

That the Province has fulfilled her part of the agreement; and has endeavoured to aid the Dominion Government to carry out their part;

That the Dominion Government have not, during the three years succeeding Union, made due effort to complete the railway surveys in British Columbia;

That the Dominion Government did not, on the 20th July, 1873, commence the "simultaneous" railway construction provided for in the agreement;

That they also have hitherto failed to commence any railway construction whatsoever in the Province, though they might have commenced such construction, as they admitted in May last that they were then in a position to begin the railway.

Some further circumstances connected with these matters are detailed in the Petition. It is therein shown that in June, 1873, the Dominion Government selected the harbour of Esquimalt, on the Pacific, as the western terminus of the Canadian Pacific Railway; that they at the same time decided that a portion of the main line should be "located" between this terminus and Seymour Narrows; that some weeks prior to the day named in the Agreement for the commencement of the construction of the main line, they secured from the Provincial Government "in furtherance of such construction" a reserve of a valuable tract of land lying along this projected line, and some 3,000 square miles in area; that, as already stated, no construction whatsoever was or has been commenced within the Province; that the land so reserved has been thus rendered comparatively valueless to the Province, as it has ever since been closed to settlement and to the investment of capital.

Against the continuance of the above state of things, the Province, through its Legislature and its Government, from time to time entered protest after protest, but without effect, and without even eliciting any reply from the Dominion Government beyond a formal acknowledgment of the receipt of the despatch inclosing each protest. The last protest was forwarded in February of the present year. Subsequently the correspondence took place which is appended to the Petition. From the questions raised by this correspondence, all those which are unimportant may be usefully eliminated. I propose, therefore (subject, perhaps, to a slight digression, where necessary), to confine my observations to the principal points in a letter from Mr. Edgar to myself, which contains certain proposals as regards railway matters.

The Provincial Government did not at the time understand that these proposals were officially made. They were subsequently withdrawn by the Dominion Government, and only at the moment of such withdrawal declared by them to have been made with their authority and on their behalf. The above letter, which thus became invested, though but for a brief time, with an authoritative character, is valuable as the only official intimation to the Provincial Government of the policy of the present Dominion Government on the subject of the Pacific Railway. In addition to certain proposals or offers to British Columbia, the letter contains important statements and some specific admissions which favour the Provincial case.

I shall discuss these offers *seriatim*, and endeavour to ascertain their value taken in connection with the conditions attached to them, which conditions, as I shall afterwards show, virtually amount to a surrender by British Columbia of her existing railway agreement. I shall then offer some comments upon the above statements and admissions, using generally, as far as may be, the language in which they are expressed in the letter, in order to lessen the danger on my part of any inadvertent misconstruction of their meaning.

The offers made are as follows:—

- No. 1. The Dominion will "commence construction from Esquimalt to Nanaimo immediately, and push that portion of railway on to completion within the shortest practicable time."

The offer to commence work immediately at Esquimalt (which, as already stated, was selected as the western terminus of the main line by an Order of the