

Secretary of State; so in the present case it may possibly be acceptable to both parties that I should tender my good offices in determining the new points which have presented themselves for settlement. I accordingly addressed a telegram to you yesterday to the effect that I greatly regretted that a difference should exist between the Dominion and the Province in regard to the railway, and that if both Governments should unite in desiring to refer to my arbitration all matters in controversy, binding themselves to accept such decision as I may think fair and just, I would not decline to undertake this service.

4. The duty which under a sense of the importance of interests concerned, I have thus offered to discharge, is of course a responsible and difficult one which I could not assume unless by the desire of both parties, nor unless it should be fully agreed that my decision whatever it may be shall be accepted without any question or demur. If it is desired that I should act in this matter, it will be convenient for each party to prepare a statement to be communicated to the other party, and after a reasonable interval a counter statement, and that on these written documents I should, reserving of course to myself the power of calling for any other information to guide me in arriving at my conclusion, give my final decision.

5. I request you to transmit a copy of this despatch with the utmost possible speed to the Lieutenant-Governor of British Columbia; I have communicated to Mr. Sproat, the agent for British Columbia, for transmission by telegraph to the Government of that Province the purport of the telegram which I addressed to you yesterday, in order that my offer may come before both parties as soon as possible.

I have, etc.,

(Signed)

CARNARVON.

No. 15.

Copy of a Report of a Committee of the Honorable the Executive Council approved by His Excellency the Lieutenant-Governor, on the 5th August, 1874.

The Committee of Council have had under consideration, the proposal for a reference to arbitration, of the question between the Province and the Dominion Government, respecting the fulfilment of the Terms of Union, contained in the Despatch dated 18th June, 1874, from the Right Honorable the Earl of Carnarvon, Her Majesty's Principal Secretary of State for the Colonies to His Excellency the Governor-General, a copy of which has been transmitted for the information of your Excellency, and referred to them for report:—

In the Despatch the Secretary of State observes that he is "strongly impressed with the importance of neglecting no means that can properly be adopted for effecting the speedy and amicable settlement of a question, which cannot without risk and obvious disadvantage to all parties, remain the subject of prolonged, and it may be acrimonious discussion."

That it has occurred to him, "that as in the original terms and conditions of the admission of British Columbia into the Union, certain points were reserved for the decision of the Secretary of State, so in the present case it may possibly be acceptable to both parties that he should tender his good offices in determining the new points which had presented themselves for settlement. That if both Governments should unite in desiring to refer to his arbitration all matters in controversy, binding themselves to accept such decision as he may think fair and just, he would not decline to undertake this service."

That the duty, which under a sense of the importance of the interests concerned, he has thus offered to discharge, is of course a responsible and difficult one, which he could not assume unless by the desire of both parties, nor unless it should be fully agreed that his decision, whatever it may be, shall be accepted without any question or demur.