

that where lands within such belt have been alienated, that other contiguous lands be transferred of like value and acreage.

3. The Company submits the foregoing as the basis for an arrangement whereby a railway may be constructed between the points named, upon more favorable terms to the Dominion Government than if constructed and operated under its own supervision, while at the same time the Government would be relieved from all the responsibility and trouble incident to constructing and operating the same.

4. Hoping that the foregoing propositions may receive the favorable consideration of yourself and the Government.

We have the honor to be, Sir, on behalf of the said Company,

Your obedient servants,

E. CRANCINI, *Chairman.*

HERBERT GASTON, *Secretary.*

Hon. ALEXANDER MACKENZIE,
Commissioner of Public Works, &c., &c.

OTTAWA, 10th March, 1876.

SIR,—I am desired to acknowledge the receipt of your communication of the 4th instant, transmitting certain propositions made by the Victoria and Esquimalt Railway Company, in connection with the construction of the railway between Esquimalt and Nanaimo, British Columbia.

I have the honor to be, Sir, your obedient servant,

F. BRAUN, *Secretary.*

A. DeCosmos, M.P., House of Commons.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 17th March, 1876.

On a memorandum, dated 6th March, 1876, from the Hon. the Minister of Public Works, communicating certain propositions made through Mr. DeCosmos, M.P., for the construction, by the Victoria and Esquimalt Railway Company, of a line of railway from Nanaimo to Esquimalt, in which they offer to build such road in consideration of a subsidy of \$40,000 per mile for the section between Esquimalt and Mill Creek, and of \$20,000 per mile for the portion of the road from Mill Creek to Nanaimo, together with a belt of land, twenty miles wide, along the line of route proposed to be taken; the Dominion Government further agreeing to guarantee the interest at five per cent. per annum for twenty-five years upon such bonds as the Company might find it necessary to issue to obtain what additional sum may be required for the building of the railway;

The Minister advises that the Company be informed that the Government are not in a position to entertain any proposition for building the railway in question.

The Committee concur in the advice above submitted, and recommend the same for Your Excellency's approval.

Certified, W. A. HIMSWORTH, *C. P. C.*

To the Hon. the Minister of Public Works.

OTTAWA, 27th March, 1876.

SIR,—Referring to your letter of the 4th instant, transmitting the proposal of the Victoria and Esquimalt Railway Company to build, on certain conditions, a line

from Nanaimo to Esquimalt, that the Government would be relieved from all the responsibility and trouble incident to constructing and operating the same.

Hon. A. I.

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