REPORT

OF THE

MINISTER OF JUSTICE

WITH REFERENCE TO THE

ARRANGEMENT MADE FOR THE SETTLEMENT OF MATTERS IN DIFFERENCE BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF BRITISH COLUMBIA.

VANCOUVER ISLAND RAILWAY, ESQUIMALT GRAVING DOCK, RAILWAY LANDS, JUDICIAL DISTRICTS.

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1884.

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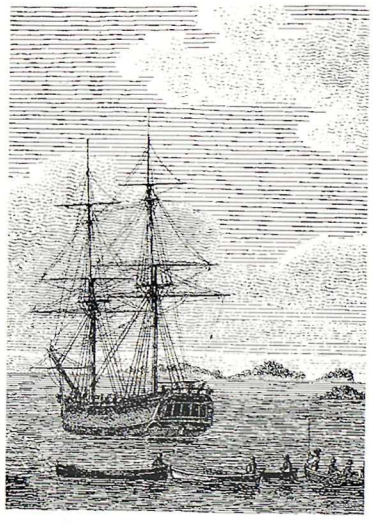

CERTIFIED COPY of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council, on the 27th September, 1883.

The Committee of the Privy Council have had under consideration a Report herewith, dated 25th September, 1883, from Sir Alexander Campbell, who was authorized by Orders of Your Excellency in Council, under dates of 14th and 23rd June last, to visit British Columbia to make arrangements relative to the various points remaining unsettled between the Government of the Dominion and that of the Province of British Columbia. The Committee concur in the said Report and the several matters proposed to be carried into effect, and they submit the same for Your Excellency's approval.

JOHN J. McGEE.

OTTAWA, 25th September, 1883.

To His Excellency the Marquis of Lorne, P. C., K. T., G. C. M. G., Governor-General of Canada:

MAY IT PLEASE YOUR EXCELLENCY:

I have the honor to submit for your information a Report on my visit to the Province of British Columbia, for the purposes mentioned in the Order of Your Excellency in Council of the 23rd of June last.

After some delay at San Francisco, I reached Victoria on the 27th of July, and immediately waited upon His Honor the Lieutenant-Governor of the Province on the subject of my visit. I was most cordially received and placed by him in communication with his Ministers. The Lieutenant-Governor, throughout my stay, lent me valuable aid in my efforts towards establishing those relations with the members of his Government, which were so essential to the success of the mission with which Your Excellency had entrusted me.

1. The negotiations between the Government of the Dominion and that of British Columbia in regard to the construction of the Vancouver Island Railway and the taking over of the Graving Dock commenced by the Province on Esquimalt Harbour were prolonged late into last Session of Parliament. Unfortunately they had been conducted very much by telegraphic communications, and their successful

issue was hindered by difficulties which might not have arisen, or might have been readily removed, had the more ample opportunity afforded by personal intercourse been possible.

At repeated meetings of the Executive Council, and at many interviews with individual members of the Government—particularly with Mr. Smithe, himself—that gentleman and his colleagues discussed with me, in a spirit of the greatest frankness, the misunderstandings which had occasioned the postponement of the negotiations of last winter, and, animated by a sincere desire to overcome them, we found from day to day, reasonable solutions of the various points in dispute.

2. The Railway Belt on the Mainland.—The change in the route of the Canadian Pacific Railway to the more southerly pass, which it is now intended to occupy, rendered it expedient to effect a change of the location of the railway belt. The Government of British Columbia had not admitted that there was any obligation on their part to assent to such a change, and had contended that they had performed their whole obligation in granting the belt along the line as originally proposed. We were happily able, however in view of what we were mutually ready to concede in respect of other parts of the general arrangement, to arrive at an understanding by which the railway belt was transferred to the new line and the grant made absolute in its terms, the Government of the Dominion undertaking, through me, to place the land thus acquired in the market for sale to actual settlers at an early day.

In this connection I have the honor to state that instructions were given to Mr. Trutch, the Agent of the Dominion in British Columbia, to take at once the initiatory steps necessary to carry out this understanding.

3. The Act of the Legislature of the Province assigning districts to the Judges of the Supreme Court of the Province had been pronounced by the Court there as *ultra vires*, a result which led to the submission, by command of Your Excellency, to the Supreme Court of Canada, of certain questions propounded, in order to obtain the advantage of the legal advice of the Court upon the points thus adversely decided by the Provincial Court. The answers of the Supreme Court of Canada to these questions had been transmitted to the Lieutenant Governor of the Province for the information of his Ministers and of the Judges, in advance of my leaving Ottawa, and in this way the ground was a good deal cleared as regarded this object of my visit. I took early occasion to see the several Judges of the Supreme Court of British Columbia, and discussed the matter with them, and also with Mr. Smithe and the members of the Government.

Another difficulty had been created in regard to the powers which one of the Statutes of the Province proposed to confer upon Gold Commissioners, which powers

seemed to Your Excellency's advisers to be of a judicial character, and therefore only to be granted by the Government of the Dominion. The subject was further complicated by disputes which had arisen at Metlakatla, showing the necessity of having a Stipendiary Magistrate there, and probably, also, at several other points in the Province.

All these embarrassments were happily ajdusted by the course finally agreed on between the Government of the Province and myself, under which Mr. Justice McCreight is to be assigned to the District of New Westminster, Mr. Justice Walkem to the District of Kamloops, and an officer who is to be at the same time County Court Judge and Stipendiary Magistrate for Cariboo and Lillooet, to be appointed by the two Governments—that of the Dominion paying the salary of Judge, and that of the Province the salary of Stipendiary Magistrate. This arrangement will leave a Supreme Court composed of three members, the Chief Justice, Mr. Justice Crease and Mr. Justice Gray, at Victoria, the seat of the Court, for transaction of business at the Capital and on the Island of Vancouver.

