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SPEECH

ON THE SUBJECT OF THE

CANADIAN PACIFIC RAILWAY,

DELIVERED RECENTLY BY

E. DEWDNEY, ESQ., M.P.,

TO HIS CONSTITUENTS AT

CACHE CREEK.

NEW WESTMINSTER:
"MAINLAND GUARDIAN" PRINT.

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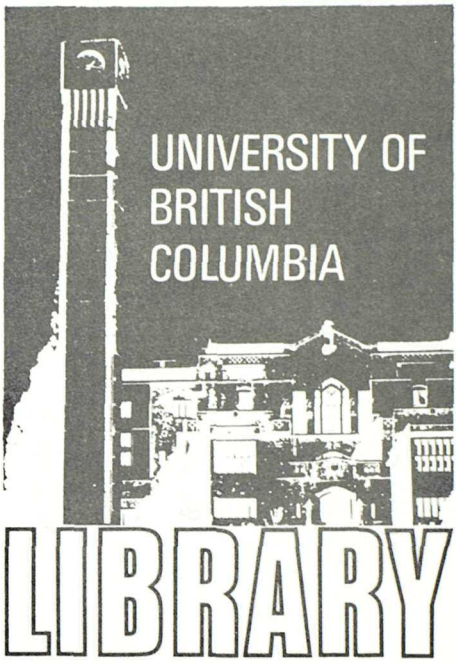
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PREFACE.

HAVING been requested by a large number of the settlers of the mainland of British Columbia, to publish, in pamphlet form, my address made some few weeks ago to the electors of the Yale District, and which has appeared in the MAINLAND GUARDIAN, I have much pleasure in doing so.

The remarks I made at that time, were prepared for the especial purpose of informing the electors of my District, the position of Railway matters, as I understand them, both in an Engineering and Political light—and feeling very strongly that the result of the elections for our Local Parliament, which were about taking place, would influence, for good or evil, our Mainland prospects. I entered into other local matters for the purpose of assisting, as far as lay in my power, the return of such men as I knew were in accord with what I believe are the true interests of our Province, and who would support no government that would not act in a conciliatory manner, (without sacrificing our just and equitable rights) toward the Dominion Government, and then assist rather than oppose, a speedy and satisfactory settlement of our Railway question, and crush a government whose "organ" and agents were advocating "Secession," for a purpose which is becoming clearer every day to all of us, and to which I may address myself at some future time.

E. DEWDNEY.

SPEECH.

"I am very sorry that illness prevented my being present at your gathering to celebrate Dominion Day. It would have given me an opportunity of meeting more of my constituents together than can happen at any other time without great inconvenience to many. I propose now, if not displeasing to you to ask your attention for a short time, while I refer to matters of public importance, which I feel sure will interest you, and explain the reason for my action in the House of Commons since you last did me the honor of electing me. When addressing you at that time, gentlemen I stood in a different position from what I do to-day, and I must say in not quite as pleasant a one. It was on the eve of a General Election for the Dominion Parliament and I was soliciting your suffrages. You had my address before you, and if you recollect, in it I asked you to place so much confidence in me as your representative, as would leave me free to be governed by events as to my future course of action. I am happy to tell you that I have received assurances of a very general nature since my return from Ottawa, to my District, approving of the course I have taken—and, I trust that this Section, second to none in importance, has seen no reason to withdraw the confidence placed in me some two years ago. The approbation of one's constituents is not only gratifying to a member, but repays him for losing sometimes the close friendship of men to whom personally, he is attached, but with whom he is compelled to differ Politically. The fifth anniversary of the Confederation of our Province with the Dominion of Canada, has just passed, although the chief inducement which brought about such unanimous feeling in support of Confederation in 1870, viz: the immediate prospect of the construction of the Canadian Pacific Railway, has not been fully realised, I believe the Province does not regret having become a portion of this great Dominion. We cannot but feel the advantages of our superior mail communication, and in reference to that, I can assure you that the Government is willing to extend that service whenever it can be shown that the cost will not too heavily exceed the receipts. Besides mail communication, we were at the time of Confederation relieved from a very heavy debt that was hanging over us like a cloud; the various sums of money expended in our midst

upon Public works cannot but have been felt by all of us, neither must we forget that Confederation brought with it Responsible Government.

At the time that question was considered in our local Legislature (the spring of 1870) I represented a constituency adverse to Responsible Government, and I myself did not consider that our Colony was prepared for that form of government, and the experience we have had of it up to this time, (particularly last year) convinced me that it is open to very grave doubts, whether in a small community with necessarily so few members, and with men at the head of affairs thirsting for office, it is not a mistake, and the true principels of Responsible Government liable to be sacrificed. This is the more likely to be the case when led by men known to be antagonistic to it. In a short time it will be for you to say, whether the true principles of Responsible Government were carried out when the present incumbents in office in the local Government, appointed one of themselves to agree to a relaxation of the Terms of Union, after having passed a resolution a few months previously, that in case of any relaxation of Terms, you, the people, should be consulted, and further, did agree to Terms known to be antagonistic to your interests, and used their influence to stop public works in your section of the country. There is another matter which you will have to express an opinion npon, and which equals in importance what I have just referred to, and which to my mind was a grave constitutional crime, (viz) forcing through an expiring Parliament, unasked for by the people the " Qualification and Registration of Voters Act," in order to disfranchise a large number of you, and thus lessen their chances of defeat at the forthcoming general electiou. There is but one opinion expressed from Esquimalt to Peace River on that question, which has been the means of compelling the government to exempt almost all the mainland constituencies from the operation of that Act, shewing, that if the representatives of their several Districts had voted according to the wishes of their constituents, the government must have experienced a signal defeat. But, Gentlemen, these same ministers are drawing their salary, while knowing they have not the confidence of the country. We are in hopes, that we shall shortly have a great accession to the population of this Province, this must lead to the increasing of the numbers of representatives in the local House—when that time arrives, I shall have no fear of the successful working of Responsible Government, and the opportunity of unprincipled governments manipulating weak-minded and servile members, will proportionately diminish. In the mean time, we must use every endeavor to place men at the head of affairs, who will govern according to the well understood wishes of the people. The issue that in a short time must (unwillingly perhaps to some people) be decided at the polls, are of such general interest in a national as well as local point of view, that I find it impossible to

speak of them without referring to the past actions of the local Government; you are aware that I have differed almost entirely from their policy, and I presume, it must have been their knowledge of that, and further, that I was a mainlander in heart as well as in deed, that induced some of their number to work against me at my last election. In a short time, they and their supporters, will be on their trail. Nothing ought now to prevent you giving a decided expression of opinion, not only as to their previous acts, but as to what you expect, and will demand of yonr representatives in the future. The question to which I shall now refer, is one uppermost in all our minds, (viz.) Railway. The Honorable position, which, thanks to you, I have lately occupied, gives me an opportunity of gaining information which you cannot have; and of coming to conclusions, which I think should have some weight with you. It will be in your recollection, that immediately previous to the resignation of Sir John Macdonald's Government, Railway matters stood thus in the Province—exploratory surveys had been made of the Fraser and Thompson River route to Tete Jaune Cache. Fraser River, via the Coquehalla and Thompson Rivers—Howse Sound and Thompson River—Bute Inlet, via Chilcoten, Mahood's Lake, Clearwater and Thompson River—several other branch lines, in connection with, and for the purpose of obtaining the most favorable line, on what is known as the Bute Inlet Route, as well as a survey of the Howse Pass in the Rocky Mountains, via the Big Bend of the Columbia and Shushwap Lake, connecting with the Thompson and Fraser Rivers below Kamloops.

