mote settlement on the Pacific coast long hesitated to join the Dominion; and its assent was only granted on definite terms. Sir John Macdonald and his colleagues undertook, on behalf of the Canadian Government, to complete within a limited time a railway to connect the Eastern and Western Provinces. The enterprise was suggested by the example of the United States in constructing the Pacific Railway which now extends from the Atlantic coast to San Francisco. The Canadian Government perhaps scarcely gave sufficient consideration to the inferiority of colonial resources, to the thinness of population on the proposed route, and to the severe climate of the North. Even the American Pacific Railway has hitherto failed as a speculation, though it is both politically and commercially advantageous to the Union. The construction of the railway was attended by numerous pecuniary scandals; and the line might figuratively be said to be ballasted with broken reputations. In this respect, if in no other, it was easy for Canada to imitate a bad example.

The English Government, feeling a strong and legitimate desire for the Union of all the North American Provinces, undertook to guarantee a loan for a portion of the necessary expenditure. One of the principal capitalists of Canada was employed in financial negotiations in London; and, unfortunately, the Canadian Prime Minister and some of his colleagues became personally compromised in the transactions of their agent. It was found impossible to raise the large sum which would have been required for the construction of the railway; and the disclosure of some irregular bargains with the contractor led to the retirement of Sir John Macdonald and his Ministry from office. His successor, Mr. Mackenzie, had opposed the project of the railway; the incoming Government soon announced its intention of abandoning the enterprise. A distinct breach of contract with British Columbia could only be excused by the impossibility of completing the bargain. The Province was naturally slow to admit the necessity of incurring serious disappointment; but, after long negotiation, Lord Carnarvon induced British Columbia to acquiesce in an alternative and less advantageous plan. The Canadian Government, in consideration of a release from the obligation of making the railroad, agreed to make a waggon road for a part of the distance, and to construct a considerable extent of railroad within the Province. The second arrangement has now shared the fate of the first, although the Canadian House of Commons voted the necessary supplies. The bill was, apparently with the connivance of the Ministers, lost in the Council; and now a third offer is made of a lump sum of a quarter of a million in satisfaction of all the claims of the Province. There is no security that the damages tendered will be paid; and, although a money compromise would perhaps not be expedient, the Legislature and Government of British Columbia regard the Canadian offer as wholly inadequate. They allege that the railway which the Government of the Dominion undertook to construct would have cost several millions; and that the expenditure of large sums on labor would have been immediately advantageous to the district. In default of a more liberal arrangement, British Columbia claims to be released from the federal connection to which it had assented. The conditions of the original bargain have evidently been violated, and the contention that the contract is void is therefore plausible, if not convincing.