I have the honour to submit herewith a memorandum, dated the 20th of August, embodying the agreement between the two Governments on the various points referred to.

I have to report further, for the information of Your Excellency, that I executed at Victoria, on behalf of the Minister of Railways, a provisional contract for the construction of the Island Railway, and that Messrs. Robert and James Dunsmuir and John Bryden executed it on their own behalf, and deposited with me $250,000 required as security for its performance. I afterwards proceeded to San Francisco and procured the execution of the contract there by the remaining contractors. The contract, thus executed, I transmitted from San Francisco to the Agent of the Dominion Government in British Columbia, Mr. Trutch, to be held by him, in accordance with the terms of the memorandum, until such time as the necessary legislative authority should be given by the Parliament of Canada and the Legislature of British Columbia. I enclose herewith a copy of the contract.

I have the honor further to state that, prior to leaving the Province, I instructed Mr. Trutch to take over from the local authorities, on behalf of the Dominion, the Graving Dock, and to take such steps as were necessary for the safety of the work and materials on hand and the plant.

The Minister of Public Works has, I understand, since received an intimation from Mr. Trutch, that he has assumed possession of the work accordingly.

The petition for the disallowance of the Act to incorporate the Columbia and Kootenay Railway and Transportation Company, referred to by an order of Your

Excellency in Council on the 14th of June, I have reported upon in a separate paper.

During my stay in British Columbia I had occasion to examine into a number of matters for the different Departments of the Government, and to report on them to several of my colleagues, as per margin.

The whole humbly submitted.

A. CAMPBELL,
Minister of Justice.

OTTAWA, 25th September, 1883.

PER MARGIN.

SIR JOHN MACDONALD.

On all the topics herein referred to, and on Indian affairs.

THE MINISTER OF FINANCE.

On the want of circulation of Dominion Notes in the Province.

THE MINISTER OF PUBLIC WORKS.

The Graving Dock, the Public Building at New Westminister, the site of Provincial Penitentiary, and the necessity of a new wing. Temporary telegrapic connection for Mr. Onderdonk, contractor for Canadian Pacific Railway.

MINISTER OF RAILWAYS.

The Island Railway.

MINISTER OF AGRICULTURAL AND IMMIGRATION.

The site of a Quarantine Station. Provincial Immigration matters..

MINISTER OF MILITIA.

The site of Barracks for new Battery. The Rifle Butts.

MINISTER OF MARINE.

Necessity for Salmon hatcheries on Fraser River, particularly for propagation of "Spring" Salmon. Snag Boat for Fraser River. Protection of Fisheries.

POSTMASTER-GENERAL.

Organization of Post Office Service. Expediency of discontinuing service to San Francisco

Also as to Service between Victoria and Port Townsend, and to Port Simpson.

MEMORANDUM of arrangement made at Victoria on the twentieth day of August, 1883, relative to the various points remaining unsettled between the Government of the the Dominion and that of the Province of British Columbia.

Island Railway.

1. The Government of British Columbia will invite the adoption by the Legislature of the Province, of certain amendments to the Act of 1883, entitled "*An Act relating to the Island Railway, the Graving Dock and the Railway Lands of the Province,*" which amendments are indicated by red lines in the copy of the proposed new Bill hereto annexed, signed by Sir Alexander Campbell and Mr. Smithe.

2. The Government of British Columbia will procure the assent of the contractor for the construction of the Island Railway to the provisions of clause (*f*) of the agreement recited in the amending Bill.

3. Upon the amending Bill becoming law in British Columbia, and the assent of the contractor for the construction of the railway to the provisions of clause (*f*) of the agreement recited in the Act being procured, the Government of the Dominion will seek the sanction of Parliament to measures to enable them to give effect to the stipulations on their part contained in the agreement recited in the amending Bill.

4. The contract shall be provisionally signed by Sir Alexander Campbell on behalf of the Minister of Railways and Canals, but is to be deposited with Mr. Trutch, awaiting execution by delivery until the necessary legislative authority shall have been given, as well by the Parliament of the Dominion, as by the Legislature of British Columbia.

The Graving Dock.

The Government of the Dominion shall take over the Graving Dock forthwith, and, upon Parliamentary sanction being given, complete it with all convenient speed, and thereafter operate it as a Dominion work, acquiring the right to the Imperial subsidy and paying the Province of British Columbia, on the sanction aforesaid being given, the sums mentioned in clause (*g*) of the agreement recited in the amending Bill

and they will, in the meantime, pay out of the subsidy voted by Parliament to aid in the construction of the Dock such sum as the Government of British Columbia may be entitled to receive under the existing arrangement in regard to the moneys advanced thereon by them since the 27th of June, 1882, any sums so paid to be taken as part of the moneys going to British Columbia on Graving Dock account under the present arrangement, should it receive Legislative sanction on both sides as before mentioned, failing which the *status quo* will be resumed.

Railway Belt on Mainland.

The Dominion Government will use every exertion to place their land in the railway belt on the mainland in the market at the earliest possible date, and for this purpose they will give all necessary instructions to their officers.

The Government of British Columbia will, on their part, render all the aid in their power, and place all the information which they have in their Lands Department at the disposal of the Dominion officers, the expense to be borne by the Dominion Government. In the meantime the land shall be open for "entry," to *bonâ fide* settlers, in such lots and at such prices as the Dominion Government may fix.

The Judiciary.

The Order in Council fixing the residences of the Judges to be revoked. Mr. McCreight to be assigned to New Westminster, and Mr. Walkem to Kamloops. Legislative authority to be sought for for this change, if necessary.

A County Court Judge shall be appointed by the Dominion Government, for the District of Cariboo and Lillooet, at a salary of twenty-four hundred dollars, and he shall receive from the Local Government the appointment of Stipendiary Magistrate, at a salary of five hundred dollars; legislative authority for this arrangement, if necessary, and for the payment of the Judge, to be sought for.