With all that amount of information, the government were unable to proclaim a line, and up to the 20th July, 1873, the date at which, according to the Terms of Union, railway construction should have commenced, the only question solved (which I grant was a very important one) was, that we had a most favorable Pass through the Rocky Mountains, via the Yellow Head. This conclusion was come to after the first season's surveys, and they did not commence before August. With reference to the adoption of that Pass by the government, in preference to the Howse Pass, it cannot be doubted that, although the Yellow Head has advantages in an engineering point of view, superior to Howse; there were other reasons which led the government to come to that conclusion—the chief of which was, their great anxiety to be in a position to proclaim a line, and commence work according to the Terms of Union, and as their information about this Province, outside of the surveys of that year, was limited to what had been represented to them by the late Mr. Waddington, who turned mountaiss into mole hills, gravelly benches that grow nothing, but what you know as timber or sour grass, into plains of unsurpassed fertility, you will not be surprised to learn what the instructions to the District Engineers in the spring of 1872, were to put their whole force on the line, connecting Yellow Head Pass

with Bute Inlet, to reach this latter point via Howse being almost impracticable—and, what, gentlemen, was the result of that season's work—why, the more the Engineers saw of it, the clearer it became that the government has been misled by Mr. Waddington's representations, and not only was the line a very long one, but the Engineering work was of such a character that they knew it would be madness to commit themselves to it. This brings us to the spring of 1873, and as the time for the commencement of Railway construction was drawing near, you will find great anxiety displayed by the government to commence work on the 20th July; and, although I have reason to believe, that an extension of time could have been obtained from the government of British Columbia. at that period, the Dominion Government preferred passing an order in council, on the 7th June, 1873, recommending that Esquimalt, Vancouver Island, be fixed as the Terminus of the Canadian Pacific Railway, and that a line be located between that point and Seymour Narrows; and asking for a conveyance of the land between those points, according to the 11th " paragraph of the Terms of Union." The local government refused to convey the land, but made a reservation of it. The result of this was, that on the 20th July, instructions had arrived to commence locating the line from Esquimalt—on that morning, the City of Victoria was all alive—Real Estate changed hands; a locating party was formed, consisting of the Chief Engineer, and assistant, and several members of the local government, the Premier, Mr. DeCosmos being amongst the number, repairing to Esquimalt, the initial post was set, lunch taken, champagne suffered, a few hundred feet of line run, and that was the end of it. It was thought by many that the action of the Dominion government, passing an order in council recommending that Esquimalt be made the Terminus of the Canadian Pacific Railroad, indicated pretty clearly that the Bute Inlet route would be adopted. I felt it did not neccessarily do so, for an application to Sir John Macdonald, a short time previously, he stated that the line from Victoria to Nanaimo, if built, would be common to either the Bute Inlet or Fraser River Route. If the latter was adopted, it could be connected by Ferry to Burrard Inlet. It is a pity that this survey was not continued then. Had that been the case, some information as to the cost of a Railway on Vancouver Island, would have been in the hands of the Dominion Government, at a time when its construction was forced on them as the price for relaxation of the Terms of Union—and to which I shall shortly refer. Between the 20th July and the resignation of Sir John Macdonald's government, several minutes of council of our local government were forwarded by the Lieut. Governor to the Dominion Government, in reference to the non-commencement of the Railway, and the reservation of land on Vancouver Island, and so persistent were they in endeavoring to get the Dominion Government further committed to the Island piece of road,

that they passed an order in council, authorising Mr. DeCosmos, the then Premier, to proceed as special Delegate to Ottawa, to ask the Dominion Government to define the boundaries of the land on Vancouver Island, proposed to be claimed by them to aid in the construction of the Railroad on the Island, although in a previous report of the council, they had impressed on the notice of the Dominion "that the Reserve itself should not be of a *permanent character.*" This was at a time when political complications were imminent, and I have no doubt it was considered a favorable one for driving a hard bargain. Thus the question rested until Mr. Mackenzie came into power, and on the 22d November, 1873, we find a report of the Executive Council of our Province, asking the Dominion Government for an expression of its policy with reference to the Railway clause of the Terms of Union—and a reply by telegraph from Mr. Mackenzie to Mr. Walkem on the 22d December, referring him to his speech at Sarnia of the 25 November, which he supposed Mr. Walkem had seen, and further stated, that the government was giving earnest consideration to the details of a scheme, which they believed would be acceptable to the whole of the Dominion, including British Columbia—and ends by saying "we hope to communicate with you shortly, probably by special agent." The local Legislature was now in session, and a few days after the receipt of this telegram, (with, I presume a knowledge and approval of the policy of the Dominion Government.) Mr. Walkem makes a speech, lauding Mr. Mackenzie to the skies, and casting obloquy on Sir John Macdonald, who only a few weeks previously had fallen in our cause, and who was then and still is a staunch friend to British Columbia. On the 9th February, 1874, during this same session, Mr. Beavan, finding that Mr. Mackenzie did not consider himself bound to construct a Railway beyond the sea-board of the Province, brings in a resolution protesting against the infraction of the Railway clause of the Terms of Union, and impressing upon the administration of Canada, the absolute necessity of commencing the actual construction of the Railway from the seaboard of British Columbia, early in the present year. The drift of this resolution is apparent. At this time, the surveys had been pushed forward most energetically on the Bute Inlet Route, and it was thought a favorable line could be obtained, so, if by any means, the local government, could force the Dominion to make a commencement *early that year*, Mr. Beaven knew it must have been made on it.

That spring, while at Ottawa, I brought forward a resolution in the House of Commons, asking that further surveys might be made, between Kamloops and Hope on Fraser River, and gave my reasons for it. I was listened to attentively by Mr. Mackenzie, who promised that what I asked for should be granted, although Mr. De Cosmos assured the House, that the money might as well be thrown into the Fraser River, I was astonished to hear this from the lips

