ROYAL COMMISSION

—AND—

FULL INFORMATION

REGARDING THE

NAKUSP AND SLOCAN

RAILWAY.

VICTORIA, B. C.
"THE COLONIST" STEAM PRESSES.
1894.

NAKUSP AND SLOCAN PAPERS.

FULL TEXT OF THE

ROYAL COMMISSION

Shewing the Exhaustive Scope of the Enquiry.

[L. S.] E. DEWDNEY.

THEODORE DAVIE,
Attorney-General.

VICTORIA, by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of the Colonies and Dependencies thereof, Queen, Defender of the Faith, &c., &c., &c.

To the Honourable SIR MATTHEW BAILLIE BEGBIE, Knight, Chief Justice of British Columbia, and the Honourable GEORGE WHEELOCK BURBIDGE, Judge of the Exchequer Court of Canada, Greeting:

It having been resolved amongst the proceedings of the Legislative Assembly of the Province of British Columbia at its last Session:

"That whereas, acting under the advice of the Executive Council, His Honor the Lieutenant-Governor has been pleased to give a Provincial guarantee of interest upon the bonds of the Nakusp and Slocan Railway Company, to the extent of 4 per cent. per annum on $25,000 per mile for twenty-five years, and by the like advice, has in the agreement for the guarantee of interest, reserved the right to substitute bonds guaranteeing principal at the rate of $17,500 per mile, together with interest at a rate per annum sufficient to enable the Company to realize par, but in no case to exceed 4 per cent. per annum.

"And whereas, by Message from His Honour the Lieutenant-Governor, with the advice aforesaid, a Bill has been introduced for the purpose of guaranteeing principal and interest in manner mentioned in the said agreement:

"And whereas, it has been stated by the Honourable the Member for Nanaimo District, in his place in the House of Assembly, that it appeared that the Honourable the Leader of the Government had been working for the Company and not for the Province, and it has also been insinuated in the said House of Assembly by other Honourable Members, although not directly charged, that the Members of the Executive Council were actuated by corrupt motives in advising His Honour the Lieutenant-Governor in relation to the matters aforesaid;

"Therefore, be it Resolved, That an humble Address be presented to His Honour the Lieutenant-Governor, praying him to appoint a Royal Commission to enquire whether the Honourable the Premier, in advising the said guarantee, worked for the Company and not for the Province, and whether corrupt motives of any kind existed with or influenced His Honour's Ministers in the advice tendered by them to His Honour the Lieutenant-Governor

in relation to the Nakusp and Slocan Railway Company, and whether any of His Honour's Ministers have or had any interest, directly or indirectly, in the Nakusp and Slocan Railway Company, or in the Construction Company, either in furnishing materials or supplies, or in any way whatsoever;" which resolution was approved by an Order of His Honour the Lieutenant-Governor in Council, dated the 16th day of April, 1894.

NOW KNOW YE that, in pursuance of the said Resolution and Order in Council, and reposing especial trust in your loyalty, integrity and ability, We do hereby, in pursuance of the powers contained in the "Public Inquiries Act," and of all other powers and authorities Us in that behalf enabling, constitute and appoint you, the said Sir Matthew Baillie Begbie and George Wheelock Burbidge, jointly and each of you separately, to be Commissioners with the power of making enquiry into all and every of the matters aforesaid so far as the same refer to the good government of this Province, or reflect upon the conduct of any part of the public business thereof, together with the power of summoning before you, or either of you, any party or witnesses, or of requiring them to give evidence on oath, orally or in writing, or on solemn affirmation (if they be parties entitled to affirm in civil matters,) and to produce such documents and things as you, or either of you, may deem requisite to the full investigation of the matters aforesaid; and We empower and direct you the said Commissioners, or either of you, to report the facts found by you, in writing, to Our Lieutenant-Governor of our said Province of British Columbia immediately, or as soon as conveniently may be, after you shall have concluded such enquiry, together with the views which you or either of you, may have formed in relation to the matters aforesaid as a result of the said enquiry, and that you do and perform all those matters and things in and about the taking of the said enquiry, as by law in that behalf you are authorized to do.

IN TESTIMONY WHEREOF, We have caused these Our Letters to be made Patent, and the Great Seal of the Province of British Columbia to be hereunto affixed: Witness, the Honourable EDGAR DEWDNEY, Lieutenant-Governor of our said Province of British Columbia, in our said City of Victoria, this twentieth day of April, in the year of Our Lord one thousand eight hundred and ninety-four, and in the fifty-seventh year of Our Reign.

By Command.

JAMES BAKER,
Provincial Secretary.

ROYAL COMMISSION.

IN THE MATTER OF THE NAKUSP AND SLOCAN RAILWAY CO.

To all whom it may Concern:

NOTICE is hereby given that under and by virtue of a Royal Commission to them issued, and dated the 20th April, instant, the undersigned will hold a session at the Court House, in the City of Victoria, on Wednesday, the 9th day of May proximo, at the hour of 11 o'clock in the forenoon, for the purpose of opening the said Commission and of entering upon and conducting the inquiries relating to the several matters mentioned in the Resolution of the Honourable the House of Assembly praying that such Commission might issue, which Resolution was approved by an Order in Council dated the 16th April, instant. And all parties interested in such inquiries, or in the matters in such Resolution referred to, and who may wish to bring forward charges or exculpations, or evidence relating thereto, shall be heard.

Dated at Victoria, B. C., 25th April, 1894.

MATT. B. BEGBIE,
G. W. BURBIDGE,
Commissioners.

SPEECH OF THE HON. T. DAVIE

in moving the Second Reading of the

NAKUSP AND SLOCAN RAILWAY BILL

MARCH, 1894.

HON. MR. DAVIE moved the second reading of the bill respecting the Nakusp and Slocan Railway. This, he said, was one of the enterprises included in the Railway Aid Act of last session, with the Nicola and Spence's Bridge and the Chilliwack Railway. Under section 2 of that act, the government were empowered to guarantee interest upon an amount sufficient to build and equip the road, but not to exceed $25,000 per mile, and section 6 limited the umount of the guarantee to "interest on $925,000, or the cost to the company of the said railway enterprise, whichever might be the smaller sum." The measure passed the house without division unanimously, as had also the Shuswap and Okanagan Guarantee Act at a previous session. The act of last session followed closely upon the lines of the act respecting the Shuswap & Okanagan Railway. The public accounts before the house last year showed the cost of the latter road to have reached the limit, i.e., $25,000 a mile, within a fractional sum—and the government had then guaranteed interest accordingly at four per cent. Practically, the government were authorized last year to do the same with the three roads, i.e., the Nakusp & Slocan, the Nicola & Spence's Bridge, and the Chilliwack road, as with the Shuswap and Okanagan, in 1890—with the variation, however, in the case of the Chilliwack road, that the municipality was to pay one-half. Soon after the house rose last year, the Executive took the enterprises up, and conceiving the Nakusp & Slocan road to be the most urgent, the government took steps to enquire fully into its merits, and, taking advantage of the assizes, at which he had public business to transact, he (Mr. Davie) had gone to the spot, and it did not take long to convince him of the vital importance to the country of immediate construction of the road, to preserve the Kootenay trade, which otherwise would be diverted to the south, and lost to British Columbia. The projected road would give access to one of the greatest mining regions of the world, the trade of which, without the road, would be drained into the adjoining republic. The Nelson & Fort Sheppard road, built by American capital, was then nearing completion and has since been completed, connecting the country tributary to Kootenay Lake with the railway systems of the United States. The Slocan country is situated from twenty to thirty miles to the westward of the Kootenay Lake, midway between Kaslo and Nakusp, and at the present time the ore being taken out of the Slocan is carried to Kaslo and shipped over the Nelson & Fort Sheppard. The owners of this road seemed fully alive to the immense trade which was opening up. To show the marvellous nature of some of the mines to be served by the Nakusp and Slocan Railway, he read several extracts from the press of the mining districts, as follows:

"From a gentleman who recently spent ten days in the vicinity of the Slocan Star mine, we learn the following particulars: A tunnel 500 feet long with an average depth of 150 feet has been driven in, exposing a solid body of ore 12 feet in thickness. The amount of ore in sight in the drifts, openings and tunnel has been computed by actual measurement to be 75,000 tons. These figures seem almost

incredible, and take one's breath away, but nevertheless, this is a hard, dry fact. At present there are about twenty men employed taking out about 13 tons per day, actual value being $200 a ton net. Close to this property we have the Noble Five, another enormously rich mine, which experts say will, when further development goes on, equal and possibly surpass the Slocan Star. With such prospects as these at our back, others of a like nature being constantly developed, and as those who know tell us numerous enquiries from capitalists regarding these mines, is it to be wondered at that the people of the Kaslo-Slocan district feel light-hearted and thoroughly believe that this will indeed be a bright and prosperous New Year for the most famous mining district in the world?"

Another paper says: "For the week ending to-day, the Nelson & Fort Sheppard has forwarded 267 tons of ore, namely, 60 tons from the Noble Five group, 120 tons from the Washington, 57 tons from the Dardanelles, 20 tons from the Rico, and 10 tons from the Mountain Chief—all Slocan mines. About half the ore was billed to the Selby Lead Works at San Francisco, and goes from Spokane to Tacoma by the Northern Pacific, thence to San Francisco, by water. The other half was billed to the United Smelting Company's works at Great Falls, Montana, and goes from Spokane over the Great Northern. Reports from Kaslo are that George Hughes has put on more stock, and that fully 40 tons of ore a day will hereafter be hauled from the mines to Kaslo."

Another artlcle is as follows:

"The ore from the Washington mine, in Slocan district, is being shipped to San Francisco, and the 112 tons brought down by the Spokane on Friday was valued at $16,000. It is not to be wondered at then, that the prevailing reports from the Slocan are all so encouraging. "Blake" Wilson came down from Three Forks last night, and says that times were never so good as now, and the indications are that 4,000 tons of ore will be shipped this winter. The banks also report the outlook for next year as promising." These quotations gave some idea of the nature of the discoveries in the country to be tapped by this railroad. The ore being taken out by Kootenay Lake during the winter was rawhided down the mountains and carried in sleighs to Kaslo, a distance of from twenty to thirty miles and still paid largely when transferred to San Francisco, Tacoma and elsewhere. When it paid to do this, anyone could see how a railroad must pay, directly connecting the mines with the C. P. R.

The desirability of prompt construction and a commencement made at once, being established—the question arose how to begin? What was the cost of the road and how was the money to be found? Fortunately, he had valuable aid at hand to solve both questions. From a gentleman who happened to be travelling in Kootenay, connected with one of the strongest financial houses in London, he became convinced of the undesirability of issuing interest guaranteed bonds. They were not looked upon as a desirable investment, and could only be sold at a heavy discount. They were injurious to a country s credit—going begging as they did—just as a promissory note with an endorser being hawked about would injure the credit of all parties to it, so was it with this class of bonds, which no one cared much to take. Interest guaranteed bonds can, in fact, only be sold at just such a rate as would give the investor margin sufficient out of the interest and discount to form a sinking fund which would make good the principal by the time the loan expires. The Victoria & Sidney Railway bonds—endorsed by the government and the city of Victoria—afford a case in point, for with a five per cent guarantee they were considered well sold at 90 or 95. If the interest had been 4 per cent., as in the case under consideration, they would probably have brought no more than 75, and perhaps not that, particularly in hard times. If the $925,000 of Nakusp & Slocan bonds had to be sold at that price, the discount of 25 per cent. would have amounted to $231,250, a sacrifice which could not be justified. No company could afford this waste—and the government certainly ought not—so it became apparent that some other method of financing must be adopted. To have allowed the project to remain over for a year to obtain further legislation, would have been as injurious, or more so, than to make the sacrifice in money, not only on account of the delay, but because the additional time would meantime have been given to divert the trade, and as is well known when a market is once lost it is a difficult matter to recover it. Vast quantities of ore awaiting shipment, and mines waiting a railroad to develop their wealth—the country would not have justified the government in waiting: the people were impatient for the development of this country, and the only way in which British Columbia will benefit by the trade of its development is by this road. To have ascertained by bills of quantities and engineers' measurements exactly what the road would cost, would have meant a year's delay, which the country would not have tolerated any more than they would have countenanced waiting another year's time to consult the legislature in the matter of floating bonds. He