The above includes all matters as to which there is any dispute or difference between the Government of the Dominion and the Government of British Columbia, and when carried into effect, will constitute a full settlement of all existing claims on either side or by either Government.

A. CAMPBELL.
WM. SMITHE.

A.

(THIS IS THE SPECIFICATION MARKED A REFERRED TO IN THE CONTRACT HERETO ANNEXED DATED THIS 20TH AUGUST, 1883.)

SPECIFICATION for a line of railway from Esquimalt to Nanamio, in Vancouver Island in British Columbia.

1. The railway shall be a single line, with gauge 4 feet 8½ inches, with necessary sidings.

2. The alignments, gradients and curvatures shall be the best that the physical features of the the country will admit of, the maximum grade not to exceed 80 feet to the mile, and the minimum curvature not to be of less radius than 800 feet.

3. In all wooded sections the land must be cleared to the width of 50 feet on each side of the centre of line.

All brush and logs must be completely burnt up and none thrown on to the adjacent lands.

4. All stumps must be grubbed out within the limits of cuttings under 3 feet in depth or embankments less than 2 feet in depth.

5. All stumps must be close-cut where embankments are less than 4 feet and more than 2 feet in height.

6. Through settlements, the railway must be enclosed with substantially built legal fences.

7. Road crossings, with cattle guards and sign boards, shall be provided wherever required.

8. The width of cuttings at formations shall be 20 feet, embankments, 16 feet.

9. Efficient drainage must be provided either by open ditches or under drains.

10. All bridges, culverts and other structures must be of ample size and strength for the purpose intended. Piers and abutments of bridges must be either of substantial massive stone, masonry iron or wood, and in every essential particular, equal to the best description of like works employed in the construction of the Canadian Pacific Railway in British Columbia. Arched culverts must be of good solid masonry, equal in every respect to similar structures designed for the Canadian Pacific Railway in British Columbia. Box culverts must be of either masonry, iron or wood.

11. The passenger station houses, freight sheds, workshops, engine houses, other buildings and wharves, shall be sufficient in number and size to efficiently

accommodate the business of the road, and they shall be either stone, brick or timber of neat design, substantially and strongly built.

12. The rails shall be of steel weighing not less than 50 pounds per lineal yard of approved section, and with the most approved fish-plate joints.

13. The roadway must be well ballasted with clean gravel or other suitable material.

14. Sufficient siding accommodation shall be provided by the contractors, as may be necessary to meet the requirements of the traffic.

15. Sufficient rolling stock, necessary to accommodate the business of the line, shall be provided by the contractors, with stations and terminal accommodations, including engine sheds, turn-tables, shops, water tanks, machinery, wharves, &c.

A. CAMPBELL,
Minister of Justice, for the Minister of Railways and Canals.
ROBERT DUNSMUIR,

ARTICLES OF AGREEMENT made and entered into this twentieth day of August, in the year of Our Lord, One thousand eight hundred and eighty-three.

Between Robert Dunsmuir, James Dunsmuir and John Bryden, all of Nanaimo, in the Province of British Columbia; Charles Crocker, Charles F. Crocker, and Leland Stanford, all of the City of San Francisco, California, United States of America; and Collis P. Huntington, of the City of New York, United States of America, of the the first part, and Her Majesty Queen Victoria, represented herein by the Minister of Railways and Canals, of the second part.

Whereas, it has been agreed by and between the Governments of Canada and British Columbia, that the Government of British Columbia should procure the incorporation, by an Act of their Legislature, of certain persons to be designated by the Government of Canada, for the construction of a railway from Esquimalt to Nanaimo, and that the Government of Canada should take security from such Company for the construction of such railway:

And whereas, the parties hereto of the first part are associated together for the purpose of constructing or contracting for the construction of a railway and telegraph line from Esquimalt to Nanaimo, and are hereafter referred to as the said contractors:

Now these presents witness, that in consideration of the covenants and agreements on the part of Her Majesty hereinafter contained, the said contractors covenant and agree with Her Majesty as follows:—

1. In this contract the word "work" or "works" shall, unless the context requires a different meaning, mean the whole of the works, material, matter and things to be done, furnished and performed by the said contractors under this contract.

2. All covenants and agreements herein contained shall be binding on and extend to the executors, administrators and assigns of the said contractors, and shall extend and be binding upon the successors of Her Majesty; and wherever in this contract Her Majesty is referred to, such reference shall include Her successors; and whereever the said contractors are referred to, such reference shall include their executors, administrators and assigns.

3. That the said contractors shall and will well, truly and faithfully lay out, make, build, construct, complete, equip, maintain and work continuously a line of railway of a uniform gauge of 4 feet 8½ inches, from Esquimalt to Nanaimo in Vancouver Island, British Columbia, the points and approximate route and course being shown on the map hereunto annexed, marked B, and also construct, maintain and work continuously a telegraph line throughout and along the said line of railway, and supply all such telegraphic apparatus as may be required for the proper equipment of such telegraph line, and perform all engineering services, whether in the field or in preparing plans or doing other office work, to the entire satisfaction of the Governor in Council.

4. That the said contractors shall and will locate and construct the said line of railway in as straight a course as practicable between Esquimalt and Nanaimo, with only such deviations as may seem absolutely indispensable to avoid serious engineering obstacles, and as shall be allowed by the Governor in Council.

5. That the gradients and alignments shall be the best that the physical features of the country will admit of without involving, unusually or unnecessarily heavy works of construction, with respect to which the Governor in Council shall decide.