of a gentleman, who, only a short time before, made use of the following words:—" I never could see how British Columbia could be settled up, without a railway to connect Fraser River with Kamloops;" also, " I maintain that the true course for the development of the resources of the country, is to make a line of railway from some navigable spot on the Fraser to Lake Kamloops; I claim for this, that it might be regarded as a part of the trans-continental line, and, in my opinion, it would do more to build up the country, than anything else that could be conceived, and I believe it to be thoroughly practic ble." He even went so far as to make an estimate of what that line would cost, viz. $50,000 per mile, and that through admittedly the worst portion of the Fraser River route; (vide Confederation debates 1870); but I do not attach much importance to his estimate, as last session, he stated in the House of Commons, that the Island road could be built for $30,000 per mile, and upon a survey being made this spring, it was found that it would cost nearly three times that amount. Well, during the early spring of 1874, an exploration was made of the doubtful portion on the line of the Bute Inlet route, as recommended by Mr. Fleming. Upon that, depended the success of the route up to that time. The engineers failed to find a practicable line, and so, from quarters which appeared then to be reliable (*Globe*, August 17th, 1874, and which were subsequently confirmed in a report of the Privy Council of Canada to Lord Carnarvon,) came rumors, that on a further exam ination of the Bute Inlet route, it was shown that the difficulties were all but insurmountable, and that having regard to those considerations, and the importance of saving in distance, the road would probably terminate at Burrard Inlet; and so the matter remained until the spring of 1875, and the Government appear to have continued in that opinion until very lately, as Mr. Barnard received instructions to commence constructing the Telegraph line from Cache Creek to Kamloops, and thence follow up the North Thompson River, on the supposed line of Railway. In fact, the cutting out of the line, was to be part of the Railroad work itself. Since I left Ottawa, Mr. Barnard received instructions to stop the work for a time. I have endeavored to find out from what cause this was brought about. If, as in previous years, the report of last season's surveys had been published, with the engineers remarks thereon, I have no doubt our curiosity would be easily satisfied. But failing that, I think by referring to the *Globe* of April 30th, 1875, whose authority appears to have been correct last year, we shall find that the government have received information of such a favorable character of the Northern Route as to cost, compared with Fraser River, that they were compelled to suspend the construction of the telegraph through the Province of British Columbia, until some more reliable data were before them, upon which an estimate of the comparative advantages of the several routes could be formed. The

Canadian Pacific Railway Act, although authorizing the construction of the telegraph in advance of the railway, limits it to a period subsequent to the general location of the line. After referring to the different routes in the North, terminating at Bute Inlet, Gardner's Canal and Bentick Arm, the *Globe* goes on to say: "We believe we are correct in stating that the government have definitely abandoned the lower Fraser route." This conclusion, if come to by the Government, will, I confidently believe, be re-considered when the reports, plans, profiles, &c., are placed before them of this season's work. The fire which occurred in Ottawa in January, 1874, destroyed not only the Pacific Railway offices, but almost all the plans and information that the government had with reference to the surveys in British Columbia. Had that not happened, the possibility is that no further surveys would have been found necessary. But when the government find that there is such slight data in existence, as to the cost of the enormously heavy work through the Cascade range, to reach the head of Bute Inlet, I am not surprised that they have ordered a partially located line to be run from that point to Fort George. When the result of that survey is before them, I cannot but believe, from information I possess, that the work from the head of Bute Inlet to the summit of the Homatheo, will be found heavier than the same number of miles on any portion of the Fraser River route. I refrain from entering fully into a comparrison of the various routes, until the engineer's reports are made public, but when the proper time arrives, you will find me as much alive to your interest as I am now. Having reviewed in as few words as possible the position of the surveys from the commencement up to the present time, I shall now ask your attention, while I refer to the political aspect of affairs on the accession of Mr. Mackenzie to power. Public feeling and sympathy up to that time in British Columbia had been, I may say, unanimously in favor of Sir John Macdonald and his government, and every member of the House of Commons had gone either pledged to, or, by public sentiment, expected to accord that government his support. This is hardly to be wondered at, when we know that it was in a great measure through their instrumentality, that we entered the Union; and further, that the railway was promised by them to be commenced in two years from Confederation, and to be completed in ten—while we, in framing the Terms which were submitted by our delegates to them, asked for a coach road from our trunk road to Fort Garry, to be finished in three years, and railway commenced at the earliest practicable date. You are familiar, I have no doubt, with the position taken by the two political parties at the time our Terms were considered in Parliament, in the spring of 1871; with reference to the railway clause, Sir John Macdonald's Government contended that the proposition submitted by them, was not less favorable for Canada, than that proposed by British Columbia, and the Hon. Mr. Tilley a member

of that Government, stated in the House of Commons, March 28th, 1871, in answer to Sir A. T. Galt, "The member for Sherbroke had stated that all British Columbia asked for, was a coach road connecting Fort Garry with the Government roads of British Columbia, and an expenditure of a million dollars a year on a railway, and that the proposition submitted by the government was less favorable to Canada. He entirely dissented from the hon. member on that matter, on these grounds. When the road had been proposed, it had been found from enquiry and investigation, that from the high cost of labor, and other charges that would have to be met in constructing such a road within the stated time of three years, that the cost would be very heavy, very heavy indeed, and in addition to this, it was coupled with a proposition that a Railway should be built as soon as practicable, and that there should be an annual expenditure from the commencement, of a million of dollars. Under these circumstances, the government had held that any expenditure on a coach road was useless, and one that was not required, inasmuch, as all the traffic would be taken by the Railway, as soon as completed. Taking this view, therefore, the government had at once dissented from the proposition of British Columbia, and would not agree to it."

The Hon. Mr. Chapais, also a member of the Government, stated, "With regard to the construction of the Railway, I will show that the conditions embodied in the resolutions—which are in keeping with the policy already followed by the Government, when they agreed to construct the Inter-Colonial Railway, are much more favorable to Canada, than would have been the acceptance of the propositions made by British Columbia."

The Opposition, on the other hand, contended that the 10 years limit was very objectionable, and Mr. Mackenzie, when Sir George Cartier moved the House into committee, to consider the resolution respecting the admission of British Columbia into the union with Canada, moved the following amendment: "The proposed Terms of Union with British Columbia, pledge the Dominion to commence within two years, and complete within ten years, the Pacific Railway, the route for which has not been surveyed, nor has the expense been calculated. This House is of opinion that Canada should not be pledged to do more than proceed at once with the necessary survey, and after the route is determined, to prosecute the work at as early a period as the state of its finances will justify, and that the further consideration of the said terms be postponed, with a view to obtaining some modification thereof." A debate, lasting several days, took place, in which all the able men of both sides took part. The Hon. Mr. Blake (Opposition) stated, "If this measure should become law, the faith of the Dominion would be plighted, and without the consent of British Columbia, could never break one jot or tittle of these cast-iron obligations;" and further stated in answer to

