

Copy of a Report of a Committee of the Honorable the Privy Council for Canada, approved by His Excellency the Governor General, on the 13th March, 1876.

The Committee of Council have had under consideration the despatch from the Lieut.-Governor of British Columbia, dated 2nd February, 1876, on the subject of the Pacific Railway, enclosing amongst other papers a copy of an Address to Her Majesty from the Legislative Assembly of British Columbia.

In that Address the Legislative Assembly states, "that the Dominion Government have almost wholly disregarded the terms of the settlement, as they have not commenced the promised railway construction, either on the Island or on the mainland, or the waggon road or engineering trail intended to facilitate railway work on the mainland, nor has the agreement in the settlement for the immediate construction of the Provincial section of the Trans-Continental Telegraph Line been carried out."

Upon this allegation the Committee would observe, that although the Government took every step in their power to secure the construction of the proposed Esquimalt and Nanaimo Railway, the Bill for that purpose, which they carried through the House of Commons, was defeated in the Senate.

With reference to railway construction on the mainland, the present Government always insisted, and it was part of the arrangement, that they should not be called on to locate the line before the surveys were sufficiently complete for that purpose. The Government is not even yet in a position to determine the location, and this must, of course, precede the commencement of construction.

As to the proposed waggon road or engineering trail, this road was alleged by British Columbia to be valueless, but it was explained by the Government of Canada, (as indeed is stated in the Address) that it was intended to facilitate the construction of the railway, (of which it would in fact be a part), and that it would be built upon the location line of the railway.

The railway not being yet located it is of course impossible to construct the waggon road.

The same observations apply to the telegraph line which was to be constructed along the located line of the railway for the purposes thereof. It is to be observed, however, that contracts have been entered into by the Government for the entire telegraph line from Lake Superior to the Pacific, of which five hundred miles have been built; and that the contractor for the part in Columbia, having the bulk of his material on hand, is ready to commence construction as soon as the line is located.

The Address proceeds to state "that with reference to the promised "active prosecution of the surveys, the Assembly have no authoritative information upon which a correct opinion can be based."

Upon this statement the Committee have only to observe that the utmost diligence has been used in prosecuting the surveys, and in fact the extreme haste induced by an earnest desire to fulfil, as far as practicable, the terms of Union, has in several instances prevented so thorough an examination of the country as should be made in order to secure the best location. The Committee must add that the members of the Columbia Legislature can hardly be ignorant of the enormous expenditure made in that Province in connection with the surveys.

The Address states "that the Dominion Government have, by a Minute of the Privy Council, of 20th September, 1875, intimated their intention to virtually ignore the settlement;" \* \* \* \* \* and further that they "have affirmed that the section of the railway on Vancouver Island is not part of the Pacific Railway, but was offered to the Province as compensation for local losses caused by delays in the construction of the Pacific Railway, but your petitioners do not find that such an offer of compensation was ever made or even suggested to the Province."

On these statements the Committee would observe that the Government of