6. That the said contractors shall and will furnish profiles, plans and bills of quantities of the whole line of railway in ten mile sections, and that before the work is commenced on any ten mile section, such profiles, plans and bills of quantities shall be approved by the Governor in Council, and before any payments are made the said contractors will furnish such further returns as may be required to satisfy the Minister of Railways and Canals as to the relative value of the works executed with that remaining to be done.

7. That the Minister of Railways and Canals may keep and retain five per cent. of the subsidy, or of such part thereof as the said contractors may be entitled to, for three months after the completion of the said railway and telegraph line and the works appertaining thereto, and for a further period, until the said Minister of Rail-

ways and Canals is satisfied that all failures or defects in said line of railway and telegraph line, respectively, and the works appertaining thereto that may have been discovered during the said period of three months, or such further period, have been permanently made good, and that no lands shall be conveyed to the said contractors until the road is fully completed and equipped.

8. That the said contractors shall commence the works embraced in this contract forthwith, and shall complete and equip the same by the 10th day of June, 1887, time being declared material and of the essence of the contract, and in default of such completion and equipment, as aforesaid, on or before the last mentioned date, the said contractors shall forfeit all right, claim or demand to the sum of money and per centage hereinbefore agreed to be retained by the Minister of Railways and Canals, and any and every part thereof, and also to any moneys whatever which may be at the time of the failure of the completion as aforesaid due or owing to the said contractors, as also to the land grant and also to the moneys to be deposited as hereinafter mentioned.

9. That the said contractors will upon, and after the completion and equipment of the said line of railway and works appertaining thereto truly, and in good faith, keep and maintain the same, and the rolling stock required therefor in good and efficient working and running order, and shall continuously and in good faith operate the same, and also the said telegraph line, and will keep the said telegraph line and appurtenances in good running order.

10. That the said contractors will build, construct, complete and equip the said line of railway and works appertaining thereto in all respects in accordance with the specification hereunto annexed marked A, and upon the line of location, to be approved by the Governor in Council.

11. The character of the railway and its equipments shall be in all respects equal to the general character of the Canadian Pacific Railway, now under construction in British Columbia, and the equipments thereof.

12. And that the said line of railway and telegraph line, and all works appertaining thereto respectively, together with all franchise rights, privileges, property, personal and real estate of every character appertaining thereto, shall upon the completion and equipment of the said line of railway and works appertaining thereto, in so far as Her Majesty shall have power to grant the same respectively, but no further, or otherwise, be the property of the said contractors.

13. And Her Majesty in consideration of the premises, hereby covenants and agrees to permit the admission free of duty of all steel rails, fish-plates and other fastenings, spikes, bolts and nuts, wire, timber and all material for bridges to be used in the original construction of the railway, and of a telegraph line in connection

therewith, and all telegraphic apparatus required for the first equipment of such telegraph line; and to grant to the said contractors a subsidy in money of $750,000, (seven hundred and fifty thousand dollars), and in land, all of the land situated on Vancouver Island (except such parts thereof as may have at any time heretofore been reserved for naval or military purposes, it having been intended that all of the lands so reserved should be excluded from the operation of the Act passed by the Legislature of the Province of British Columbia, in the year 1883, entitled "*An Act relating to the Island Railway, the Graving Dock and Railway Lands of the Province*," in like manner as Indian reserves are excluded therefrom), which has been granted to Her Majesty by the Government of British Columbia by the aforesaid Act in consideration of the construction of the said line of railway, in so far as such land shall be vested in Her Majesty, and held by Her for the purposes of the said railway, or for the purpose of constructing or to aid in the construction of the same, and also all coal, coal oil, ores, stones, clay, marble, slate, mines, minerals and substances whatsoever in on or under the lands so agreed to be granted to the said contractors as aforesaid, and the foreshore rights in respect of all such lands as aforesaid, which are hereby agreed to be granted to the said contractors as aforesaid, and border on the sea, together with the privilege of mining under the foreshore and sea opposite any such land, and of mining and keeping for their own use all coal and minerals (herein mentioned) under the foreshore or sea opposite any such lands, in so far as such coal, coal oil, ores, stones, clay, marble, slate, mines, minerals and substances whatsoever, and foreshore rights are owned by the Dominion Government, for which subsidies the construction of the railway and telegraph line from Esquimalt to Nanaimo shall be completed, and the same shall be equipped, maintained and operated.

14. The said money subsidy will be paid to the said contractors, by instalments, on the completion of each ten miles of railway and telegraph line, such instalments to be proportionate to the value of the part of the lines completed and equipped in comparison with the whole of the works undertaken, the proportion to be established by the report of the Minister of Railways and Canals.

15. The land grant shall be made, and the land, in so far as the same shall be vested in Her Majesty and held by Her Majesty for the purposes of the said railway, or for the purposes of constructing, or to aid in the construction of the same, shall be conveyed to the said contractors upon the completion of the whole work to the entire satisfaction of the Governor in Council, but so, nevertheless, that the said lands, and the coal oil, coal, and other minerals and timber thereunder, therein or thereon, shall be subject in every respect to the several clauses, provisions and stipulations referring to or affecting the same, respectively, contained in the aforesaid Act passed by the Legislature of the Province of British Columbia, in the year 1883, entitled, "*An Act relating to the Island Railway, the Graving Dock and Railway Lands*

of the Province," as the same may be amended by the Legislature of the said Province, in accordance with a Draft Bill now prepared, which has been identified by Sir Alexander Campbell and the Hon. Mr. Smithe, and signed by them and placed in the hands of the Hon. Joseph William Trutch, and particularly to sections 23, 24, 25 and 26 of the said Act.

