

from Esquimalt to Nanaimo, that out of it may spring some speedy means to bring the Provincial into harmony with the Dominion Government.

I am, Sir, yours, &c.,

A. DeCOSMOS.

Hon. A. MACKENZIE,

Minister of Public Works, &c., Ottawa.

OFFICE OF THE VICTORIA AND ESQUIMALT RAILWAY COMPANY,

VICTORIA, 7th February, 1876.

SIR,—I have the honor to inform you that by a meeting of the above-named company, held on the 5th inst., you were appointed the agent of the Company, to lay before the Dominion Government certain propositions of the company having in view the constructing and operating a railway between Esquimalt and Nanaimo upon certain conditions therein set forth, and you are respectfully requested to present the same to the Honorable Alexander Mackenzie for the consideration of himself and his Government at your earliest convenience; and the Company rely on your well-known energy and ability for carrying the same to a successful issue.

I enclose the propositions herewith, and have left them open for your inspection. Should the appointment meet with your approval, be pleased to inform me of your acceptance of the same, and at the same time acknowledge the receipt of the enclosed propositions addressed to the Honorable Mr. Mackenzie.

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

HERBERT GASTON, *Secretary*.

Hon. AMOS DeCOSMOS, M.P.

OFFICE OF THE VICTORIA AND ESQUIMALT RAILWAY COMPANY,

VICTORIA, 7th February, 1876.

SIR,—1. In view of the condition of affairs existing between the Government of the Dominion of Canada, of which you are Premier, and the Government of the Province of British Columbia, in relation to the construction of a railway from Esquimalt to Nanaimo on Vancouver's Island, the "Victoria and Esquimalt Railway Company" beg leave to submit to you, for your consideration and that of your Government, the following propositions:

2. The Company will undertake to construct, and operate at its own charge a line of railway of ordinary gauge from the harbor of Esquimalt to the harbor of Nanaimo, and complete the same before the first day of July, 1879, upon the following conditions:—

1st. The Government of the Dominion to grant to the Company a subsidy of \$40,000 per mile for the section lying between Esquimalt and Mill Creek, Shawanigan, and the sum of \$20,000 per mile from said Mill Creek to Nanaimo.

The money to be paid upon the certificates of an Inspector to be appointed by the Dominion Government as the work progresses.

2nd. As the Company is satisfied that such subsidy will be inadequate to construct and properly equip such road, it would be necessary to raise the additional capital which may be required by the issue of the Company's bonds, and to succeed in this would require the guarantee of the Dominion Government for the interest. The Company therefore asks that the Dominion Government will guarantee the interest at five per cent. per annum upon such bonds as the Company may be compelled to issue for the purpose, for a period not to exceed twenty-five years.

3rd. That the Dominion Government shall transfer to the Company a belt of land twenty miles wide, along the length of the railway, including in such transfer the Indian reserves at Victoria and Esquimalt, and also the reserves at Nanaimo, and