

report that the nature and extent of the canal works were decided upon. Since that date, the Island Government had entered into contracts for the construction of railways nearly 200 miles in length at a cost of \$3,250,000, including the purchase of lands and other matters. These public works would become the property of the Dominion. Some of the railway was under construction, and a portion about ninety miles long would be completed by midsummer.

From the fact that the Dominion Government and Parliament had undertaken the construction of the Intercolonial Railway at a cost of \$20,000,000, that the Pacific Railway was to be built with a contribution on the part of the Dominion of \$30,000,000, that \$20,000,000 or \$25,000,000 was to be expended on canals, that it was contemplated to readjust the debts of the Dominion by assuming the Surplus of Ontario and Quebec and giving sums in proportion to the other Provinces, and that the Island would not have public works constructed after it came into the Dominion at all in proportion to the other Provinces, it was agreed to extend the Island debt to be assumed to \$50 a head. At the negotiations in January last the sum was fixed at \$45 a head. That had been submitted to the people of the Island and the result was that the newly elected Legislature had rejected the terms and authorised another deputation to come to Ottawa, with power to enter into negotiations with the Government for the extension of the amount to \$50.

**Hon. Mr. HOLTON:** Does that increase extinguish the \$800,000 to be paid for the purchase of the land?

**Hon. Mr. TILLEY** said no, that still remained. The only other change from the proposition of 1869 was that, as the Island had constructed a building used as a post office and court house, which would be used partly for Dominion purposes, the Government should take that building on paying the Island \$69,000. The Island had also entered into a contract for the construction of a dredge at a cost of \$22,000 and the Dominion took that off their hands, and also undertook to assume a liability of \$2,000 a year, payable to a Company to keep up the telegraphic communication by cable between the Island and the Dominion. These were the changes made in the propositions of 1869, and those in the terms agreed on in January were only to increase the debt from \$45 to \$50 per head, and to undertake to pay the \$2,000 a year for the telegraphic communication. The papers would be printed this afternoon, and would be in the hands of hon. gentlemen a sufficient time to enable them to consider them.

**Hon. Mr. ANGLIN** asked if the provision for steam communication was in the original arrangement.

**Hon. Mr. TILLEY:** Yes

**Mr. CARTWRIGHT** asked if the Crown Lands would become the property of the Dominion.

**Hon. Mr. TILLEY** said they would be the property of the Island. The Province was in a different position to that of any other Province in the Dominion. What passed to the other Provinces as Crown Lands had, in the case of Prince Edward Island, been sold to parties in England by the Imperial Government, so that they had no Crown Lands, and derived no revenue from such a source for local purposes as every other Province did. These lands being held by absentee proprietors, the only persons living on them were tenants, and this was a very unsatisfactory state of things, and had prevented the Island from taking the position it would otherwise have taken. It was in consequence of this that the Legislature, in 1869, authorised the Government to make arrangements for the admission of the Island including the purchase of the Crown Lands. The Island had since then purchased some small portion, but a very large portion remained in the hands of absentee proprietors. The quantity yet to be purchased was between 400,000 and 500,000 acres.

**Hon. Mr. MACKENZIE:** It was about 800,000 in 1869.

**Hon. Mr. TILLEY** said no, the Island altogether with the small Islands adjacent to it had only about a million and a quarter, and there were yet about 400,000 or 500,000 acres which had not been purchased. The construction of the railway required the payment of a larger sum now than in 1869, but the lands would be also more valuable.

**Hon. Mr. MACKENZIE** asked if the papers contained any statement of the present revenue and expenditure of the Island.

**Hon. Mr. TILLEY** thought not. The Government had it before them, but it did not enter into the correspondence. They could, however, send it to be printed.

**Hon. Mr. MACKENZIE** said it was evident that all these financial statements should go with the other papers. Of course they were all very glad at the prospect of the Island joining the Confederation—(hear, hear)—and no member of the House, especially amongst those who were the originators of the Confederation project, would be disposed to treat the matter otherwise than in an amicable way. (Hear, hear.) Still it was necessary to have the fullest information. The Islanders had very properly manifested a careful survey of their own particular position and interest and while the smaller party might be supposed to have very strong views on that subject more than the stronger party, still it was necessary to have such data as would enable the House to discuss the matter intelligibly.

**Hon. Mr. TILLEY** said he would have the statement printed at once.

The motion was then carried.

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#### THE CHICOUTIMI AND CHARLEVOIX ELECTIONS

On the orders of the day having been called,