And it is hereby further agreed by and between Her Majesty, represented as aforesaid, and the said contractors that the said contractors shall, within ten days after the execution hereof by Her Majesty, represented as aforesaid, or by the said Minister on behalf of Her Majesty, apply to the Government of Canada to be named by the Governor in Council as the persons to be incorporated under the name of the Esquimalt and Nanaimo Railway Company, and that immediately after the said contractors shall have been so incorporated, this contract shall be assigned and transferred by them to the said Company, and such Company shall forthwith, by deed entered into by and between Her Majesty, represented as aforesaid, and the said Company, assume all the obligations and liabilities incurred by the said contractors hereunder or in any way in relation to the premises.

The said contractors shall, on the execution hereof, deposit with the Receiver General of Canada the sum of $250,000 (two hundred and fifty thousand dollars) in cash as a security for the construction of the railway and telegraph line hereby contracted for. The Government shall pay to the contractors interest on the cash deposited at the rate of 4 per cent. *per annum*, half yearly, until default in the performance of the conditions hereof or until the return of the deposit and shall return the the deposit to the said contractors on the completion of the said railway and telegraph line according to the terms hereof with any interest accrued thereon, but if the said railway and telegraph line shall not be so completed, such deposit and all interest thereon which shall not have been paid to the contractors shall be forfeited to Her Majesty for the use of the Government of the Dominion of Canada. In witness, whereof the parties hereto have executed these presents, the day and year first above written.

For the Minister of Railways and Canals.

(Signed), A. CAMPBELL.
Minister of Justice.

(Signed), ROBERT DUNSMUIR,
" JOHN BRYDEN,
" JAMES DUNSMUIR,
" CHARLES CROCKER,
" CHARLES F. CROCKER,
" LELAND STANFORD,
by Chas. Crocker his Attorney in fact.
" COLLIS P. HUNTINGTON,
by Chas. Crocker his Attorney in fact.

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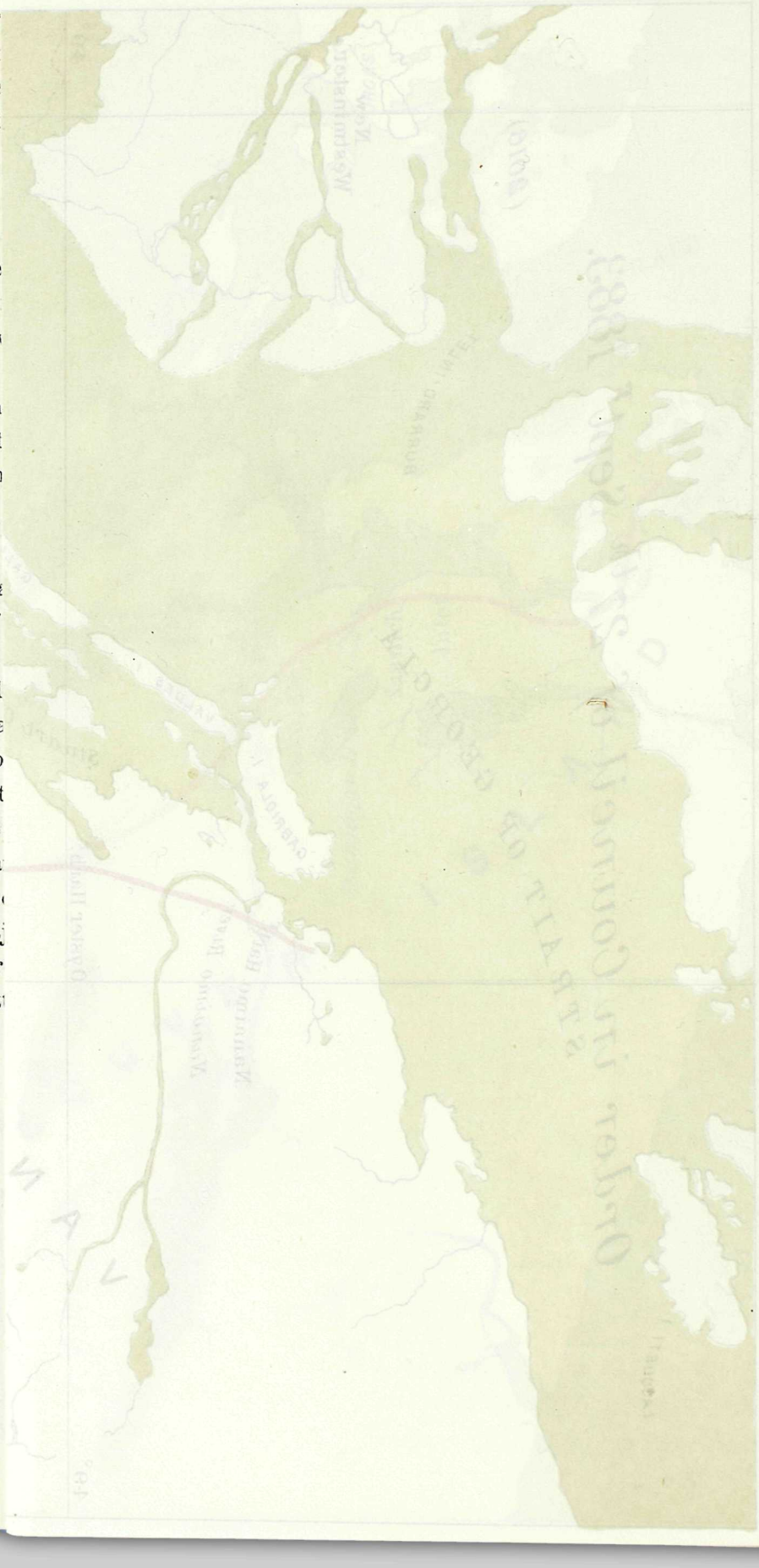

Signed, sealed and delivered by the within named Robert Dunsmuir, James Dunsmuir, John Bryden, Chas. Crocker, Chas. F. Crocker, Leland Stanford and Collis P. Huntington, and by Sir Alexander Campbell for the Minister of Railways and Canals, as an escrow, and placed in the hands of the Honorable Joseph William Trutch, until the sanction of Parliament shall have been obtained to the payment of the subsidy and to the other stipulations on the part of the Dominion herein contained requiring its sanction, and until the Act passed by the Legislature of the Province of British Columbia, in the year 1883, entitled "*An Act relating to the Island Railway the Graving Dock and Railway Lands of the Province*," shall have been amended by the Legislature of the said Province in accordance with a Draft Bill now prepared and which has been identified by Sir Alexander Campbell and the Honorable Mr. Smithe and signed by them and deposited in the hands of the said Joseph William Trutch in the presence of

(Signed), H. G. HOPKIRK.

