoured them, it is unnecessary to add to the information now in the Colonial Office, although the subject is by no means exhausted.

Prince Edward Island appeals to the Imperial Government, at whose request it entered the Union, to interpose their influence with the Government of Canada, in order that justice may be done in the premises, and that the harmony which is so desirable between the different members of the Confederation shall prevail.

In conclusion, the undersigned desire to express their sense of the deep obligation they are under to your Lordship for the courtesy that has been shown them, and for the readiness and attention with which all their communications have been received.

We have, &c.,  
(Signed) W. W. SULLIVAN.  
D. FERGUSON.

The Right Honourable Earl Granville, K.G.,  
Secretary of State for the Colonies.

The RIGHT HON. THE EARL GRANVILLE, K.G., to GOVERNOR-GENERAL THE MOST  
HON. THE MARQUIS OF LANSDOWNE, G.C.M.G.

MY LORD,

Downing Street, March 30, 1886.

I DULY received your Lordship's Despatch of the 19th of November last,\* enclosing an approved report of a Committee of the Privy Council for Canada, forwarding, with other papers, a joint address to the Queen from the Legislative Council and House of Assembly of Prince Edward Island. This address prays that Her Majesty will require that justice be done by the Government of Canada to Her Majesty's loyal subjects of that province by the immediate "establishment and maintenance of efficient steam service for the conveyance of mails and passengers between this Island and the mainland of the Dominion, both winter and summer, so as to place the Island in continuous communication with the Inter-Colonial Railway and the railway system of the Dominion;" and further, that Her Majesty would be pleased to require that the Government of Canada should compensate the Island for the loss which it is alleged has resulted to its inhabitants by reason of the non-fulfilment of the terms of confederation, in the particulars complained of, in the Address.

I also received your Despatch of 30th January,† with a further report of a Committee of the Privy Council on the subject of the delegation appointed to support the prayer of the address.

Since the receipt of these papers I have had the pleasure of receiving Mr. Sullivan, the Premier and Attorney-General, and Mr. Ferguson, the Provincial Secretary, of Prince Edward Island, who had been appointed as delegates to Her Majesty's Government, and on the 24th of last month they attended here by appointment, and favoured me with a general statement of the circumstances under which the Legislature of Prince Edward Island had addressed the Queen. I explained to them that the Queen had no power, either by statute or otherwise under the Constitution of Canada, to give any direction in this matter; and that therefore I should not be able to advise Her Majesty (who had been pleased to receive the Address very graciously) to take any action upon it, but that it would give me much satisfaction if, by the exercise of any friendly offices which I could tender, I should be able to contribute to the settlement of a question in which the Provincial Government were so much interested. I added that I had confidence in the friendly spirit in which the matter at issue would be dealt with on both sides, and this led me to hope that some acceptable arrangement might be come to.

I then gave the delegates a copy of the Report of the Privy Council of Canada, dated the 7th of November last, which they had not previously received, and I informed them that after receiving and considering the observations which they might desire to make upon that Report I should be happy to see them again, and, if it should be agreeable to both parties, to invite Sir Charles Tupper to be present on behalf of the Dominion Government at the interview.

On the 4th instant I received from the delegates the statement‡ of which a copy is enclosed, and I communicated a copy of it to Sir C. Tupper, who favoured me with his comments thereupon in a memorandum§ of which a copy is also enclosed.

After perusing these papers, I invited the delegates and Sir Charles Tupper to meet me at this office on the 12th instant. The delegates urged at length the claims and contentions of the province, and laid before me the plans of a submarine line of communication which they understood to be feasible. Sir C. Tupper then justified and explained the action of the Dominion Government, adding personally, and not speaking under instructions, that if it could be shown that the scheme of a "metallic subway" is really feasible at a moderate cost, the Dominion Government would no doubt be ready to give their serious consideration to such scheme.

As I stated in the earlier part of this Despatch, although Her Majesty's Government is unable to take the question out of the hands of the Dominion Government, and although I have not seen more than a *prima facie* opinion as to the feasibility at a moderate cost of the proposal for its solution, I hope that it will be found to admit of a satisfactory settlement. On the one hand, the expectations of the Province in regard to the establishment of a constant and efficient communication with the main-

\* No. 1.

† No. 2.

‡ No. 1.

§ Enclosure in No. 7.

land have not been fulfilled ; but, on the other hand, the Dominion Government has shown that it has made considerable efforts to improve the communication in the face of serious physical difficulties, especially during the winter season.

There seems to be reason for doubting whether any really satisfactory communication by steamship can be regularly maintained all the year round, which makes it all the more important that the proposed "metallic subway" should receive a full, and if feasible, a favourable consideration on the part of the Government of the Dominion. The establishment of constant and speedy communication by rail would be a great advantage both to the province and to the Dominion, and I should suppose that the development of the traffic on the Island railroads, and of the capabilities of the province generally would produce a large direct and indirect return on the expenditure.

It would reflect great credit on the Dominion Government if, after connecting British Columbia with the Eastern Provinces by the Canadian Pacific Railway, it should now be able to complete its system of railway communication by an extension to Prince Edward Island.

The Marquis of Lansdowne.

I have, &c.,  
(Signed) GRANVILLE.

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