

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: