

British Columbia as were required to determine the direction in which the experimental surveys should be carried on. In 1872, in the House of Commons, Sir George E. Cartier introduced a bill by which it was proposed to grant a subsidy of \$30,000,000, together with fifty million acres of land, for the construction of a railway from Lake Nipissing to the Pacific coast. The Government was authorized to come to an agreement with a single company for the construction of the entire line, provided that such company possessed a capital of \$10,000,000, of which ten per cent. must be deposited with the Receiver-General. The bill met with the approval of Parliament and a charter was given to an amalgamated company, with Sir Hugh Allan as its head, and among its members some of the wealthiest men of Victoria. Sir Hugh Allan then went to London to borrow the money necessary to carry out the undertaking. In this, however, he failed of success. To enter on a description of the trouble which at this time occurred in Dominion politics over the sale of the charter to the Allan company would be useless. Every school-boy knows the history of the Pacific scandal. The Macdonald Government was defeated and an administration was formed by Hon. Alexander Mackenzie. Previous to this change in the management of affairs, however, the Government of British Columbia had been notified that Esquimalt had been selected as the terminus of the railway, and the subsequent alteration in this respect continued to be a fruitful source of bitterness and contention. When Mr. Mackenzie came into power he refused to comply with the terms made by the preceding Government, and sent a lawyer named Edgar to British Columbia to negotiate new terms. Mr. Edgar's mission was, however, unsuccessful, owing to the fact that he had come without proper credentials; and on his recall Lieut.-Governor Trutch complained to the Imperial Government that a breach of contract had been committed by the Federal authorities in failing to carry out the terms of confederation.

In 1874 Mr. MacKenzie introduced his Pacific Railway Bill by which the line was divided into four sections; the first extending from lake Nipissing to the west end of lake Superior; the second from lake Superior to Red River, in Manitoba; the third from Red River to some point between Fort Edmonton and the Rocky Mountains; the fourth from the western terminus of the third section to some point in British Columbia. The Government was to