Mr. Davie) went to Montreal, and Mr. Van Horne ascertained from his engineers on the spot what the probable cost of construction would be, what the C. P. R., with the facilities which they had at hand, could construct the road for, and that cost was placed at $17,500 per mile. He, Mr. Davie, pressed upon Mr. Van Horne to build the line, but he did not care to undertake it. He agreed, however, that his engineers would superintend the construction, and that the company would lease the line, paying 40 per cent. of the gross receipts as a rental. He, Mr. Davie, then arranged with the Nakusp and Slocan Railway Company to build the road, and he (Mr. Davie) then concluded an agreement between the Pacific Company and the Nakusp and Slocan, which is now before the house, under which the C. P. R. superintend the construction and agree to operate the line for 25 years under a penalty of $50 per day. The Nakusp Company pressed for the cost of equipment as well, which the government would have been authorized under the act to allow, but the matter was concluded for the cost of construction only. The company had to put up the sum of $118,400, being the amount of the Dominion subsidy in cash. To have built the road by interest guaranteed bonds, would have required all of the bonds—for under the act the company were to have "the cost to them of their enterprise." Placing therefore the cost of construction at $17,500 per mile for thirty-seven miles, the length of the road 37 miles, amounted to $647,000. Add to this the discount of bonds, which would have been part of the "cost of the enterprise," cost of organization, engineering, right of way and one thing and another, would have footed up fully to the $925,000, and no company could then have been procured, nor now, so far as he knew, to undertake the work, and put up $118,000—for less than the whole of the bonds, and there was no time to hunt up others, if the work was to be commenced at once. In fact the company had called for tenders for construction, payable in bonds, and the lowest bid was for all the bonds at $25,000 per mile. Then, the cost of the road, $17,500, was a smaller cost than the Nelson and Fort Sheppard, which had cost between $19,000 and $20,000 per mile; was less than the Columbia & Kootenay, which had cost $22,000 per mile, and was less than the city of Victoria had paid for the Sidney railroad guarantee. Having, therefore, concluded arrangements in Montreal, he (Mr. Davie) returned to Victoria, and the executive concluded to give the guarantee upon the terms arrived at. Under the railway aid act of last session, it was provided that if at any time the money received for the forty per cent. gross earnings amounted to more than enough to pay the interest upon the bonds for two years, the remainder should be handed over to the company. Under the new arrangement, however, it was provided that any over-plus should remain with the government and be accumulated as a sinking fund. In carrying the arrangement out which had been arrived at with the Nakusp & Slocan Railway, as the government had no authority to do anything else than guarantee interest, it was agreed that the government should endorse the full issue of interest guaranteed bonds and lodge them in the bank subject to being replaced with $17,500 principal and interest bonds, should the legislature conclude to make the change. An overdraft was to be arranged on the security of the bonds—upon which the company were to be at liberty to draw to the extent of 90 per cent. of certificates of work done. As well as the C. P. R. engineer the government had an engineer also.

The cost of building the road at $17,500 per mile, was $647,500. But from this has to be deducted $118,400—the cash found and deposited by the company with the government—leaving the net amount guaranteed by the government, being the total obligation assumed by the Province, $529,100.

Upon the plan contemplated last year—the S. & O. plan—the total cost would be $925,000. Deduct from this $118,400, and you have $806,600 as the total obligation assumed by the Province. Interest upon the latter sum at 4 per cent. amounts to $32,264 per annum, which, on the Shusway & Okanagan plan, the plan unanimously endorsed by all of us, would have to be paid yearly by the government, that is irrespective of the 40 per cent. gross earnings, with nothing to show for the expenditure at the end of the 25 years. Whereas, on the other plan, 4 per cent. on $529,100 amounts to $21,164 yearly only; add to this a sinking fund of 2 per cent., which will be more than sufficient to extinguish the principal at maturity, and you will still have less to pay than the 4 per cent. on the plan authorized by the house, and you have a railway fully paid for at the end of the time. So the government then either get enough to pay the principal, or else have the railroad free and clear. The latter calculation was at 4 per cent., but the Province could get the money at 3½. He (Mr. Davie) had the difference between the two methods calculated, when in Montreal, and the advantage in favor of guaranteeing principal and interest at the lesser rate was startling. On the $25,000 4 per cent. basis the money, irrespective of the 40 per cent. gross earnings, costs $41,645.91 per mile, in

interest, compounded in 25 years, but on the $17,500 plan at 3½ per cent. it costs $23,-849.56 per mile in interest. So on the one plan you will have paid out, interest compounded in 25 years for the 37 miles of road, $1,540,898.67, and nothing to show for it, in the other case you have paid out only $882,-433.72 and a fully built and maintained railway free of all claim, to show for it. If the Victoria and Sidney railway problem were worked out on the same basis—then 5 per cent. bonds having sold at 90 or 95—it would be seen how much better off the city and province would have been at the end of 25 years had they found principal as well as interest. Those bonds netted about $270,000, which money the city could have borrowed for 4 per cent., all charges paid, and the interest would have amounted to $10,800 per annum, or $4,200 less than is now being paid. At the end of 25 years, without compounding at all, this $4,200 would amount to $105,000, and compounded, it would come to more than the cost of the road. To return, however, to the Nakusp & Slocan road, for which, as shown, there would have to be raised $31,746 per annum to pay interest and sinking fund—that this will be more than recouped is proved from the volume of trade. He wished to draw attention to the provision which it would be noticed had been inserted in the agreement. It had been stated the other day that one reason why earnings of the Shuswap & Okanagan Railway are small is because the C. P. R. had been restricted in their charges to an amount not in excess of the local rates on contiguous sections of the C. P. R. But in the agreement with the Nakusp & Slocan Railway there is, besides a provision that the rates shall not be higher without the consent of the government, the additional provision that neither shall the rates charged be less than those on the contiguous lines of the C. P. R. without the consent of the government, thus leaving it to be determined hereafter, whether, in the interests of the miner, but at the expense of the province, a low rate shall be charged—or for the benefit of the province the rate shall be higher. As stated already, against the $31,000 a year to be provided by the government there will be 40 per cent. of the gross earnings, and that these gross earnings will be considerable from the outset seems quite evident. The Nelson *Tribune*, for instance, in a recent issue said:

"From and after January 1 the output of the mines in Southern Kootenay will amount in value to $15,000 a day, of which fully a half will be marketed without delay. By the time the Nakusp & Slocan is ready to take ore, the output of the mines in Slocan district will alone be of a value far exceeding the sum above mentioned, and it is within reason t estimate the total output of the mines in Southern Kootenay for the year 1894, at $10,000,000."

He (Mr. Davie) had read in a local paper recently that in one week of January there had been shipped 922 tons of silver lead ore from Kaslo to the smelters at Tacoma, Portland, San Francisco and other places, all going out over the newly opened Nelson and Fort Sheppard Railway, and from the fourteen Kaslo-Slocan mines then shipping ore, the monthly output till the close of the sleighing season, was expected to be between 900 and 1,000 tons. There are, however, about 27 locations at present under development, besides a great many other claims of perhaps equal value which will be developed with the advent of capital, besides the further important discoveries of minerals which will annually be made. Estimating, however, on an output of only 40 tons per day, the earnings from this source will be $64,800 per annum; the earnings from merchandise, live stock, etc., according to a moderate estimate, will be $31,-000; and from passengers, mails and express $24,000, making a total of $119,800. The estimated earnings on ordinary traffic are placed much lower than those on the Columbia and Kootenay and the Shuswap and Okanagan Railways. Out of these estimated gross earnings of $119,000 per annum the province would be entitled to $48,000 as 40 per cent. of the gross revenue, according to the agreement with the C. P. R. This amount, it would be seen, is for in excess of interest and sinking fund.

