

Here four propositions are laid down:—

1st. That the Canadian Federal system is based upon a union of the "wealth, credit, and intelligence" of the several Provinces, which will, when properly applied, promote the welfare of each.

2nd. That to secure this result, "easy * * * internal * * * communication" through British Territory "is indispensable."

3rd. That the absence of this "easy * * * internal * * * communication," and "the distance between Ottawa and Victoria" constitute "a real difficulty in the way of immediate union."

4th. That this "real difficulty" will operate as a mere "temporary drawback on the advantages of union," as it will be sure to "force onwards" those "operations" necessary to remove it.

It is to hasten the removal of this "temporary drawback," and to "force onwards," in the sense of the above despatch, these necessary operations, which have been long deferred, that the Government of British Columbia have sought the intervention of Her Majesty's Government.

The strength of the above propositions, viewed in connection with the general confederation policy, was fully recognized by the then Government of the Dominion. They agreed with Her Majesty's Government, that without "easy communication" and "internal transit" between Ottawa and Victoria, the union of British Columbia and Canada could not be effective. Afterwards, when the whole matter was practically studied by the Government of the Dominion, it seems to have been their decided opinion that "easy communication" across the Continent could mean nothing less than a railway; and that, with respect to British Columbia, the "temporary drawback on the advantages" of Confederation, mentioned by Her Majesty's Government, should not be allowed to last for more than ten years from the date of Union.

Hence the Dominion undertook "to secure the commencement simultaneously," on the 20th July, 1873, "of the construction of a railway from the Pacific towards the Rocky Mountains, and from such point as may be selected, east of the Rocky Mountains, towards the Pacific, to connect the seaboard of British Columbia with the railway system of Canada; and further, to secure the completion of such railway within ten years from" July, 1871. And British Columbia, on her part, entered into certain obligations in favour of the Dominion, with regard to the public lands of the Province. The word "simultaneously," which appears in this agreement, was designedly inserted with two objects:—

1st. That Canada should commence construction works at the two most available points, and thus ensure the early and rapid progress of the railway; and

2ndly. That the admitted disadvantages under which British Columbia would labour until the completion of the main line should to some extent be counterbalanced by the benefits of early expenditure upon railway works in the Province.

The agreement thus entered into was inserted in, and formed the most essential part of, the Terms of Union mutually accepted, in 1871, by British Columbia and Canada. These terms were placed before the people of the Province at a general election. They were shortly afterwards considered and formally approved by the Provincial Legislature. They were subsequently fully debated and accepted by both Houses of the Parliament of Canada; and they were finally sanctioned and ratified by Her Majesty in Council. No question, therefore, could have been more thoroughly ventilated; no conclusion more deliberately arrived at. As a strong practical proof of the continued interest felt by Her Majesty's Government in the success of the Confederation thus established, the Imperial Parliament, in July, 1873, guaranteed a loan of £3,600,000, to be raised by Canada mainly for the construction, among other public works, of the Canadian Pacific Railway.

It may now be useful to present to your Lordship a brief statement of the manner in which the conditions of the Railway Agreement have been observed.

The Petition of the Government of British Columbia shows the following facts:—