Sir George Cartier, "But the Hon. Minister of Militia, did not propose to increase the taxation of the country. Let him then put it in the bargain with British Columbia that no future misunderstandings might arise in the fulfilment of our pledge." The Hon. Mr. Langevin stated, "It was necessary to satisfy the Columbians as well as to give confidence to British capitalists, that a period should be fixed for the completion of the road, but if in seven or eight years it should appear with representatives from that Province, sitting amongst us, that despite our good faith and utmost efforts, it was impossible to complete the work within the time named, they could not and would not find fault with us." The Hon. Mr. Morris said, "He believed that when the Union should be accomplished, and representatives from British Columbia should sit in that House, there would be no doubt of the Railway being proceeded with as rapidly as the resources of the country would admit." The Hon. Sir A. T. Galt (Opposition), "Considered that a policy of prudence and foresight was more necessary for the future progress of the Dominion, than the unwise incurring of the obligations now proposed could possibly be. As to the coach road proposed by British Columbia, involving a useless expenditure of money, he maintained that the necessities of the railway, would require the construction of such a road, so that it would have to be made in any case." The Hon. Sir Francis Hincks said, "That it was estimated that the Dominion would have to pay about a million and a quarter a year; but it was well understood that if insurmountable difficulties arose, the Government could not be supposed to proceed to anything ruinous." At the close of the debate, several amendments were put to the House, one from Mr. Jones (Halifax) that the proposed railway engagement would press too heavily on the resources of the Dominion. Mr. Ross (Dundas) proposed that the question be postponed. Mr Mackenzie's amendment, which I referred to before, was also put, as well as one from Mr. Dorion, to the effect that, "In view of the engagements already entered into since the Confederation, and the large expenditure urgently required for Canal and Railway purposes within the Dominion, this House would not be justified in imposing on the people of this Dominion, the enormous burden required to build, within ten years, a Railway to the Pacific, as proposed by the resolution submitted to this House." On the 31st March, 1871, the Hon. Sir George Cartier moved the reception of the Report of the Committee of the Whole on certain resolutions respecting the admission of British Columbia into Union with Canada, and Mr. Mackenzie moved the following: "That having regard to the vast importance of the question involved in the said resolution, including the obligation to construct within ten years, the Pacific Railway, the cost of which is estimated to exceed one hundred millions of dollars, time should be afforded to the people and representatives for consultation before coming to a final

decision, and that the said resolutions should therefore be postponed till next session." The Hon. Sir George Cartier, in reply, stated, "If the Railway was practicable at all, everyone would admit that it could well be built in ten years. If there had been any complaint, it should have been that the time allowed was too short, and in answer to a question of Mr. Mackenzie's, what about the obligations? said, 'suppose the Hon. gentleman undertook an obligation, could he be obliged to fulfil it, if he should be prevented by unforseen circumstances?' No one could be compelled to perform an impossibility." The Hon. Mr. Blake replied, "The argument seemed to be, that they could not be compelled to perform impossibilities, but an honest man would fulfil an obligation though the result might be bankruptcy." At the close of the debate Mr. Mackenzie's amendment was put to the House and lost. I have hurriedly referred to the debates that took place in the House of Commons in 1871, to show you that what Mr. Mackenzie enunciated, when he came into power, as the policy of his Government, with regard to the Canadian Pacific Railway, was what he and his party had advocated in opposition; and it appears to me, that after all there was very little difference between the policy of the then Government and the Opposition; the chief fight was on the time limit. The Government of Sir John Macdonald said, "British Columbia insists on the 10 year limit, it is in the terms agreed between the Government of the Dominion and the people of British Columbia; they are now submitted to you for approval, and must be accepted or rejected as a whole. The Hon. Mr. Campbell in the Senate, said, " But it is urged, why not include the resolution of which notice has been given elsewhere in the present arrangement. It is unnecessary, in my opinion, but more than that, it would force us to send back the whole scheme to British Columbia, and open the door for other changes." And so to save a year's delay with the possibility of British Columbians requiring "other stipulations," the terms were forced through both Houses. Still there appears to have been an *understanding* that the Railway works should be proceeded with only as fast as the resources of the country would allow, and a resolution was passed in the House of Commons, as follows: " Resolved, that the railway referred to in the address to Her Majesty concerning the Union of British Columbia with Canada adopted by this House on Saturday the 1st of April instant, should be constructed and worked by private enterprise, and not by the Dominion Government, and that the aid to be given to secure that undertaking, should consist of such liberal grants of land, and such subsidy in money, or other aid, *not unduly pressing on the industry and resources of the Dominion, as the Parliament of Canada shall hereafter determine.*" I trust I have clearly shown you, in what light I believe our great public work was regarded by the Commons and Senate of Canada, I shall now go further, and read you what one of

the delegates said (our present Lieutenant-Governor) at a complimentary dinner given to him on April 10th, 1871, in Ottawa.

He had been present during the whole of the debates on the Union question, and in response to the toast of Sir George Cartier—"Our Guest," the Hon. Mr. Trutch said with reference to the ten years limitation. "And now, Sir, I speak with special care, as I desire that full weight should be given to every word I utter on this point, that is to say, as to the understanding which I had when this clause was framed, and still have, of the intention of this engagement by the Dominion to construct the Canadian Pacific Railway within ten years. When we came to you in June last, we proposed that you should at once build a coach road from Fort Garry to the Pacific, and within three years begin a railway, and we sought to bind you to spend a million of dollars annually on the section of this railroad in British Columbia, and to complete its construction with the utmost possible despatch. We fully understood then, that once the road was commenced, it must be urged to its completion, as a matter of course, as a business necessity, and that instead of $1,000,000 being spent, probably $5,000,000 would be yearly expended in British Columbia. We knew, in fact, that if the road were to be completed at all, it would have to be proceeded with at a far faster rate than a million a year would insure. But there were those in British Columbia who thought that Canada would not undertake the work at all, and it was to satisfy their doubts, to secure their adhesion to the scheme, that the guarantee of the expenditure of the $1,000,000 annually was asked. The Government, on conference with our delegation, at once expressed their readiness to commence at once the railroad to the Pacific, and to complete it as soon as it was practicable to do so; but the coach road was objected to as an unnecessary expense, in view of the immediate construction of the railroad. We, from British Columbia, were prepared to accept the amendment of the scheme, and we accordingly proceeded to calculate the time it would probably take to build the railroad, and we agreed upon an estimated period of ten years. If it had been put at twelve or fifteen years, British Columbia would have been just as well satisfied, and if the estimated period had been reduced to eight years, she would scarcely have been better pleased. but some definite period for the completion of this work, *the British Columbians insisted on* as a necessary safeguard to our colony, in entering into the proposed union. To argue, that any other interpretation will be placed upon this railway engagement by British Columbia, than that which I have given to you as my construction of it—to argue, that she expects it to be carried out in the exact interpretation of the words themselves, regardless of all consequences, is a fallacy which cannot bear the test of common sense. (Hear, hear.) The case stands thus: British Columbia is about to enter into a partnership with Canada, and one of the terms of the articles

of partnership, is, that we are under the partnership to construct a railway, upon certain conditions. Is British Columbia going to hold her partner to that. which will bring ruin and bankruptcy upon the firm? Surely, you would think us fools indeed, if we adopted such a course. I would protest, and the whole of British Columbia would protest, if the government proposed to borrow $100,000,000 or $150,000,000 to construct this road; (hear, hear,) running the country into debt, and taxing the people of British Columbia as well as of the rest of the Dominion to pay the burden of such a debt. Why, Sir, I heard it said the other evening that British Columbia had made a most Jewish bargain with you in these terms, but even Shylock, himself, would not exact his pound of flesh, if a portion of it had to be cut from his own body. (Loud cheers and laughter.) I am sure that you will find that British Columbia is a pretty intelligent community, which will be apt to take a business view of this matter. She will expect that this railway shall be commenced in two years, for this is clearly practicable; and she will also expect that the financial ability of the Dominion will be exerted to its utmost, within the limits of reason, to complete it in the time named in the agreement; but, you may rest assured, that she will not regard this railway engagement as a 'cast-iron contract,' as it has been called, or desire that it should be carried out in any other way than as will secure the prosperity of the whole Dominion, of which she is to be part. (Cheers.) I have understood this railway engagement in this way from the first, and I still so understand it."