He had heard all kinds of foolish rumors about the cost of the road and the class of work and material employed, that it was a cheaply constructed, ill conditioned affair, but these stories carried their own condemnation. In the first place the local government have an engineer superintending the work, though he supposed this would count for nothing with the hon. gentlemen opposite. Then the C. P. R. have to be satisfied, for they have to operate the road, and under clause 22 of the contract the work of construction is to be done to the satisfaction of their engineer. This supervision, it may be depended upon, would of itself be sufficient to insure that the contractors should not scamp the work. He had obtained from the government engineer, Mr. Mohun, the following memorandum as to the road:

"There is no curve as sharp and no grade as heavy as some on the main line of the C. P. R. The trestle work is fully up to the standard of that on the main line of the C. P. R., and much of it is heavier than is called for by the specifi-

cation. In steep side hills, instead of the road bed being constructed partly in cut and partly in embankment, the full width has been cut out of the solid sidehill, avoiding danger from slips, and the earth excavated has been wasted, increasing the width of the roadbed considerably more than is necessary. In this connection, several thousand dollars expended in construction on the first location have been thrown away by the company, a shorter and safer route having been adopted to avoid dangerous points."

Another charge is that the company is using old rails. The life of a rail is 25 or 30 years. There are points on the C.P.R. where, on the steep grades it is necessary to replace existing rails with the heavier ones, and it is the rails which for this purpose are taken out—as good or nearly as good as new—that are to be used on this line. There is no good reason why they should not be used, and they can be used, without impairing the permanency of the work. But the most conclusive of all the reasons why the sound construction of the road is assured is that the company have to earn the Dominion subsidy, not a dollar of which they can get if their line is not fully up to the standard required by the department. The road is a valuable enterprise, and at a very moderate estimate can safely be predicted to yield a surplus over interest to the government. He had noticed that this plan of setting aside 40 per cent. to meet such charges is by no means new, and originated neither in British Columbia nor yet in the Dominion of Canada. Railroads the world over have been constructed on all kinds of schemes. Sometimes governments build and own them themselves. Sometimes the government comes to the aid of the companies with a guarantee of interest on the full or part of the cost of the enterprise; sometimes the governments guarantee interest, or principal, or both; sometimes the government reserves an interest in the road, and sometimes they do not; and Mr. Davie proceeded to instance a number of cases illustrating the varying descriptions of aid given, quoting instances found in Western Australia, India, Africa and other countries.

Another important provision which would be found in the agreement, is that the government has reserved for two years the right to acquire a half interest (an amount equal to 49 per cent.) in the road upon payment of half the subsidy, to be received from the Dominion, and before this option expired they would have abundant opportunity of informing themselves as to its prospects as an investment. While he thought he had fully justified the course of the government in the matter, he did not favor going too far in using the credit of the province, but rather thought it best to call a halt to see how the assistance given so far is going to operate, before granting any extensive aid of this character. For this reason he could not encourage the hope of any legislature assistance this session in the matter of the Nicola & Spence's Bridge Railway, which he would gladly aid, for it is to go through what is believed, and has been partly proved to be, a valuable mineral and coal as well as an agricultural country. The authority had been taken last year to subsidize it, but the Canadian Pacific Railway had not yet completed their explorations, so as to undertake to operate the road. Under these circumstances, although at one time the government had thought they could deal with the road the same as the Nakusp & Slocan, the matter would have to remain over. Respecting the Chilliwack road, he would have something to say later. It must be remembered that public assistance cannot be altogether confined to railways as there are other enterprises which deserve government backing. He hoped, for instance, in a few days to submit to the house a bill proposing aid for important drainage and dyking works.

We must not overlook the danger of going too far ahead in the matter of staking the provincial credit, it required to be tenderly used, and nothing would be easier than by a reckless system of guaranteeing to injure the credit of the country irreparably. Still, when it is demonstrated that the public credit can be safely and advantageously used, the government should be prepared to employ it. He felt that the bill now before the house is one which the government can safely commend, and with that assurance he now moved its second reading. (Applause.)

COST OF CONSTRUCTION

As Sworn to by Engineers

—AND—

COMPARED WITH THAT OF OTHER RAILWAYS.

A Return brought down to the House on the 27th of March, 1894, in reference to the construction of the Nakusp & Slocan Railway, contained the sworn statements of those immediately connected with the enterprise.

TENDERS.

In speaking of the tenders received, Mr. A. J. Weaver-Bridgman, Secretary-Treasurer of the Nakusp & Slocan Railway Co., makes affidavit :

"The only tender received complying with the form was that of Mr. D. McGillivray, which was for all the bonds of the Company and contained a marked cheque for $112,000.

"Three other tenders were opened, one for $20,000 per mile in bonds and $5,000 in paid up stock of the Company, one for $25,000 in bonds and $4,000 in paid up stock; and one for $20,000 in bonds per mile, none of which complied with the form of tender issued, or were accompanied by either cheque or deposit, and which consequently could not receive consideration. The last mentioned tender was immediately withdrawn after receipt."

MR. DUCHESNAY'S ESTIMATE.

Mr. Duchesnay, civil engineer, appointed by the C. P. R. to examine the line and report on the cost, states as follows in his affidavit :

"My estimate for the several sections of the line was as follows :—

"From Nakusp to Summit Lake, 12 miles @ $14,517	$168,721
"From Summit Lake to head of Slocan Lake, 11 miles @ $9,968	109,648
"From head Slocan Lake to Wilson Creek, 5½ miles @ $14,224	78,232
"From Wilson Creek to Three Forks, 8½ miles @ $23,720	201,620
	$578,221
"Mean average, 38 miles	15,216

"This estimate was exclusive of all rolling stock, equipment, and plant whatever.

"This was the estimate which I communicated to Mr. Abbott, and in preparing the same I went upon the assumption, from the source of my instructions, that the Canadian Pacific Railway Company proposed themselves to build the road as they had done in the case of the Columbia and Kootenay Railway, of which I had been the Engineer in charge of construction. The above estimate (as mentioned in a telegram from Mr. Abbott to Mr. Van Horne on the 3rd July, 1893,) did not make any allowance for contingencies or omissions, and I then considered, as I now do, that a margin of 15 per cent. should be allowed to cover any omissions in my estimate and all accidents and contingencies, and I concurred in the telegram so sent.

"My final estimate, therefore, assuming that the Company themselves would construct the line, is :—

	$578,221
" 15 per cent	86,733
	$664,954
" And the average per mile	17,497

"The above estimate makes no allowance for ordinary contractor's profit, nor for the cost of railway transportation of rails, material and labour, nor the use of rolling stock, tools, and materials, which would have to be defrayed by a constructing company; the Canadian Pacific Railway Company, in constructing a road themselves, finding their own railway transportation and using their own rolling stock, tools, plant and materials, for which the work is only charged at construction rates."

And again :—

"We inspected the grading over the portion then built as far as Slocan Lake, and found the work decidedly well done, and, as I consider, fully up to the standard required by the specifications of the Dominion Government when inspecting for the purpose of paying the usual subsidy."