BILL.

An Act relating to the Island Railway, the Graving Dock, and Railway Lands of the Province.

Whereas, negotiations between the Governments of Canada and British Columbia have been recently pending, relative to *delays in the commencement and construction of the Canadian Pacific Railway, and relative to* the Island Railway, the Graving Dock, and the Railway Lands of the Province:

And, whereas, *for the purpose of settling all existing disputes and difficulties between the two Governments, it hath been agreed as follows:—*

(*a*) The Legislature of British Columbia shall *be invited to* amend the Act No. 11, of 1880, intituled "An Act to authorize the grant of certain public lands on the Mainland of British Columbia to the Government of the Dominion of Canada for Canadian Pacific Railway purposes," so that the same extent of land on each side of the line of railway through British Columbia, wherever finally settled, shall be granted to the Dominion Government in lieu of the lands conveyed by that Act.

(*b*) The Government of British Columbia shall *obtain the authority of the Legislature to* grant to the Government of Canada a portion of the lands set forth and described in the Act No. 15, of 1882, intituled "An Act to incorporate the Vancouver Land and Railway Company," namely, that portion of the said lands therein described, commencing at the southern boundary thereof and extending to a line running east and west, half-way between Comox and Seymour Narrows; and also a further portion of the lands conveyed by the said Act to the northward of and contiguous to

that portion of the said lands last hereinbefore specified, equal in extent to the lands within the limits thereof which may have been alienated from the Crown by Crown grants, pre-emption, or otherwise.

(*c*) The Government of British Columbia shall *obtain the authority of the Legislature to* convey to the Government of Canada three and one half millions of acres of land in the Peace River District of British Columbia, in one rectangular block, east of the Rocky Mountains and adjoining the North-West Territory of Canada.

(*d*) The Government of British Columbia shall procure the incorporation, by Act of their Legislature, of certain persons, to be designated by the Government of Canada, for the construction of the Railway from Esquimalt to Nanaimo.

(*e*) The Government of Canada shall, *upon the adoption by the Legislature of British Columbia of the terms of this agreement, seek the sanction of Parliament to enable them to contribute to the construction of a Railway from Esquimalt to Nanaimo the sum of* $750,000, *and they agree to hand over to the contractors who may build such railway the lands which are or may be placed in their hands for that purpose by British Columbia; and they agree to take security, to the satisfaction of the Government of that Province, for the construction and completion of such railway on or before the 10th day of June*, 1887; *such construction to commence forthwith.*

(*f*) The lands on Vancouver Island to be so conveyed shall, except as to coal and other minerals, and also except as to timber lands as hereinafter mentioned, be open for four years from the passing of this Act to actual settlers, for agricultural purposes, at the rate of one dollar an acre, to the extent of 160 acres to each such actual settler; and in any grants to settlers the right to cut timber for railway purposes and rights of way for the railway and stations and workshops shall be reserved. *In the meantime, and until the Railway from Esquimalt to Nanaimo shall have been completed, the Government of British Columbia shall be the Agents of the Government of Canada for administering, for the purposes of settlement, the lands in this sub-section mentioned; and for such purposes the Government of British Columbia may make and issue, subject as aforesaid, preemption records to actual settlers of the said lands. All moneys received by the Government of British Columbia in respect of such administration shall be paid, as received, into the Bank of British Columbia, to the credit of the Receiver-General of Canada; and such moneys, less expenses incurred (if any) shall, upon the completion of the railway to the satisfaction of the Dominion Government, be paid over to the railway contractors.*

(*g*) The Government of Canada shall forthwith take over *and seek the authority of Parliament to purchase* and complete, and shall, upon the completion thereof, operate as a Dominion work, the dry dock at Esquimalt; and shall be entitled to and have conveyed to them all the lands, approaches, and plant belonging thereto, together with the Imperial appropriation therefor, and

shall pay to the Province as the price thereof the sum of $250,000, and shall further pay to the Province whatever amounts shall have been expended by the Provincial Government or which remain due up to the time of the passing of this Act, for work or material supplied by the Government of British Columbia since the 27th day of June, 1882.

(*h*). The Government of Canada shall, with all convenient speed, offer for sale the lands within the railway belt upon the mainland on liberal terms to actual settlers; and

(*i*) Shall give persons who have squatted on any of the said lands, within the railway belt on the mainland, prior to the passing of this Act, and who have made substantial improvements thereon, a prior right of purchasing the lands so improved at the rates charged to settlers generally.