"I believed when we negotiated this clause in the Terms of Union last year, and I now believe, that it is not only practicable for this road to be built by a liberal land grant and a moderate money subsidy: but that it will be so built, and completed within the estimated period of ten years. But if a mistake has been made in this estimate, do not think that British Columbia is going to put a strained interpretation upon it, to her own material injury; that she is likely, as the saying is, to bite her own nose off to spite her face." Mr. Trutch spoke, I believe, the true sentiments of British Columbia then, and those utterances represent the feeling here to-day. So, not only was there the understanding I have referred to, between the Government and the Opposition at the time of our Union, but British Columbia, through her delegate, enunciated the same views. But with all, complications have arisen. Mr Mackenzie, on coming into power, saw the attitude the Government of British Columbia had taken with reference to the two years limit, the time at which construction should have commenced; he saw that it was the forerunner of continued and protracted bickerings between the two Governments, unless an early arrangement was come to. At the general election for the Commons, in the spring of 1874, Mr. Mackenzie stated what the policy of the government would be, with reference to the Pacific Railway; this was accepted by the country,

and he came back to the House, supported by a large majority of the people's representatives. He then, as you are aware, in order to come to a speedy and satisfactory arrangement with British Columbia, sent an agent of his Government to treat with British Columbia, for an adjustment of the terms, on a basis consistent with his policy; and in his letter introducing Mr. Edgar to Mr. Walkem, said, "I need not, I am sure, assure you of my own sincere desire to do all I can, to not only act justly, but generously to Columbia. It is in your interest, and in the interest of the Dominion, that we should both act with a reasonable appreciation of difficulties which are unavoidable, and to devise means to remove them or overcome." I do not propose to delay you with a long dissertation on the result of that mission, it is now a matter of history; but the disastrous termination to a very friendly overture on behalf of the Dominion Government cannot but be felt by all of you, when you look around and see that the public works you have been anxiously expecting to be actively progressing, are at a stand-still, and the only parties who have succeeded in holding their own, are the four high salaried members of your Local Government; it is to their action in this matter, that I wish to call your attention, and I think before I finish I shall be able to convince you that to their selfish policy alone, must this protracted and heartburning uncertainty, which we are now suffering, be attributed. It will be in your recollection, that in the spring of 1874, before the arrival of Mr. Edgar, there had been considerable excitement in Victoria at the action of the local Government, with reference to their attempt to place us it a false position with the Dominion Government by seeking a relaxation of 2 and 12 of the Terms of Union, at a time when it was known that negotiations had to be entered into with regard to our all important Railway clause. The excitement was so great that the populace went in a body to the Parliament building, singing, "We will hang DeCosmos to a sour apple tree, and then go marching on." They demanded that a petition should be received at the Bar of the House, setting forth their grievances—Parliamentary proceedings were stopped, the Premier wilted, and dispatched a messenger to the Government House at midnight, to ask the Lieutenant-Governor to order a gun-boat to the harbor, and he proposed to subjugate these rebellious subjects at the cannon's mouth. His forced and hurried resignation, and precipitate flight to Nanaimo, are laughable political incidents which we shall not readily forget. Mr. Walkem was then called on to form a Government, and perhaps it is not generally known that it was impressed on him very wisely I think, that in case of any alterations of the Terms of Union, the question must be submitted to the people—and a resolution was also passed in the House, forced by the Opposition, to the same effect. I must ask you to recollect this, as it has, to my mind, an important bearing on the subsequent actions of the local Government. At the close of the

session, a banquet was given to the members of the Opposition who had so unitedly and nobly acted and saved the Province, being placed in a false position with the Dominion Government. Mr Edgar had just arrived in Victoria, and the newly elected members for the Dominion Parliament were leaving for their duties in Ottawa. Mr. Edgar remained in the Province for some two months, and as directed by Mr. Mackenzie, endeavored by consulting with leading men in and out of the Government, to find out what would be acceptable to the Province, and was instructed, should no proposition be made to him, to telegraph what he thought would be acceptable. The course pursued by the local Government during Mr. Edgar's stay in British Columbia, is very clearly shown in his report to the Dominion Government, on his return East. I will now read it to you.

"When I received the above letter, I lost no time, and starting upon my journey and leaving Toronto, February 23rd, I arrived upon March 9th at Victoria, the capital of British Columbia. On the day that I landed in Victoria, the Hon. Mr Walkem, leader in local Government, called upon me, and I made him aware of the object of my mission. Upon the same day I handed him Hon. Mr. Mackenzie's letter of 16th February (Appendix A), also informing him that I had letters from His Excellency the Governor-General to his Honor the Lieutenant-Governor, which were next day delivered. Very soon afterwards Mr. Walkem introduced me to his colleagues, as the representative of the Canadian Government.

Upon my arrival in the Province, I found that an intense interest was manifested by all the population in whatever related to the question of railway construction. It is difficult, at a distance, to conceive the importance that is attached to the railway by British Columbians. On account of the vast construction expenditure, and the sparseness of the population who would participate in the immediate benefits derivable from it, an interest of a direct and personal character is felt upon this subject. The entire white population of the Province, according to the census of 1870, was 8,576 souls. Of this number, there were upon the Mainland 3,401, and upon Vancouver Island, 5, 175. The white population to-day has probably increased to 10,-000. With the exception, perhaps, of the gold miners, who are confined to the mainland, there is no class in the Province, that would not derive immediate personal advantage from the railway construction expenditure. Those in business, in trade, and in agriculture would feel the stimulus instantly; while those of means and leisure would be enriched by the increase in the value of their property. The circumstances of the early settlement of the Province, gave it a population of peculiar intelligence; and the fact that most of the rougher kind of labor is performed by Chinamen and Indians, has afforded, in an especial way to the people of Victoria, the Provincial Metropolis, leisure and opportunity for the fullest discussion of their great question of the day. Their keen intelligence and zeal

in public affairs suggests a parallel in the history of some of the minor States of ancient Greece or Italy. Although a strong feeling of jealousy of the greatness of Victoria, undoubtedly exists in parts of the mainland, yet, that town is the chief centre of public opinion. Its population is almost equal to the whole of the rest of the Province, and in its midst are the head-quarters of Government, of the courts, of the churches, and of trade. Within three miles, there is the fine harbor of Esquimalt, with its arsenal and British ships of war.

To Victoria, the question of the location of the railway terminus, is all important. because there is nothing in the terms of Union which settles that there shall be any portion of the line upon Vancouver Island, except a revocable Order in Council, and the intrinsic merits claimed for the location, are the grounds upon which they hoped to secure the terminus at Esquimalt. When it became well understood, that the surveys were not yet so far advanced, as to warrant the Canadian Government in fixing the permanent route and Western terminus of the railway, it was strongly urged upon me, by many persons in Victoria, that the construction of the line of railway should be at once undertaking by the Dominion, from the harbor of Esquimalt to the port of Nanaimo, on the east coast of Vancouver Island, a distance of about seventy miles. It was argued, that at whatever point, upon the mainland, the Pacific Railway might be brought to the coast, a steam ferry thence to Nanaimo, might be established, and would render their portion of railway a means of connection with Esquimalt, which is said to be the finest harbor upon the shores of the North Pacific. It was also insisted, that from its opening, there would be a considerable and profitable traffic over this line in the carriage of coal to Esquimalt, from the mines at Nanaimo and Departure Bay.