And further :—

"The general gradients and curvature of the line as located are, I consider, the best the country will permit."

MR. MARPOLE'S STATEMENT.

In the sworn statement of Mr. Marpole, Superintendent of the Pacific Division of the C. P. R., are the following :—

"We found the work of construction, so far as it had progressed, to be well done, and such as would be, in our opinion, acceptable to the Canadian Pacific Railway Company for operation, and up to the standard required by the Dominion Government regulations for a subsidized road in a mineral country. So far as inspected the gradients and curvature are, in my opinion, not excessive, and are the best the country will allow within reasonable limits of expenditure in construction.

"I am familiar with the estimate made by Mr. Duchesnay, and in my opinion the total cost as placed by him at $664,954 was a moderate estimate even under the favorable conditions which he mentions as influencing him in its preparation.

"I submit, for the purpose of comparison, the relative cost of the Mission Branch of the Canadian Pacific Railway and of the Columbia Kootenay Railway, both of which were constructed by the Canadian Pacific Railway, and under the immediate supervision of the Company's Engineers.

"Attached hereto and marked "A" is a statement of the cost of the mission Branch of the Canadian Pacific Railway, which shows the total cost to have been $236,157.15, exclusive of the bridge across the Fraser River, and the average cost per mile, $23,615.72; and also attached hereto and marked "B" is a similar statement of the cost of the Columbia and Kootenay Railway, showing the total cost of that railway to have been $588,913.11, exclusive of the bridge across the Kootenay River, and the average cost per mile, $21,183.92.

"The work of construction on the Mission Branch of the Canadian Pacific Railway and on the Columbia and Kootenay Railway was heavier than on the Nakusp and Slocan Railway, and the smaller amount of the estimate for construction was also due to the fact that at the time of construction of the former railways the cost of labor and supplies was higher than it was estimated it would be at the time of the construction of the Nakusp and Slocan Railway; but, even making allowance for these conditions, the estimate of $17,497 as its probable cost to the Canadian Pacific Railway, in light of the facilities mentioned in Mr. Duchesnay's declaration, is low.

"The rolling stock and equipment which will be placed upon the Nakusp and Slocan Railway when completed will be transferred from the main line of the Canadian Pacific Railway, and will be of the same standard as is now in use on other branches operated by the Company.

"The rails supplied by the Canadian Pacific Railway Company, to the Nakusp and Slocan Company, in pursuance of the agreement of the 9th August, 1893, are ordinary 56 and 60-pound rails, which are being taken off sections of the main line where we have heavy traffic and where large locomotives are in use for the purpose of being replaced by 72-pound rails, and in this matter the Nakusp and Slocan Railway is being treated in an exactly similar manner to the Mission Branch, the Columbia and Kootenay, and the Arrow Lake Branch."

COST OF THE MISSION BRANCH.

Clearing, grubbing, grading, trestles and bridges, excluding the bridge across Fraser River	$127,902	15
Track, ballasting, engineering and incidental expenses	80,850	21
Right of way	8,998	67
Fencing	6,622	83
Buildings	11,783	29
Total cost of railway ready for traffic, exclusive of bridge across Fraser River, and exclusive of rolling stock	$236,157	15

Mileage, 10, equal to a cost of $23,615.72 per mile, not including rolling stock or the bridge across the Fraser River.

Certified correct.

J. D. TOWNLEY,
Accountant, Pacific Division, C. P. R'y.

COST OF THE COLUMBIA AND KOOTENAY RAILWAY.

Clearing, grubbing, grading trestles and bridges, exclusive of the bridge across Kootenay River	$358,584 07
Track, ballasting, engineering and incidental expenses	220,621 18
Buildings	9,707 86
Total cost of the railway ready for traffic, exclusive of the bridge across Kootenay River, and exclusive of rolling stock	$588,913 11

Mileage, 27.8, equal to a cost of $21,183.92 per mile, not including bridge across Kootenay River.

Certified correct.

J. D. TOWNLEY,
Accountant, Pacific Division, C. P. R'y.

WHAT MR. STEWART SAYS.

Mr. A. F. Stewart, civil engineer, at present in charge of the Arrow Lake branch of the C. P. R., and one of the most careful and experienced railway engineers in Canada, says:

"In the year 1891 I made a general reconnaisance of the country lying between Lower Arrow Lake and Kootenay Lake, under instructions from the Canadian Pacific Railway, and thoroughly explored the country passed through by the line of the Nakusp and Slocan Railway as now located, and in the year 1892 I ran a trial line from Nakusp to Summit Lake.

"I also made an estimate of the cost of a line from Nakusp to Three Forks, which was in excess of the estimate made by Mr. Duchesnay, C.E., with which I am familiar, but this excess is principally due to different specifications. I however, thoroughly agree with the estimate under which Mr. Duchesnay places the total cost at $664,954, and the average cost per mile at $17,497, under the favourable conditions which he mentions as influencing him in its preparation."

COST OF RAILWAYS ELSEWHERE.

It will be interesting to note what the cost of some of the principal railways in Canada was. The Star Almanac for 1894 gives a table showing the cost per mile, both actual and theoretical (estimated), in 1892. Rolling stock, it says, is in most cases included in the cost, but it does not specify. Here it is:

Name of Railway.	No. of Miles.	Theoretical Cost per Mile.	Actual Cost per Mile.
Alberta Railway and Coal Co.	174	$ 11,548	$ 28,723
Canada Atlantic	159	35,830	42,429
" Southern	379	131,654	92,092
Canadian Pacific System	5,534	37,566	51,182
Central Ontario	104	9,965	9,327
Erie and Huron	76	14,231	17,076
Esquimalt and Nanaimo	78	20,934	38,395
Grand Trunk System	3,158	56,243	105,768
Intercolonial	1,142	25,792	47,805
Kingston and Pembroke	113	13,466	35,073
Manitoba and North-Western	230	9,513	14,409
N. P. and Manitoba	264	9,929	20,797
Pontiac and Pacific Junction	61	7,379	21,885
Prince Edward Island	211	13,430	17,772
Quebec Central	154	18,401	56,836
Quebec and Lake St. John	196	7,659	53,030
Shore Line	82	4,256	20,363
South Eastern System	209	28,264	30,248
Windsor and Annapolis	119	25,371	34,321
	12,463	$40,004	$62,058

COST OF THE WORLD'S RAILWAYS.

Mulhall's Dictionary of Statistics gives the total mileage and cost of construction for Europe and the world, at various dates, as follows:

	Europe.		The World.	
	Miles.	Cost per Mile.	Miles.	Cost per Mile.
1840	1,679	£30.000	4,515	£15,800
1850	14,465	27,800	23,555	19,800
1860	31,885	25,000	66,290	16,300
1870	63,300	23,306	128,235	16,400
1880	101,720	23,700	228,440	17,200
1888	130,000	23,300	354,310	16,100

The same authority for a period between 1887 and 1888 gives the average cost of construction per mile for the United States at £12,500; for Australia, £9,300; and for South Africa, £8,900.

