

extending, by the country northward of Lake Superior, to the existing Canadian lines, ought not, in my opinion, to be required, and the time for undertaking that work must be determined by the development of settlement and the changing circumstances of the country. The day is, however, I hope, not very distant when a continuous line of railway through Canadian territory will be practicable, and I therefore look upon this portion of the scheme as postponed rather than abandoned.

In order to inform Mr. Walkem of the conclusions at which I have arrived, I have thought it convenient to give him a copy of this despatch, although I have not communicated to him any other part of the correspondence which has passed between your Lordship and me.

It will, of course, be obvious that the conclusion which I have now conveyed to you upholds, in the main, and subject only to some modifications of detail, the policy adopted by your Government with respect to this most embarrassing question. On acceding to office your Ministers found it in a condition which precluded a compliance with the stipulations of Union. It became, therefore, their duty to consider what other arrangements might equitably and in the interests of all concerned be substituted for those which had failed. And in determining to supplement the construction of some part of the new railway by that vast chain of water communications which Nature might seem to have designed for the traffic of a great country, I cannot say that they acted otherwise than wisely. I sincerely trust that the more detailed terms which I have now laid down as those on which this policy should be carried out will be found substantially in accordance with the reasonable requirements of the Province, and with that spirit of generous and honourable adherence to past engagements which ought in an especial degree to govern the dealings of a strong and populous community with a feebler neighbour, and which I well know to be the characteristic of all parties and statesmen alike within the Dominion of Canada.

I have, &c.
(Signed) CARNARVON.

No. 29.

Colonial Office to Mr. Walkem.

Sir,

Downing Street, November 17, 1874.

I AM directed by the Earl of Carnarvon to transmit to you a copy of a despatch which, after fully considering the representations made to him on the part of the Dominion Government and by yourself, his Lordship has addressed to the Earl of Dufferin on the subject of the Canadian Pacific Railway.* As this despatch contains a full explanation of the conclusions at which Lord Carnarvon has arrived, his Lordship does not feel it necessary to enter, on the present occasion, into any lengthened examination of the various points which you have pressed upon his notice from time to time.

It will be a source of deep satisfaction to Lord Carnarvon if the good feeling between Canada and British Columbia, to the maintenance of which you have contributed by the temperate and reasonable manner in which you have urged the claims of your Province, is permanently confirmed by the aid of his intervention.

I am, &c.
(Signed) ROBERT G. W. HERBERT.

No. 30.

The Earl of Carnarvon to the Earl of Dufferin.

My Lord,

Downing Street, January 1, 1875.

I HAVE the honour to inform you that Her Majesty will not be advised to exercise her power of disallowance with respect to the following Acts of the Legislature of the Dominion of Canada, transcripts of which accompanied your despatch of the 23rd of September last:—

* No. 28.