Moreover, it was contended, that in view of the admitted impossibility to complete the construction of the trans-continental railway, within the time originally limited, some substantial concessions should be made to the people of the Island, as compensation for their disappointment and prospective losses.

A contention, similar to the last mentioned one, was also pressed upon me warmly, by leading men of the mainland, who considered that they were now entitled to have some definite understanding arrived at, not so much in regard to the ultimate completion, as to the early, vigorous, and continuous construction of the railway upon the mainland, It was represented that those engaged in agriculture and stock raising, in the interior parts of the country, were almost without a market for their produce, partly because the gold miners were leaving in considerable numbers, and partly for the reason that, in anticipation of railway construction, they had raised more crops than usual. The great distance to the coast, and the stupendous mountain ranges to be traversed, prevented them from getting the

bulky products of their land to the Island markets of Victoria and Nanaimo. Being familiar with the difficulties to be met with by engineers, in seeking for a railway route through their country, the mainland people were not disposed to blame the Dominion, for insisting upon further time and surveys before fixing the location. Their immediate necessities also induced them to attach more importance to the securing of an early and steady expenditure amongst themselves, than to the maintaining of an arbitrary time limit for completion, while they also expressed their perfect appreciation of the agreement, that a vigorous expenditure of itself involves an accomplishment of the work within a reasonable period.

In the Provincial Constitution of British Columbia, the working of representative institutions, and responsible parliamentary government, may be studied in a simple form. The system is elaborated out of, perhaps, slender materials, but has been courageously fashioned after the model of the British Constitution. The people are represented by a House of twenty-five members, of whom thirteen are elected from the mainland, and twelve from the Island. In this House sit the Ministers of the Crown, four in number, two being Island members, and two from the mainland. The deliberations are presided over by a Speaker, and due respect for the dignity of the Assembly is maintained by a Sergeant-at-Arms.

Although I had not the fortune to be in the country when the House was in session, I was able to discover among the gentlemen who hold seats, a considerable number of much experience, and somewhat above the average intelligence of Provincial legislators. To those accustomed to older Canadian constituencies, each with population varying usually from fifteen to thirty thousand souls, it is somewhat novel to see the smallness of electoral districts in British Columbia. Yet it would be quite unfair to fix the number of electors as the standard of the intelligence of the representative, for one of the ablest of the Provincial Ministers, after an exciting contest at the last election, succeeded in polling but sixteen votes in his constituency, whilst his opponent suffered a decisive defeat, having polled exactly half that number.

The Session of the Provincial Legislature had terminated on the 2nd March, a week before my arrival, and the House had unanimously agreed to a resolution upon the subject of the eleventh, or railway clause, in the terms of Union with the Dominion, which was calculated to have an important bearing upon all negotiations with the local Government for a change in that clause. The language of the resolution is as follows:—'That in view of the importance of the Railway Clause of the Terms of Union between Canada and British Columbia being faithfully carried out by Canada, this House is of opinion, that no alteration in the said clause should be permitted by the Government of this Province *until the same has been submitted to the people for endorsation.*' When I ascertained that

the resolution had been passed, that the Provincial Parliament had yet more than a year to run, and that the Ministry had in it a sufficient working majority, it at once became apparent that any proposals to alter the railway clause, could possess few attractions in the eyes of the party in power. While prepared to admit that the Province would be most reasonable, and would not be disposed to insist at all upon the original time limit for completion, yet, members of the administration, looking at it from their own point of view, very naturally urge that this was a peculiarly unfortunate time to seek any alterations. I also discovered that the first Act of the Provincial Statute of 1873–4, contained elements of danger to the continued harmony between the General and Local Governments. This Act became necessary to authorize the Provincial to receive from the Dominion, the large sums of money, both for the Esquimalt graving dock, and for other public works, which the local Government petitioned the Dominion Government to advance, and which requests the latter complied with, as concessions to the Province in excess of what could be claimed under articles two and twelve of the terms of Union A saving clause, or proviso, was inserted in this Act, containing very strong language concerning the rights and wrongs of British Columbia as regards the railway, and adding, 'This Act shall not have any force or effect unless the above proviso be inserted, in the same words, in any Act of Parliament of Canada, which may be passed for the purpose of this Act'

A profound anxiety at once manifested by Mr. Walkem and his colleagues, to ascertain through me, if the Canadian Ministry would propose to Parliament to adopt the words of this proviso. When I sought to get from them some proposals or suggestions, as to their terms of the concessions that should be made to British Columbia, in consideration of a change in the railway terms, I was continually met by an urgent inquiry as to what was to be done about that clause. As early as the 16th of March, I was informed by telegram, that the Dominion Government would not adopt the language of the proviso in their bill, but would make the concessions as originally agreed, and without conditions affecting the railway terms. The announcement of this, was received by the local Ministers with alarm and disappointment, and it afterwards became still more difficult to get a satisfactory discussion of an alteration of railway terms with any of them. Orders in Council were passed by the local Government upon the subject, and I was continually urged to press upon the Dominion Government, the anxiety of the Provincial Ministry for the adoption of the saving clause, and I took many opportunities of doing so.

This pressure continued without intermission until the 25th of April, when, at the request of Mr. Walkem, I sent a dispatch to Mr. Mackenzie on behalf of the former, and in his own language, urging the adoption of the saving clause.

When, according to instructions, I endeavored to ascertain from the local Ministers, if their unwillingness to submit proposals as to the railway, to the people, arose entirely from our refusal to adopt the saving clause; I found that even such a concession would not induce them to bring about an appeal to the people.

According to instructions received, it was in my aim, from the very first, to take every means of ascertaining the popular view of the railway question. Indeed, when it was understood that the Canadian Government had delegated me upon this and general matters, the politeness and hospitable attentions of all classes soon rendered it an easy matter to form some estimate of public opinion. All were as willing to communicate, as I was anxious to receive their various views and information. I paid two brief visits to the mainland, meeting with people of New Westminster, Hope, Yale, and some few other places, and I was so fortunate as to meet, at one time or another, nearly all the members of the local Legislature, and many other persons of local prominence from the mainland.

The Lieutenant-Governor and the Hon. Capt. Hare, Senior Naval Officer at Esquimalt, kindly offered me an opportunity of visiting the east coast of the Island, in company with them, on board H.M. S. Myrmidon.

In discussing the question of the time for the completion of the time for the railway, I elicited a very general expression of opinion, that there was no great importance attached to any particular period for completion, but that serious disappointment had been felt at the failure to commence the work of actual construction by July of last year. Much anxiety was felt for an announcement of the policy of Canada upon the subject of the railway, and an extreme desire prevailed to have a definite understanding arrived at as to what the Province could expect, in place of the original railway terms, which were all but universally admitted to be incapable of literal fulfiment.