The above figures will give a good general idea of the cost of railway construction, and readers can come to a conclusion as to the legitimate cost of construction in a mountainous country like British Columbia.

An Opposition Organ's View in '92.

The following is a copy of an editorial in the "*News-Advertiser*," November 2nd, 1892, on the necessity of communication being opened into the Slocan country *via* Nakusp :—

"We are glad to see that the Vancouver Board of Trade is at length bestirring itself to do something towards making the important and rich district of West Kootenay accessible. Within the last few months there have appeared in our columns letters from some of the people of that district, pointing out the immense mineral resources which the prospecting of the last few months has shown to exist there, in addition to the ore deposits which were formerly known. Anyone who has ever been in a mining camp, and especially one newly opened and in a district with which the means of communication are either difficult or entirely wanting (and this from the character of the country where minerals are found is generally so in the case of new discoveries), can understand the anxiety, if not the impatience, with which the miners and prospectors regard the deliberate manner in which outsiders proceed about the work of constructing roads or railways. To the man who knows that he has ore which only requires to be hauled and delivered at a smelter to yield him thousands, and perhaps hundreds of thousands of dollars, the hesitancy and deliberation displayed by a government or capitalists in making the most minute inquiries before they will expend a dollar in building roads or railways, without which the wealth cannot be realized, is exasperating, although doubtless from one point of view very proper and very reasonable. Such has to a very great extent been the case in regard to the events in connection with West Kootenay, and the result has been that another winter has come upon us without any progress having been made during the past season in making some of the richest mineral sections of this continent accessible to the outer world. Yet during that period any doubts which existed as to the magnitude or richness of the mineral deposits have been removed, and the reality shown to be greater than the most sanguine supposed.

Now, however, there is reason to believe that some practical efforts will be made to overcome the drawbacks under which West Kootenay labors in regard to railway communication. Those who have had the opportunity of knowing the facts in the two cases will not dispute the assertion that the probabilities for traffic for a railway that will tap the products of tho mineral districts in the neighborhood of the Slocan, Arrow and Kootenay Lakes are as good, and we consider really better than were those which the discovery of carbonates in California Gulch in 1877 disclosed. Yet the latter quickly induced two railway companies to head towards the site of what is now Leadville, and the difficulties of the route did not deter them from expending large sums of money to reach a mining camp, the continuance of which, beyond a comparatively brief period, there was no certainty, although the character of the ore then being mined was such as to build up colossal fortunes in a short time, and bring into existence a town of 30,000 people.

Whatever may have been the reason for the delay in opening communication between the southern portion of West Kootenay and the Canadian Pacific Railway, it is certain that the people of the Province will not be inclined to tolerate any longer inaction which is causing serious injury to the commercial and industrial interests of British Columbia. The ore is there, and the question now to be settled is the best way to bring it out and take in the supplies necessary for the sustenance of the considerable population which will be engaged in the mining industry. In many quarters there is a strong feeling that the Provincial Government has been strongly remiss in connection with the matter, and that matters would be a good deal further advanced in the desired direction than they are now had the Executive displayed more energy or ability in regard to them. We do not propose, however, to condemn the Government in regard to this until it has an opportunity of making its defence. Then again, there are many who consider the timidity with which the Canadian Pacific Railway Company has approached the matter has had much to do with the slow development of the country. They admit that the amount of ore carried over the Columbia and Kootenay Railway is not such as to give muce encouragement for the expenditure of large sums of money in railway construction. But, on the other hand, it must not be forgot-

ten that there were many who criticised the expenditure of money on a line from "nowhere to nowhere," and who then urged the construction of a line from Revelstoke, which, in whatever location the richest deposits of ore might be found, would have given the Province and the Railway Company a line in the direction in which, sooner or later, the main artery of traffic must be found. Now that piece of road is a necessity, and if the Railway Company is informed of what is transpiring in the West Kootenay District it will not, we believe, on business grounds alone, lose any more time than can be avoided in commencing construction. The Boards of Trade of the principal cities of the Province should take united action in regard to this matter. The people of British Columbia, whether on the Coast or in the West Kootenay District, demand that the advantages to be derived from the development of a rich mining region like that of Slocan should not be retarded because any railway company, however powerful, hesitates to make the expenditure requisite to open up a country as to the future of which there can no longer be any doubt. For one-fifth of what it cost some Denver capitalist to reach Leadville, the whole of this rich country can be tapped. If by the time the Legislature meets some assurance is not forthcoming that the Canadian Pacific Railway Company intends to occupy the field, and that without further delay, some other method must be adopted to open up the country. We are told that British Columbia has within its borders one of the richest mineral districts on this continent, and that being the case the people naturally demand that they shall secure the advantages that will accrue to all parts of the Province by its development."

The above editorial was based on a resolution of the Vancouver Board of Trade which held a meeting the previous evening, at which meeting, after a long discussion, the following resolution was moved and carried unanimously :—

After some further discussion, the following resolution was passed :—

It was moved by Capt. Tatlow, seconded by Mr. Cotton, "That this Board, feeling the urgency of taking immediate steps to secure to the Province the trade of the mining districts of the interior, and the Slocan in particular, would urge upon the Provincial Government and the Canadian Pacific Railway the necessity of giving that district better means of communication by means of a waggon road from Slocan to Arrow Lakes, until such time as a railway can be constructed, and that the President be requested to communicate with the Provincial Government and the President of the C. P. R. to this effect, and that a copy of this resolution be forwarded to Mr. Davie, the Premier, at Ottawa, and Mr. Van Horne."

Moved by Mr. Cotton, seconded by Mr. McLagan, "That the Boards of Trade of New Westminster, Nanaimo and Victoria be asked to unite with this Board in carrying out the foregoing resolution."

THE PREMIER'S SPEECH

DURING THE DEBATE ON THE MOTION TO APPOINT A ROYAL COMMISSION.

