

The Committee concur with the Secretary of State in regretting that a difference exists between the Dominion and this Province in regard to the Railway, and that it is most desirable for all parties, that all the questions in controversy should receive a speedy and amicable settlement, and they are of opinion that a reference to arbitration is the course of all others most likely to lead to so desirable a result.

They therefore advise the cordial acceptance by your Excellency of the arbitration of the Secretary of State, in accordance with the conditions laid down in His Lordship's Despatch of the 18th June, 1874; and should this report be approved, they recommend that the acceptance by this Government on behalf of British Columbia of the arbitration of the Right Honorable the Secretary of State for the Colonies, be immediately communicated by Your Excellency to that Minister by telegraph and by mail, that copies of such communications be transmitted simultaneously to the Secretary of State for Canada for the information of His Excellency the Governor-General.

(Certified)

W. J. ARMSTRONG,
Clerk Executive Council.

No. 16.

SAN FRANCISCO,
18th June, 1874.

His Excellency Lieutenant-Governor Trutch, Province of British Columbia, Victoria.

DEAR SIR,—We have just received the following cable message from London:

"LONDON,
"18th June.

"Private and confidential. Advise Governor Trutch, Vancouver, by letter, "Sproat says Carnarvon offers to arbitrate between Dominion and Province, both "parties concurring. Sproat strongly recommends this;" which message you will no doubt understand.

We are, &c.,

(Signed) FAULKNER, BELL & Co.

BRITISH COLUMBIA.

LIEUTENANT-GOVERNOR'S OFFICE,
June 26th, 1874.

GENTLEMEN,—I am directed by the Lieutenant-Governor to acknowledge the receipt of your letter to him, of the 18th instant, and to thank you for the information it conveys, which is fully understood by His Honor.

I have, &c.,

(Signed) ARTHUR G. J. PINDER,
Private Secretary.

Messrs. Faulkner, Bell & Co., San Francisco, California.

No. 16A.

Lieutenant-Governor Trutch to Governor-General.

GOVERNMENT HOUSE, VICTORIA,
29th July, 1874.

MY LORD,—I have the honor to acknowledge the receipt, on the day before yesterday, of Your Lordship's despatch of the 3rd instant, transmitting, by direction of the Right Honorable the Secretary of State for the Colonies, for the information