
\$10,000 per mile in monthly instalments, as the work progressed, was to have been paid, and land was to have been given, not exceeding 20,000 acres, for each mile in alternate sections of twenty square miles along the line of the railway or at convenient distance from it.

Section 11 provided that no contract for any portion of the main line should be binding until it should have been laid before the House for a month, or should have been approved by a resolution of the House.

Section 12 provided for building the line as a Government work. In this case the construction was to have been let out by contracts offered to public competition.

Sections 13 and 16 provided for the building of the branches either as a public or by private enterprise.

Section 14 provided for the granting of a bonus or bonuses to existing lines, not exceeding \$12,000 per mile so as to secure the construction of the branch lines extending from the eastern terminus of the Canadian Pacific Railway to connect with existing or proposed lines of railway.

The expenditure on the railway for 1873-74 was \$310,224 88, the amount authorized being \$538,181 50.

British Columbia, feeling that she had some ground of grievance because of the non-fulfilment of the conditions of Union, Mr. Edgar was in February, 1874, sent to British Columbia. His mission being unsuccessful he was recalled. Mr. Walkem proceeded to London as a delegate from British Columbia. The result of much negotiation was that Lord Carnarvon suggested that both Governments should accept him as arbitrator. In an Order in Council passed on the 23rd July, 1874, in which the Committee of Council "advise that Lord Carnarvon be informed they would gladly submit the question to him, whether the exertions of the Government, the diligence shown and the offers made have, or have not, been fair and just and in accordance with the spirit of the agreement," negotiations were prolonged, and in a despatch to the Earl of Dufferin, dated the 17th November, 1874, Lord Carnarvon announced the conclusions at which he had arrived, namely :

"1. That the railway from Esquimalt to Nanaimo shall be commenced as soon as possible and completed with all practicable despatch.

"2. That the surveys on the mainland shall be pushed on with the utmost vigour. On this point, after considering the representations of your Ministers, I fear that I have no alternative but to rely, as I do most fully and readily, upon their assurances that no legitimate