

having seen Mr. Walkem, and having discussed the difficulties between Canada and this Province, thus writes to the Canadian Government. I will proceed to state the case as I understand it, and the impressions which I have formed as to the course that ought to be taken.

The proposals made by Mr. Edgar, on behalf of the Canadian Government, to the Provincial Government of British Columbia, may be stated as follows:—

- (1.) To commence at once, and finish as soon as possible, a railway from Esquimalt to Nanaimo.
- (2.) To spare no expense in settling, as speedily as possible, the line to be taken by the railway on the mainland.
- (3.) To make at once, a wagon road and line of telegraph along the whole length of the railway in British Columbia, and to continue the telegraph across the continent.
- (4.) The moment the surveys and road on the mainland are completed, to spend a minimum amount of \$1,500,000 annually upon the construction of the railway, within the Province

The terms suggested by Lord Carnarvon, were as follows:—

I am under the impression, after conversing with Mr. Walkem, that he is not fully empowered, on the part of British Columbia, to make specific proposals to the Government of Canada, or to me, as to what terms British Columbia would be willing to accept, but he has stated very clearly, in conversation at this office, the objections entertained by his Government, and in the Province, to the proposals of your Government; and they, or a considerable part of them, are fully set forth in the petition to the Queen, of which, as it has been published in the Colonial press, you no doubt have a copy.

Taking each point *seriatim*, as numbered in the last preceding paragraph but one, I understand it to be urged:—

- (1.) That nothing is being done by the Dominion Government, towards commencing and pushing on a railway from Esquimalt to Nanaimo.
- (2.) That the surveying parties on the Mainland are numerically very weak; and that there is no expectation in British Columbia or guarantee given on the part of the Dominion, that the surveys will be proceeded with as speedily as possible.
- (3.) That the people of British Columbia do not desire the wagon road offered by the Dominion Government, as it would be useless to them; and that even the telegraph proposed to be made along the line of the railway cannot, of course, be made until the route to be taken by the Railway is settled.

(4.) That "The moment the surveys are completed," is not only an altogether uncertain, but, at the present rate of proceeding, a very remote period of time, and that an expenditure of \$1,500,000 a year on the railway within the Province will not carry the line to the boundary of British Columbia before a very distant date.