HON. MR. DAVIE—Hon. gentlemen opposite have made a sorry spectacle of themselves to-night. They have been saying that the government proposes to make a farce of this investigation; and yet, sir, what do they themselves propose but to make it a screaming farce. They propose that the government being upon its trial for corruption, shall themselves appoint a counsel to prosecute them. Well, sir, was absurdity like that ever uttered before? They have been comparing the government in this matter to criminals. Well, accepting that comparison. Did you ever hear of a case where a criminal in the dock had the right first of all to select his own counsel to defend him, and then without reference to anybody else, to select a prosecutor or attorney-general to prosecute him? And that is exactly what the hon. members opposite propose for the government to do! Now, if the government were to do anything of that kind, would the country then not denounce the thing as a fraud, an effort of the government to whitewash themselves at the expense of the country, and would ask: "To whom does this lawyer owe his allegiance but to the men that employed him?" I say that is a thing too absurd to be thought of for one moment. And it shows to what lengths hon. gentlemen have to go to get out of the very awkward position in which they are placed. Why, their object to-day all the way through is to shuffle out of the charges they have made against the government. First of all they do not propose to have any enquiry of any kind themselves, and when the inquiry is forced upon them they try to escape by raising false issues and side tracking the main one. Well, now, as to the course to be adopted in a case of this kind, happily we are not without precedent, twenty years ago this house was engaged in a similar matter. The parties were not the same as now, but there is a remnant of the party here, the hon. the leader of the opposition. Sir, what has he told us? He has told us that it is perfectly absurd for the government to select the charges upon which they will be tried, you never heard a prisoner selecting the charges he will be tried upon; the prosecution does that. But what did he do then, sir? Now, I will show you. It is just as well to refer to precedents, and I will show you exactly what the course of proceeding was. On the 20th February, 1874, Mr. Robson, moved, seconded by Mr. Smithe:

"Whereas, certain statements have appeared in the public newspapers connecting the names of members of the late government and of the present government, with proceedings of a questionable character in relation to Texada Island, in the Straits of Georgia; and whereas, transactions are alleged to have taken place in respect to said island of a nature prejudicial to the public interest; be it therefore resolved: That a respectful address be presented to His Honor the Lieutenant-Governor praying that he will cause a royal commission to be appointed, with full power to take evidence under oath, and send for persons and papers, for the purpose of inquiring into the whole matter, and reporting thereon to this house at its next session."

Now, sir, at that time Mr. Robson was in opposition, and a prominent member of the opposition; the hon. leader of the opposition here was then a member of the government, he was not the leader, Mr. Walkem was the leader.

MR. SEMLIN—No; Mr. DeCosmos was leader.

HON. MR. DAVIE—Mr. Walkem was a member of the government at all events; I may be wrong in saying that he was leader. However, you have heard Mr. Robson's motion. There was no point of order raised against Mr. Robson's motion such as the opposition would now lead the house to believe would have prevented his moving for a commission in this matter. Now, Mr. Robson's

motion did not suit his opponents, so it was defeated, whereupon the standing orders were suspended, and Hon. Mr. Walkem moved, seconded by the Hon. Mr. Beaven:

"Whereas, the hon. the member for Nanaimo has stated in his place in this house, that he was credibly informed that prominent members of the late and present government were in a ring to acquire possession of Texada Island, in a manner prejudicial to the interests of the public, be it therefore resolved:

"That a respectful address be presented to His Honor the Lieutenant Governor, praying that he will cause a royal commission to be appointed, with full power to take evidence under oath, and send for persons and papers, for the purpose of inquiring into the whole matter and reporting thereon to His Honor the Lieutenant-Governor for publication."

Now, sir, there is a precedent set by the hon. the leader of the opposition for the way these things shall proceed, by which you will observe that the hon. gentleman was not content to go to trial upon the charge formulated by Mr. Robson, but distinctly formulated the charge himself upon which he was to be tried.

MR. BEAVEN—Amplified it.

HON. MR. DAVIE—No, sir, he particularized it; and he selected the charge upon which he was to be tried.

Now, that case, sir, will also serve to show what was done on the commission. Hon. gentlemen opposite ask who is to prosecute it. Why, sir, those who bring the charges. Else, why do they bring them? The hon. leader of the opposition should know that, he has had experience enough in this line for upwards of twenty years; he has had experience enough to come out in a courageous manner and conduct his prosecution as Mr. Robson did then. And the hon. member from New Westminster and the hon. member from Nanaimo District, and any other members on the other side who made these charges, should come forward and conduct their own prosecution, and without a lawyer also. The hon. leader of the opposition, as I have had occasion to remark before, is excelled by few legal men as a constitutional lawyer, he does not need any lawyer. And we will see that it is a non-politicial tribunal. And similarly, other hon. members opposite, can act without a lawyer. Who prosecuted in the Texada case? Did the government employ a lawyer to prosecute themselves, as suggested, by hon. gentlemen opposite that they should do? No, Mr. Robson, with a courage equal to his ability, appeared before the commission and prosecuted.

Here is what the report of the Royal Commission says referring to the sittings of the commission:

"That, at such sittings, the three Commissioners were all present, except on one occasion, viz., the 20th day of August, at Victoria, when an enquiry was held before the Honorables Messrs. Crease and Gray, as to the mode of examination, by interrogatories of Mr. DeCosmos, a witness then absent at Ottawa, the Chief Justice on that occasion not being present, owing to his having gone to Cassiar on circuit.

"That at these various sittings, of which public notice was always given in the newspapers in Victoria, the honorable member for Nanaimo, Mr. Robson, was always present, and was afforded every opportunity, by examination and cross-examination of the witnesses, and by suggestion and argument, to promote the enquiry and establish the charge."

Now, then, there is an example for hon. gentlemen opposite to follow, that of a man who was always honorable in his methods in political matters, and was courageous and straightforward in his actions. They do not want a lawyer at the expense of the province. So now having told the hon. members of their privileges, I shall hope they will avail themselves of them.

Now, let us look at some of the objections raised. I shall take up the remark of my friend, Mr. Stoddart. I think that hon. gentleman has exercised an independence in this matter for which he is to be complimented. Although I think if he had had the opportunity of seeing this amendment in print, and considering at greater length the resolution that I proposed and the amendment of the hon. the Chief Commissioner, he would not have had occasion to express himself as he did. Now, sir, the hon. gentleman says that he is quite sure that there are more members of the Nakusp & Slocan Railway Company and of the Construction Company than have been stated by these papers already brought down. Well, sir, that is so, and there is any suspicion that cabinet ministers are members of either the Nakusp Company or the Construction Company, the amendment of the Chief Commissioner gives exhaustive power of enquiry. Here is his amendment: "And whether any of His Honor's ministers have or had any interest, directly or indirectly, in the Nakusp & Slocan Railway Company, or in any of the contracts of the company, or in the Construction Company, either in furnishing material or supplies, or in any way whatsoever." Why, sir, the original resolution was comprehensive enough to cover all that, and it was intended to be so. "Whether corrupt motives of any kind existed with or influenced His Honor's ministers in the advice tendered by them to His Honor the Lieutenant-Governor in rela-

