

Pacific Railway. It was then expected that the line would go to Bute Inlet, and crossing either by ferry or subsequently by a bridge, that the railway would be extended down from that point through Nanaimo to the harbour of Esquimalt. Subsequent surveys proved that a better route could be found to the coast of British Columbia than that proposed by Bute Inlet. I may say, however, that the people of British Columbia becoming exceedingly restless and dissatisfied at the want of that rapid progress which they had been led to expect, agitated very strongly in favour of some additional measure to be taken for the purpose of advancing that work. The result was that a reference was made to the Colonial Minister, Lord Carnarvon, and after a great deal of negotiation and a great deal of explanation, both on the part of the people of British Columbia, the Government of British Columbia, and the Government of Canada, it was finally decided to adopt the recommendations made by Lord Carnarvon for the solution of this question. I need not remind the House that these recommendations of Lord Carnarvon, which were subsequently adopted by the Government of Canada, required not only the construction of the railway from Nanaimo to Esquimalt, but the immediate construction of that portion of the line, required that it should be proceeded with immediately. I will not detain the House by any lengthened reference to those terms, because it is known that, when the Government submitted a proposal to Parliament for the purpose of providing for the construction of the road from Nanaimo to Esquimalt, that measure was defeated, not in this House but, as will be recollected, by the other branch of the Legislature. Subsequently, the Government, in order to meet the difficulty that had thus been encountered, offered to the people of British Columbia, or rather to the Government of British Columbia, in consequence of the unavoidable delays which had taken place, delays which were held to have been extremely injurious to the development, not only of Vancouver Island but of British Columbia generally, the sum of \$750,000 in compensation for these delays. An Order in Council was passed to that effect, but the proposal was not accepted by the Government of British Columbia. Then, the Bute Inlet route was finally abandoned by the Government, the Order in Council locating the terminus at Esquimalt was cancelled by the Government—I now refer to the Government of Mr. Mackenzie—and the terminus was fixed at Burrard Inlet. After the change of Government, that Order in Council, cancelling the Order in Council which had provided for the terminus at Esquimalt, was also cancelled, and the adoption of the Bute Inlet route was cancelled, and the subject again thrown open in order that there might be further examination and further consideration as to whether any better line could be obtained; and, as will be remembered, the Government investigated a line that had not previously attracted a great deal of attention, and where it was hoped that we could reach a good harbour in British Columbia at a much smaller cost than would be involved in going to Bute Inlet—I mean Port Simpson—and some delay was caused while that investigation was going forward. The Government of my right hon. friend, however, arrived, after full consideration, at the conclusion that our predecessors had adopted a judicious course, in selecting the terminus for the Canadian Pacific Railway, when they located that terminus at Burrard Inlet, and it will be remembered that, in 1879, a considerable portion the most difficult and important portion of the line going to Burrard Inlet was placed under contract, notwithstanding that, however, the Government of British Columbia were not satisfied with what was being done, and again, as will be remembered, Mr. De Cosmos was sent by that Government as a representative to the Imperial Government, to agitate the question as to the great injury which had been inflicted upon

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British Columbia, by the delay that had taken place in carrying out the terms of union. The Legislature of British Columbia also cancelled the land grant which had been passed in consequence of the Carnarvon terms, giving a belt of land twenty miles in width on each side of the line from Nanaimo to Esquimalt, for the purpose of aiding in the construction of that portion of the line. They incorporated a company for the purpose of constructing the line—a private company—and made an appropriation of lands to them for the purpose. They believed that they would be able with these lands to obtain the construction of the line. That belief, however, proved not to be well founded, and their efforts in that direction failed. Difficulties also presented themselves in connection with the question of the land grant which had been originally appropriated under the terms of union for the construction of the Canadian Pacific Railway. The Legislature of British Columbia had been called upon and had appropriated the lands on the route extending from Tête Jaune Cache to the Fraser, and so down to Bute Inlet; and a difficulty arose as to whether the Government were entitled, after the change of location down to the Kamloops District, and the pass by the Kicking Horse, to change the location of this land which had been appropriated. Other difficulties arose in considering the question of the twenty mile belt to which the Canadian Government was entitled on each side of the line for the construction of the Canadian Pacific Railway. A considerable portion of land within that belt—some 800,000 acres—had been already appropriated to other purposes, and questions arose as to in what shape the land should be taken. It was found, owing to the location of the land by the gorges of the Fraser, that a question arose as to whether the land was to be horizontal or perpendicular, as in many places you would pass a mile or a long distance from the railway without reaching any land available for cultivation. Those questions were presented and made the subject of discussion between Mr. Trutch, the agent of the Dominion Government, and the Government of British Columbia, and that Government finally made a proposal to the Government of Canada for the solution of these various questions. That was in 1883, and the result of those proposals was that a new Act was passed, again appropriating the land in the twenty mile belt on each side of the line, on a new arrangement, which will be described a little later on, in the Bill which has recently passed in the Legislature of British Columbia, by which it was proposed to appropriate about 1,920,000 acres of land, described with metes and bounds, along the coast from Esquimalt or the neighbourhood of Esquimalt to Nanaimo, and above Nanaimo in the region of Comox. My right hon. friend and myself, to whom that despatch of the Government of British Columbia was referred, reported a scheme of adjustment which is the scheme which, I am happy to say, has practically been arrived at, as stated in the resolutions now before the House. I may, in connection with this question, remind the House that, under the first terms of union, we had agreed to pay the interest upon \$400,000 to assist in the construction of the graving dock, and subsequently, as the result of negotiations, when it was found not practicable to obtain the construction of the graving dock in that way, it was decided to appropriate \$250,000 as a contribution towards the construction of the graving dock as the work proceeded, the Government of British Columbia undertaking to make a contract, and being in a position to receive the aid of £50,000 sterling which was to be contributed by the Imperial Government. A contract under these arrangements was made by the Government of British Columbia for the construction of the work, but difficulties were encountered and it was ultimately found that the amount at their disposal would not be sufficient to secure the completion of the work. Its progress was slow and unsatisfactory, and as these resolutions indicate, it was decided, for the purpose of settling the whole