

Canada, so far from ignoring, have used their best endeavours to carry out the terms of the arrangement.

There is no pretence for saying that the Esquimalt and Nanaimo Railway was under the terms of Union, a work, the construction of which was obligatory on Canada, as part of the Pacific Railway.

By these terms the western terminus of the railway is prescribed to be a point on the Pacific seaboard to be fixed by the Governor in Council; and thus the question became not a matter of bargain between Canada and Columbia, but part of the executive policy of Canada.

The first action connecting in the remotest degree the Government of Canada with the construction of any railway on Vancouver Island, took place on the seventh of June, 1873, two years after the Union, when an Order in Council was passed which (most improvidently in the view of the Committee) declared that Esquimalt should be the terminus of the railway.

By this policy, had it remained unreversed, the Government would have been obliged to provide for the construction of over 160 miles of railway on Vancouver Island, at a probable cost of over seven millions five hundred thousand dollars; besides the building of a railway from the head of Bute Inlet and the bridging of the Narrows, a work supposed to be the most gigantic of its kind ever suggested, and estimated to cost more than twenty millions, making a total estimated cost of over twenty-seven millions and a half dollars.

The present Government from the beginning declined to adopt or maintain this part of the policy of its predecessors, either by bridging the Narrows, or by constructing any works on Vancouver Island as part of the Pacific Railway; but even had they done otherwise, such a course, however unwise, would not have altered the facts already detailed, which show conclusively that the Island Railway was not stipulated for by the terms of Union.

The attitude which the present Government have always assumed upon this subject appears from the instructions to Mr. Edgar, of 19th September, 1874, which contains the following paragraphs:—

“ You will remember that the Dominion is bound to reach the *seaboard of the Pacific* only, not Victoria or Esquimalt, and you will convey an intimation to them that any further extension beyond the waters of Bute Inlet, or whatever other portion of the sea-waters may be reached, may depend entirely on the spirit shown by themselves in assenting to a reasonable extension of time, or a modification of the terms originally agreed to. * * * * *

“ You will take special care not to admit in any way that we are bound to build the railway to Esquimalt, or to any other place on the Island, and while you do not at all threaten not to build there, to let them understand that this is wholly and purely a concession, and that its construction must be contingent on a reasonable course being pursued regarding the other parts of the scheme.”

The whole tenor of the subsequent correspondence and action of this Government has been in strict accordance with this view. The Minute of Council of 8th July, 1874, transmitted to Lord Carnarvon, contains the following paragraph:—

“ The proposition made by Mr. Edgar involved an immediate heavy expenditure in British Columbia not contemplated by the terms of Union, namely: the construction of a railway on Vancouver Island, from the port of Esquimalt to Nanaimo, as compensation to the most populous part of the Province for the requirement of a longer time for completing the line on the mainland.”

The Minute of the 23rd July, 1874, also transmitted to Lord Carnarvon, contains the following paragraph:—

“ The Dominion Government were also willing to exceed the terms of Union by constructing a railway on the Island of Vancouver, although they were bound only to reach the seaboard of the Pacific.”

The Minute of the 17th September, 1874, also transmitted to Lord Carnarvon, contains the following paragraphs:—

“ The proposal may thus be summarized:—1. To build a Railway from Esquimalt