tion to the Nakusp & Slocan Railway Company." Could language be more comprehensive than that? We want to find out whether there was any species of corruption at all. Now, if the members of the government had any interest in it, directly or indirectly, there would be corruption. So that the resolution was proposed in the most comprehensive way. Now, the hon. member, Mr. Forster, has said that the report of his remarks in the opposition organ, the *Times* is not correct. Well, we have struck out the part he objects to although I am satisfied he used them. And then Mr. Brown quibbles about the wording of the resolution, he says the wording of the resolution is to limit the question to the first guarantee. And in order to make that clear we have struck that part out also. And as to their burning with the desire to move for a Royal Commission and could not do it because of the point of order, I venture to say that rule 45 has nothing whatever to do with it. That rule merely prevents anybody moving for an expression of opinion, an abstract expression of opinion which would involve the expenditure of money. And this is an entirely different thing. And in 1874, there was no objection made to Mr. Robson moving the same resolution. So it is just as competent for an hon. member on the opposite side to move this thing as members of the government and, if there was any sincerity about hon. members opposite, and they had wanted a Royal Commission, they would have risked the point of order, and have got themselves on record; and what better thing would they have wanted than for the government to have defeated their motion for a Royal Commission by raising a point of order? Fault was found with me because I said on a previous occasion I did not know who were the members of the Construction Company. What I said was strictly correct. Until the information had been obtained for this house I had not taken the trouble to find out who were the members of the company or the Construction Company. I was dealing with the company and I knew that it was registered under Act of Parliament and it was merely a matter of idle curiosity to know who were the members of the company. I knew the gentlemen I was dealing with, and having found out that the company was in a position to put up $118,000, it was no part of my business to be prying into the question of their membership. I can assure hon. gentlemen that my time is too much occupied—and I think they will believe it when I say it—with matters of importance, to be employed in prying into other people's business, even if I were so disposed. And I did not concern myself as to who was going to make what profit there was in this contract, or who were the members of the company or the Construction Company. I was content with ascertaining from reliable sources what the road would cost, and then entering into an agreement with a company of sufficient means, as evidenced by the deposit of $118,000 to build it. And then, sir, we are told that the resolution is not wide enough; it leaves out the crux of the whole thing. But the crux of this thing is corruption. That is what we want to find out about; the other questions which the hon. gentlemen opposite want to interpose are mere matters of politics. But this is the red herring which they want to drag across the scent, which they hope will side track the whole object of the inquiry. They want the commission to inquire whether the government exceeded their authority under the Railway Act, 1893. Do they want a Royal Commission for that purpose? That is a question for this legislature to say, and not a Royal Commission. If this house had said that they exceeded their authority, or if the house did think the government had exceeded their authority they would not have passed the bill, or if the house passed the bill, although of the opinion that the government had exceeded their authority, that is a ratification of what the government has done, and in either case the matter is ended, and, such being the case, can you tell me what earthly reason there is for a Royal Commission to sit and re-open the question, which has been settled by the legislature? Even assuming that the government have exceeded their authority, what is that, sir, in comparison with the gross charge of theft and corruption made against us? The hon. leader of the opposition proposes to mix up two things which are wide apart, then go before the commission, abandon the theft and corruption, and try to get a verdict in his favor on a wholly immaterial issue. Why, the question of excess of authority does not weigh in the scale one feather's weight in comparison with the corruption charges that have been made. You cannot but see the utter insincerity of the gentlemen of the opposition when they put two such different matters in the balance together. "And that the commissioners be also empowered to investigate, ascertain and report what persons have been or are, either directly or indirectly, interested in the land known as the Townsite of Three Forks, or in any of the proceeds of the land known as lot 210," etc. Has it ever been suggested in this house before now or is it even now charged that any member of the government had anything to do with Three Forks? Has any one of the opposition pretended for a moment to say that there has been anything

wrong about that so far as the members of the government are concerned? Not one of them. And without a single charge or suggestion on which to found it, the hon. gentleman now proposes, when the matter is all over, when the bill is passed and everything done, to ascertain and enquire into something that has not been even suggested or insinuated by anybody. I wonder if the gentleman does not have feelings of shame to put such a thing on the records of the house. I do not want a better document to show before an audience in any place, to prove that the opposition are trying to shirk the issue of corruption, which they have raised in respect of the Nakusp matter. "Or, who may have a promise of any interest from the person or persons to whom the grant is to be issued, or from any person or persons to whom they may have promised or agreed to transfer their right or any part or interest thereof or therein." To find out who may have the promise. And who might that be? Well, sir, the hon. gentleman opposite might have a promise, or anybody on the street, Tom Jones, Bill Sykes, or anybody else. He wants the commissioners to find out who has an interest in this. He would find Jones and Sykes, and there may be hundreds of them. And he wants to mix that up with the charge of corruption and boodling against the government! If you will tell me that there is any sincerity in the actions of a man who will mix such trifling matters up with the grave issues which we have to day proposed for investigation, you insult my common sense, and the common sense of every man in the community. It is only a contemptible way of crawling out of the aspersions of dishonor which they have made.

MR. BROWN—The papers were full of it.

HON. MR. DAVIE—I am dealing with what the members of the opposition were full of, that was charges of corruption against members of this government in regard to the Nakusp. And I say they are ignominiously retreated to-day from what they said, and then they say the resolution does not cover all the ground. It covers everything that is in the resolution of the leader of the opposition, except the question of excess of authority, which has nothing to do with the point of corruption and a roving commission to find out who the Three Forks belongs to, and in respect of which no suggestion of impropriety has been made in this house,—

HON. MR. BEAVEN—Cowardly business!

HON. MR. DAVIE—I should say it was cowardly business to try to burk an enquiry by trying to find out whether Tom Jones or William Sykes were interested in the Three Forks. If hon. gentlemen opposite want a commission of inquiry into the Three Forks business, let them move for it themselves, and not encumber this enquiry with it.

I wish to say a word in regard to what the hon. member for the Islands has said. Now, sir, there is no member in this house for whom I entertain a higher sense of respect than the hon. member for the Islands, and he knows it. He knows how frequently I have been to him to consult him on matters which I have to deal with, matters of importance, how pleased I am to get his views on all subjects, and as I never fail to get good ideas from him, and he never speaks in this house but what he throws light upon subjects nnder discussion, I prize his opinions highly. But I rather think that his confidence in the integrity of the government has rather outweighed his sense of what ought to be done on this occasion. I think he is wrong when he says the government are too sensitive in this matter. I think when the government's integrity is attacked their duty to the public and themselves is that the matter should be cleared up. (Hear, hear.) And I think it would have been the crowning mistake of my life, for which I should have blamed myself to the day of my death, if I had not moved for this inquiry. Sir, I am glad to say that I have done so. And, sir, I can see the despondency coming over the faces of the hon. gentlemen opposite when they find their guns spiked as they are by this resolution. Why, sir, this is the chief clap-trap that they intended to bring up at the elections, this charge of corruption, had it not been enquired into, and that was the reason that they failed to do what was their right and priviledge, i. e.. move for an investigation, and for their conduct in this matter and for the red herring they have sought to draw across the scent, I shall confidently ask the country to pronounce them, as the majority in this house already know them to be, political humbugs. (Loud Applause.)