The public agitation in Victoria of February last, might have been mistaken for a movement to insist upon 'the terms, the whole terms, and nothing but the terms,' or to seek some disloyal alternative. Indeed, a portion of the community, who did not sympathize with the excitement, so interpreted it. Yet, I was assured by the leaders of that agitation, that no such motives or intentions influenced them. The people had been roused, by what were deemed suspicious circumstances, to fear that efforts would be made, or were being made, to secure from the local Government an agreement to change the railway terms without a submission to the people, who had directly sanctioned the original terms. The local contradictions had scarcely been accepted as satisfactory upon this point, but my denial of it on the part of the Ottawa Government, coupled with the announcement that the latter would not seek to secure any alteration without the sanction of the people of the Province, set that difficulty very much at rest.

Notwithstanding the attitude that was assumed by the Provincial Government against the submission of a proposal, or the opening of negotiations to alter the railway terms, it was quite apparent that popular feeling, all over the Province, was strongly in favor of some definite settlement being arrived at upon the question. The notorious and admitted failure of the original scheme of railway construction, had unsettled the business of the country, and the whole community, including even those who would have been the most exacting in bargaining with Canada for new terms, were anxious to have a proposal made, and to have a full opportunity of discussing and accepting or rejecting it.

I felt, therefore, that I should take an early opportunity of arriving at the views of the local Government upon the subject I was given an appointment by Mr. Walkem in the first week of April, and then confidentially discussed with the Ministry, the whole question of alteration in the railway terms. I may mention, that upon this occasion, no difficulty was raised as to my authority to represent the General Government.

At this time there was considerable irritation displayed by Ministers upon this subject at the saving clause, before alluded to; they would not admit any necessity for a present settlement of the railway question, but still persisted, that next year, or some time, should be awaited for the making of any such propositions; and they were particularly careful to avoid saying what concessions, in their opinion, would be acceptable to the Province in lieu of the original terms. The attitude of the local Ministry, rendered it more important than ever, that the popular feeling should be accurately ascertained, and it was my aim to discover it by unreserved discussion with as many men as possible of the different parties and localities.

It was now quite apparent that the local Ministers were determined to be obstructive, and it became all the more necessary to satisfy the people in so far as their views were found to be reasonable. After receiving from me the best information I could supply, Hon. Mr. Mackenzie directed me to make the Provincial Government certain proposals, which were so arranged as to give large and certain advantages to the mainland, equally with the Island, and on the 6th May, I was instructed to put them formally in writing and give them to the local Premier, and a copy to the Lieutenant-Governor. Upon the 8th May, I had prepared, and I read over to Mr. Walkem, the letter of that date, containing the proposals (Appendix B), and upon the following day I handed it to him, and furnished a copy to His Honor the Lieutenant-Governor, as directed, accompanied with a short note (Appendix C). I had made arrangements for another visit to the mainland, to ascertain something more of the feeling there, while the Provincial Government were having the proposals under consideration. Before sailing for New Westminster, however, I received the letter from Mr. Walkem (Appendix D)

in which he raised objections to recognizing me as the agent of the General Government. It struck me as so peculiar a communication on Mr. Walkem's part, after he and his colleagues had recognised me as such agent, almost every day for two months, that I felt it would be better not to be too hasty in accepting that as a serious and final reply to the proposals, but to await the lapse of a few days to be occupied by me in visiting New Westminster, Burrard Inlet, and some other places on the mainland. Upon returning to Victoria, on Saturday, 16th May, I was waited upon by a deputation of leading gentlemen, connected with both sides of local politics, who informed me that it had been announced in the House of Commons at Ottawa, by Hon. Mr. Mackenzie, that proposals had been made, on behalf of his Ministry, through myself, to the Provincial Government as to the alteration of the railway terms; and yet, that it was denied by members of the local Ministry, and by their newspaper organ, that any proposals whatever had been made. They represented that the popular feeling was very much excited upon the subject, and that the people were anxious to have the earliest opportunity of considering and deciding upon the question, and I was asked to inform them whether such proposals had been made. Upon receiving an affirmative reply, they took their leave, and shortly afterwards, as the intelligence spread, considerable excitement was manifested at the treatment the proposals were receiving at the hands of local Ministers.

In order to afford Mr. Walkem another opportunity to reply to the proposals, or to consider them, if he were at all desirous of doing so, I again addressed him, and in a letter of 18th May (Appendix E), endeavored to point out that he could not ignore the communication of 8th May, and reiterated the request on behalf of the Government of Canada, that the proposals should receive the consideration to which they were entitled. In reply to this, I received the letter (Appendix F) and upon the 19th May, under directions from Hon. Mr. Mackenzie, I left Victoria upon my return journey, without any further official communication with the local Ministry.

I may be permitted to mention that His Honor the Lieutenant-Governor, throughout the whole of my visit, was always most obliging in giving me, upon all public questions, very full information, which his large experience in the Province, rendered of the highest value. He also manifested an earnest wish to see a definite and amicable settlement of the railway question speedily arrived at between the General and Provincial Governments

In accordance with the direction contained in the last paragraph of Hon. Mr. Mackenzie's letter to me of the 19th February, I took every opportunity, during my stay in British Columbia, of noting various matters connected with Dominion business and interests. In several despatches to Heads of Departments, as well as in verbal communications with Ministers, I have already called attention to

some important subjects of that kind, and I propose to have the honor of communicating in separate reports, or despatches, upon several other points of interest and importance, connected with Dominion affairs in the Pacific Province.

I have the honor to be, Sir,

Your obedient servant,

(Signed,) J. D. EDGAR."

I contend, gentlemen, that nothing has transpired from that day to this, to alter the view taken by Mr. Edgar, viz: that the only reason that prevented Mr. Walkem from negotiating with Mr. Mackenzie, was his fear of facing the country. The quibble about credentials, did very well to play off on a few of the prominent lawyers in Victoria, who took every opportunity of stating that "Walkem was right in his law," but that gentleman did not dare, while extended at the foot of the throne, to raise that objection, such trickery would not go down with a high-minded statesman like Lord Carnarvon, for when negotiations were going on with that gentlemen, he admitted that Mr. Edgar had made the proposals on behalf of the Canadian Government. It was plain to these gentlemen in power that it would be fatal to go to the country, the present House had been in existence three years. When it was elected, no matter of such vital importance were before the country, as has lately occupied the attention of the public, and very little interest was taken in the election; men unfortunately were returned who proved recreant to their trust, when the time of trial arrived, and many mainland members had been so manipulated by Mr. Walkem that they were always found opposed to your interests, and in favor of Victoria; and the Premier himself, who was supposed to represent a mainland constituency in the Cabinet, as you know by his actions. has proved himself to be anything but the friend of the mainland. On my return to Victoria, in the spring of 1874, Mr. Edgar had just left for the East; Victoria was in a state of excitement. The local Government had determined on petitioning Her Majesty, and a vote advocating it was passed by the "Preservation of Terms of Union League," at a meeting packed for the purpose, at the instance of the local Government. The mainland, and many on Vancouver Island, opposed it, but the opportunity for a pleasant trip and a little notoriety, could not be lost by Mr. Walkem. The mission resulted, as you are aware, in nothing—in fact, it was a miserable failure Lord Carnarvon, after having received an assurance from the local Government, that they accepted his offer to arbitrate between the two governments on the question in dispute, upheld the policy ot the Dominion Government, suggested terms if anything inferior (certainly to the mainland,) to those previously offered by Mr. Mackenzie through Mr. Edgar, and is that to be wondered at, when we find Mr. Walkem opposing to the utmost, any public work in your section of the country, which