(*k*) This agreement is to be taken by the Province in full of all claims up to this date by the Province against the Dominion, in respect of delays *in the commencement and* construction of the Canadian Pacific Railway, and in respect of *the non-construction of* the Esquimalt and Nanaimo Railway, and shall be taken by the Dominion Government in satisfaction of all claims for additional lands under the terms of Union, *but shall not be binding unless and until the same shall have been ratified by the Parliament of Canada and the Legislature of British Columbia.*

And whereas, it is expedient that the said agreement should be ratified, and that provision should be made to carry out the terms thereof;

Therefore Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

1. The hereinbefore recited agreement shall be and is hereby ratified and adopted.

2. Section 1 of the Act of the Legislature of British Columbia, No. 11, of 1880, intituled "An Act to authorize the grant of certain public lands on the mainland of British Columbia to the Government of the Dominion of Canada for Canadian Pacific Railway purposes," is hereby amended so as to read as follows:

From and after the passing of this Act there shall be, and there is hereby granted to the Dominion Government for the purpose of constructing and to aid in the construction of the portion of the Canadian Pacific Railway on the mainland of British Columbia, in trust, to be appropriated as the Dominion Government may deem advisable, the *public lands along the line of the railway before mentioned, wherever it may be finally located, to a width of* 20 miles on each side of the said line as provided in the Order in Council, section 11, admitting the Province of British Columbia into Confederation; but nothing in this section contained shall prejudice

the right of the Province to receive and be paid by the Dominion Government the sum of $100,000 per annum, in half yearly payments in advance, in consideration of the lands so conveyed, as provided in section 11 of the terms of Union: Provided always, that the line of railway before referred to, shall be one continuous line of Railway only, connecting the seaboard of British Columbia with the Canadian Pacific Railway, now under construction on the east of the Rocky Mountains.

3. There is hereby granted to the Dominion Government, for the purpose of constructing and to aid in the construction of a Railway between Esquimalt and Nanaimo, and in trust to be appropriated as they may deem advisable (but save as is hereinafter excepted) all that piece or parcel of land situate in Vancouver Island, described as follows:—

Bounded on the south by a straight line drawn from the head of Saanich Inlet to to Muir Creek, on the Straits of Fuca;

On the west by a straight line drawn from Muir Creek aforesaid to Crown Mountain;

On the north by a straight line drawn from Crown Mountain to Seymour Narrows; and

On the east by the coast line of Vancouver Island to the point of commencement; and including all coal, coal oil, ores, stones, clay, marble, slate, mines, minerals and substances whatsoever thereupon, therein, and thereunder.

4. There is excepted out of the tract of land granted by the preceding section all that portion thereof lying to the northward of a line running east and west halfway between the mouth of the Courtney River (Comox District) and Seymour Narrows.

5. Provided always that the Government of Canada shall be entitled out of such excepted tract to lands equal in extent to those alienated up to the date of this Act by Crown grant, pre-emption, or otherwise, within the limits of the grant mentioned in section 3 of this Act.

6. The grant mentioned in section 3 of this Act shall not include any lands now held under Crown grant, lease, agreement for sale, or other alienation by the Crown, nor shall it include Indian reserves or settlements, *nor Naval or Military reserves.*

7. There is hereby granted to the Dominion Government three and a-half million acres of land in that portion of the Peace River District of British Columbia, lying east of the Rocky Mountains and adjoining the North-West Territory of Canada, to be located by the Dominion in one rectangular block.

8. For the purpose of facilitating the construction of the railway between Esquimalt and Nanaimo, it is hereby enacted that such persons, hereinafter called the

"company," as may be named by the Governor General in Council, with all such other persons and corporations as shall become shareholders in the company, shall be and are hereby constituted a body corporate and politic by the name of "The Esquimalt and Nanaimo Railway Company."

9. The company and their agents and servants, shall lay out, construct, equip, maintain, and work a continuous double or single track steel railway, of the gauge of the Canadian Pacific Railway, and also a telegraph line, with the proper appurtanances, from a point at or near the Harbour of Esquimalt, in British Columbia, to a port or place at or near Nanaimo on the eastern coast of Vancouver Island, with power to extend the main line to Comox and Victoria, and to construct branches to settlements on the east coast, and also to extend the said railway by ferry communications to the mainland of British Columbia, and there to connect or amalgamate with any railway line in operation or course of construction. The company shall also have power and authority to build, own, and operate steam and other vessels in connection with the said railway, on and over the bays, gulfs, and inland waters of British Columbia.

10. The company may accept and receive from the Government of Canada any lease, grant or conveyance of lands, by way of subsidy or otherwise, in aid of the construction of the said railway, and may enter into any contract with the said Government for or respecting the use, occupation, mortgage, or sale of the said lands, or any part thereof, on such conditions as may be agreed upon between the Government and the company.

11. The capital stock of the company shall be three millions of dollars, and shall be divided into shares of one hundred dollars each, but may be increased from time to time by the vote of the majority in value of the shareholders present in person, or represented by proxy, at any meetings specially called for the purpose, to an amount not exceeding five million dollars.

12. The persons to be named as aforesaid by the Governor-General in Council shall be and are hereby constituted a board of provisional directors of the company, and shall hold office as such until other directors shall be elected under the provisions of this Act, and shall have power to fill any vacancies that may occur in the said board; to open stock books at Victoria, British Columbia, or any other city in Canada, procure subscriptions; and receive payments on stock subscribed.

13. When, and so soon as one-half of the capital stock shall have been subscribed, and one-tenth of the amount thereof paid into any chartered bank, either at Victoria or San Francisco, or partly in each, the provisional directors may order a meeting of shareholders to be called at Victoria, British Columbia, at such time as they think proper, giving at least three weeks' notice thereof in one or more newspapers published in the City of Victoria, and by a circular letter mailed to each shareholder,

at which meeting the shareholders present in person, or by proxy, shall elect five directors qualified as hereinafter provided, who shall hold office until the first Wednesday in October, in the year following their election.

14. On the said first Wednesday in October, and on the same day in each year thereafter, at the City of Victoria, or at such other place as shall be fixed by the by-laws of the company, there shall be held a general meeting of the shareholders for receiving the report of the directors, transacting the business of the company, general or special, and electing the directors thereof; and public notice of such annual meeting and election shall be published for one month before the day of meeting in one or more newspapers in the City of Victoria, and by circular letter mailed to each shareholder at least one month prior thereto. The election of directors shall be by ballot, and all shareholders may vote by proxy.

15 Three of the directors shall form a quorum for the transaction of business, and the board may employ one or more of their number as paid director or directors, provided that no person shall be elected director unless he owns at least twenty-five shares of the stock of the company on which calls have been paid.

16. No call shall be made for more than ten per centum at any one time on the amount subscribed, nor shall more than fifty per centum of the stock be called up in any one year.

17. The Consolidated Railway Act, eighteen hundred and seventy-nine (1879) of Canada, shall, so far as its provisions are applicable to the undertaking and are not inconsistent with or contrary to the provisions of this Act, apply to the said railway, and shall be read with and form part of this Act.

18. The words "Superior Court," "Clerks of the Peace," "Registry Offices," "Clerk of Court," as used in the said Consolidated Railway Act, eighteen hundred and seventy-nine (1879), shall, for the purposes of this Act, be read and construed in the same sense and meaning as is provided by the Act passed by this Legislature, thirty-eight (38) Victoria, chapter thirteen (13), section three (3).

19. Sections five (5) and six (6) of the said last-mentioned Act shall be read with and form part of this Act.

20. The said railway line from Esquimalt to Nanaimo shall be commenced forthwith and completed *on or before the* 10*th day of June*, 1887.

21. The railway, with its workshops, stations and other necessary buildings and rolling stock, and also the capital stock of the railroad company, shall be exempt from Provincial and municipal taxation until the expiration of ten years from the completion of the railroad.

22. The lands to be acquired by the company from the Dominion Government for the construction of the railway, shall not be subject to taxation, unless and until the same are used by the company for other than railroad purposes, or leased, occupied, sold or alienated.

23. The Company shall be governed by sub section (*f*) of the hereinbefore recited agreement, and each *bonâ fide* squatter who has continuously occupied and improved any of the lands within the tract of land to be acquired by the company from the Dominion Government for a period of one year prior to the first day of January, 1883, *shall be entitled to a grant of* the freehold of the surface rights of the said squatted land, to the extent of 160 acres to each squatter, *at the rate of one dollar an acre*.

24. The Company shall, at all times, sell coals gotten from the lands that may be acquired by them from the Dominion Government to any Canadian railway company having the terminus of its railway on the seaboard of British Columbia, and to the Imperial, Dominion and Provincial authorities, at the same rates as may be charged to any railway company owning or operating any railway in the United States, or to any foreign customer whatsoever.

25. All lands acquired by the company from the Dominion Government under this Act, containing belts of timber fit for milling purposes, shall be sold at a price to be hereafter fixed by the Government of the Dominion, or by the company hereby incorporated.

26. The existing rights (if any) of any persons or corporations in any of the lands so to be acquired by the company, shall not be affected by this Act, *nor shall it affect military or naval reserves.*

27. The said Esquimalt and Nanaimo Railway Company shall be bound by any contract or agreement for the construction of the railway from Esquimalt to Nanaimo, which shall be entered into by and between the persons so to be incorporated as aforesaid, and Her Majesty, represented by the Minister of Railways and Canals, and shall be entitled to the full benefit of such contract or agreement, which shall be construed and operated in like manner as if such company had been a party thereto in lieu of such persons, and the document had been duly executed by such company under their corporate seal.

28. The railways to be constructed by the company in pursuance of this Act, shall be the property of the company.

29. *The Act of* 1883, *chapter* 14, *intituled: "An Act relating to the Island Railway, the Graving Dock and the Railway Lands of the Province," is hereby repealed.*

A. CAMPBELL.
WM. SMITHE.

VICTORIA, B.C., 21st August, 1883.

I have read and on behalf of myself and my associates acquiesce in the various provisions of this Bill, so far as they relate to the Island Railway and Lands.

R. DUNSMUIR.

VICTORIA, B. C., 20th August, 1883.

RETURN

(15*a*) [IN PART]

) an ORDER of the HOUSE OF COMMONS, dated 25th February, 1884;—For a Statement showing the names, rank, pay, date of appointment of all Officers, Clerks, Messengers, and Servants employed in the various Departments of the Dominion, in the Province of British Columbia, including Dominion Government Agent, and those employed under him.

By Command,

J. A. CHAPLEAU,

Secretary of State.

epartment of the Secretary of State,
14th April, 1884.

RETURN

(15*b*) [IN PART]

To an ORDER of the HOUSE OF COMMONS, dated 25th February, 1884;—For a Statement showing the names, rank, pay, date of appointment of all Officers, Clerks, Messengers, and Servants employed in the various Departments of the Dominion, in the Province of British Columbia, including Dominion Government Agent, and those employed under him.

By Command,

J. A. CHAPLEAU,

Secretary of State.

Department of the Secretary of State,
17th April, 1884.

[*In accordance with the recommendation of the Joint Committee on Printing, the above Returns are not printed.*]

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RBSC

Order in Council of 27th Sept.r 1883.

(2016)

LASQUETI I.

STRAIT OF GEORGIA.

BURRARD INLET.

New Westminster.

GABRIOLA I.

Nanaimo Harb.r

Nanaimo River

VALDES I.

49°

Oyster Harb.r

49°

VANCOUVER

Stuart Channel

GALLIANO I.

ADMIRAL I.

Chemdinas L.

Cowitchin L.

Cowitchin

Satellite Ch.l

Shawnigan L.

ORCAS

Saanich

Inlet

Sooke L.s

SAN JUAN I.

HARO STRAIT.

ISLAND

VICTORIA

Esquimalt H.r

Victoria H.r

JUAN DE FUCA STRAIT.

B

This is the Plan marked B referred to in the Contract hereto annexed dated 20th August, 1883.

124°

123°

A. MORTIMER, LITH: OTTAWA.