had the appearance of strengthening the adoption of your railway route. In order to prove this to you, I am compelled to go back to the Edgar Mission: "To avoid possibly tedious correspondence," Mr. Mackenzie sent an agent, authorized to lay a certain proposition before our Government, for the relaxation of the Railway terms, and the clause to which I wish to draw your attention, is that proposal which affects us most; it is the clause that was introduced (so I am informed) at the instance of the known friends of the districts to the East of the Cascade Range, and I propose to follow the discussion that arose from it between Lord Carnarvon, the Canadian Cabinet, and Mr. Walkem. It is dated, Victoria, May 8th, 1875, and reads thus:—"The Government have already asked Parliament for a large sum, for the purpose of carrying on these surveys, and no expenditure will be spared to achieve the most speedy and reliable selection of a permanent location of the line upon the mainland. It is useless to propose an actual construction being undertaken before the location has been determined upon; but in order to afford as much benefit from the works of construction from the very first, as can possibly be derived by the people of the interior, the Government would immediately open up a road, and build a telegraph line along the whole length of the railway in the Province, and carry the telegraph wire across the Continent. It is believed that the mere commencement to build a railway at the seaboard, as stipulated for in the existing terms, would give but little satisfaction to the producers living upon the east side of the Cascade Mountains, who would be unable, without a road being first constructed, to find a market all along the whole extent of the railway, wherever construction was progressing. It would then be the aim of the Government, to strain every nerve to push forward the construction of the railway—and they would endeavor, at the same time, so to arrange the expenditure, that the legitimate advantages derived from it, would as much as possible fall into the hands of our own producers. In addition to constructing the road, to facilitate transport along the located line, they are anxious to avail themselves of large supplies of all kinds of provisions, now existing, or capable of being produced in the interior, and would proceed, from the very first, with all the works of construction in that portion of the country, that their engineers could sanction."

This proposition was rejected by Mr. Walkem, on the pretext, that Mr. Edgar was not properly accredited, and is thus referred to by the Canadian Government, in addressing Lord Carnarvon. "The reason alleged for refusing to consider the proposition Mr. Edgar was finally directed to make, that Mr. Edgar was not accredited by this Government, was evidently a mere technical pretence. All that Mr. Edgar had to do, was simply to present the proposals and ascertain on the spot, whether they would be entertained by the Government." The Earl of Carnarvon, on the 16th August, after

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having seen Mr. Walkem, and having discussed the difficulties between Canada and this Province, thus writes to the Canadian Government. I will proceed to state the case as I understand it, and the impressions which I have formed as to the course that ought to be taken.

The proposals made by Mr. Edgar, on behalf of the Canadian Government, to the Provincial Government of British Columbia, may be stated as follows:—

(1.) To commence at once, and finish as soon as possible, a railway from Esquimalt to Nanaimo

(2.) To spare no expense in settling, as speedily as possible, the line to be taken by the railway on the mainland.

(3.) To make at once, a wagon road and line of telegraph along the whole length of the railway in British Columbia, and to continue the telegraph across the continent.

(4.) The moment the surveys and road on the mainland are completed, to spend a minimum amount of $1,500,000 annually upon the construction of the railway, within the Province

The terms suggested by Lord Carnarvon, were as follows:—

I am under the impression, after conversing with Mr. Walkem, that he is not fully empowered, on the part of British Columbia, to make specific proposals to the Government of Canada, or to me, as to what terms British Columbia would be willing to accept, but he has stated very clearly, in conversation at this office, the objections entertained by his Government, and in the Province, to the proposals of your Government; and they, or a considerable part of them, are fully set forth in the petition to the Queen, of which, as it has been published in the Colonial press, you no doubt have a copy.

Taking each point *seriatim*, as numbered in the last preceding paragraph but one, I understand it to be uaged:—

(1.) That nothing is being done by the Dominion Government, towards commencing and pushing on a railway from Esquimalt to Nanaimo.

(2.) That the surveying parties on the Mainland are numerically very weak; and that there is no expectation in British Columbia or guarantee given on the part of the Dominion, that the surveys will be proceeded with as speedily as possible.

(3.) That the people of British Columbia do not desire the wagon road offered by the Dominion Government, as it would be useless to them; and that even the telegraph proposed to be made along the line of the railway cannot, of course, be made until the route to be taken by the Railway is settled.

(4.) That "The moment the surveys are completed," is not only an altogether uncertain, but, at the present rate of proceeding, a very remote period of time, and that an expenditure of $1,500,000 a year on the railway within the Province will not carry the line to the boundary of British Columbia before a very distant date.

I am of opinion, therefore, on a general review of all the considerations of the case, and as an impartial but most friendly adviser, who, if I may be allowed to say so, has the interests of both parties and the prosperity of the whole Dominion deeply at heart, that the following proposals would not be other than a fair basis of adjustment.

14. (1.) That the section of the railway from Esquimalt to Nanaimo should be begun at once.

(2.) That the Dominion Government should greatly increase the strength of the surveying parties on the Mainland, and that they should undertake to expend on the surveys, if necessary, for the speedy completion of the work, if not an equal share to that which they would expend on the railway itself if it were in actual course of construction, at all events some considerable definite minimum amount.

(3.) Inasmuch as the proposed wagon road does not seem to be desired by British Columbia, the Canadian Government and Parliament may be fairly relieved of the expense and labor involved in their offer; and desirable as, in my opinion, the construction of the telegraph across the continent will be, it perhaps is a question whether it may not be postponed till the line to be taken by the railway is definitely settled.

His Lordship, then goes on to say, how much he desires to see the Province and central government arrive at a good understanding, and winds up by asking if it would be convenient for the Government, (the Government of Canada,) to reply by telegraph, so that no unnecessary delay be caused, in bringing the matter to a conclusion.

Mr. Dewdney then entered fully into the correspondence between the three Governments, showing clearly that Mr. Mackenzie was battling for advantages for the Mainland, while Mr. Walkem was doing what he could to delay any works in that section of the Province.

He showed that Mr. Walkem's chief complaint to Lord Carnarvon was, "That nothing is being done by the Dominion Government towards commencing and pushing on a railway from Esquimalt to Nanaimo."

To which Mr. Mackenzie replies, "The Dominion has no engagement to build such a railway, and therefore there can be no just complaint that it is not commenced. *The construction of such a railway was offered only as compensation for delay in fulfilling the engagement to build a railway to the Pacific seaboard.*"

He advised, that now, as the people had an opportunity of expressing their opinions at the polls, none but men should be sent to the local Legislature who could be depended on, to work for Mainland interests. He also gave his reasons for his vote on the Island Railway, which were received with applause, and perfectly satisfactory to his constituents.