RETURN

To an Address presented to His Honour the Lieutenant-Governor, praying him to cause to be laid before the House copies of all correspondence between his Government, or any member thereof, and any person or persons, company or companies in relation to the proposed construction of railways from the cost to the Columbia River, or to any part of the Kootenay District.

By Command.

JAMES BAKER,

Provincial Secretary.

Provincial Secretary's Office,
4th March, 1897.

VICTORIA, B.C., September 29th, 1896.

Hon. J. H. Turner,
Premier and Minister of Finance, Victoria, B.C.

SIR:—In view of the fact that in order to build the most favourable line through Sumas and the Chilliwhack Valley, being the first instalment of the new line direct to the Kootenay District, it is necessary to carry out what is known as the Sumas and Chilliwhack reclamation scheme, I beg to make the following proposition to the Government.

I believe the reclamation scheme to be essentially a sound one on its merits, but I understand that the difficulty the Government find in giving a guarantee on the bonds proposed to be issued for the construction of the necessary dyke is the uncertainty of being able to collect the assessments levied by the Dyking Commissioners. I venture to think that if the collection of these assessments was in the hands of a private Company they would be much easier to collect, and such a Company would be in a much better position than the Government to enforce the payment of the assessments, in a business way.

I am, therefore, prepared to carry out a scheme on the following or some similar basis: I will form a Company with a capital of, as a beginning, say, 50,000 pounds. Of this capital I will call up 10,000 pounds, leaving the balance as reserve liability, to be called up in case of need. This Company, I propose, shall take over from the Commissioners the bonds issued for the work and carry out the work themselves, looking to the maintenance of the dykes and the collection of the assessments. The advantages that this Company would derive would be the profit between the rate of interest charged on the bonds and the rate of interest they would have to pay for raising the money, and I suggest that, in order to enable the Company to raise money at a low rate of interest, the Government should give a guarantee of, say, $3\frac{1}{4}$ per cent on an equivalent amount of the bonds of the Company to that required for the construction of the dykes, and that the Company should deposit with the Government as security for the guaranteed interest and sinking fund on their bonds the bonds received by them from the Dyking Commissioners.

Although this proposition is made on the basis of taking the Sumas and Chilliwhack bonds, I see no reason why the other bonds issued under the "Reclamation Act" should not be absorbed by my proposed Company. The greater the amount of the bonds dealt with the greater chance there would be of the Company being a prosperous one, and the greater would be the advantages reaped by the Province in the introduction of a desirable class of settlers.

It is also obvious that from the point of view of the Dominion Government such a scheme successfully carried out could not be otherwise than profitable, as the new settlers introduced on to the land would increase the revenue receipts and would probably induce the Dominion Government to act in a more liberal spirit in the future than has been the case in the past with regard to the conservancy of the Fraser River.

May I ask for your consideration and the consideration of the Government for this proposition? If you think it is one that you would feel prepared to submit to the House, I should be pleased to apply for the necessary charter for the incorporation of the Company, including any necessary alterations in the Dyking and Reclaimation Acts.

I am, etc.

(Signed) C. H. WILKINSON.

TORONTO, October, 14th, 1896.

SIR:—I beg to acknowledge the receipt of your favour of the 10th instant, in reference to my proposition made to the Premier with regard to the dyking business on the Fraser. I omitted in this proposition to mention the question of irrigation. I see no reason why the proposed Company should not take up irrigation bonds in the same way it is proposed they shall take up the dyking bonds.

I find in Calgary District a great development of irrigation works, and I am told the best results are being obtained.

Hoping to hear from you with some definite decision of the Government on the matter.

I have, etc.

R. E. Gosnell, Esq., (Signed) C. H. WILKINSON.
Secretary to the Premier, Victoria, B.C.

PEOPLE'S RAILWAY.

VANCOUVER, December 2nd., 1896.

Hon. J. H. Turner.

DEAR SIR:—What chance would capitalists have of obtaining a charter for a railway from the Coast to Kootenay with the following basis:—

1st. The line to connect with the C. P. R. at Revelstoke (the first station over the Fraser at Mission), thence to Hope, Princeton, Keremeos, Osoyoos, Midway, Rossland, Trail, there divide, one branch to Sayward on Fort Shepherd & Nelson line and the other to Robson.

2nd. The Company to have a grant of 20,000 acres of land per mile. The land to be free from taxes and to be let or sold at Government prices plus value of improvements.

3rd. The Company to have 20% of the profits derived from the mines within the reserve, provided they give the mines the surface rights free and connect the mine with the railway by at least a good waggon road.

4th. All fares and freight rates to be annually submitted to and approved by the Provincial Assembly.

5th. On the security of the line and the lands the Government to issue 35 year 3½% inscribed stock. The Company to take this stock at par and use the revenues from the lands and line in meeting the charges thereon—any excess to be added to the sinking fund.

6th. At the maturity of the stock all the lands and the line on whose security it has been raised to become the property of the State. The State, however, to be free to redeem it at any time by paying a premium of 10%.

7th. All the rights and privileges of the free miners and the royalties, etc., of the Crown to remain untouched otherwise than as above.

Yours, etc.

(Signed) T. E. JULIAN.

P. S.—The enclosed is copy of a letter from Mr. Wolff *re* State aid in land development.

T. E. J.

You see the plan I propose is exactly the same as that adopted with success in Prussia. The Development Company takes the place of the owners. Can we get the guarantee this year?

T. E. J.

[ENCLOSURE.]

REFORM CLUB, LONDON, S.W., September 13th, 1896.

DEAR SIR:—Replying to yours of the 21st ultimo, I am glad to learn that Mr. Turner is favourable to the idea, and I shall be happy to frame such a general proposal as I can at a distance from the scene, and not being a lawyer, much less acquainted with the laws of British Columbia.

But we ought to know what circumstances we have to deal with. In Prussia it is the proprietors who not only sell but first find the purchaser. His scheme being approved by the Governmeet authority, he makes the necessary improvements demanded by the Government with his own money or on his own credit. It is then paid by the Government, up to a certain point, in land bonds, and he arranges with his purchaser for the blalance, taking it either in money or else entering as a second mortgage, which he is as a rule allowed to replace out of such of the money for which he receives land bonds as is automatically paid off after a time, so that he receives a second lot of bonds, or virtually the very same bonds over again, but still only up to a certain figure.

Now, in British Columbia, I believe what you will want to deal with is Crown land. That appears to simplify the matter. But it does so only partially. The Government will, in that case, have to find the money for the improvements. The Government will have to take the whole risk, without being able to enquire into the trustworthiness of the debtor with the same ease that a private vendor can. If the Government has first to purchase land in order to divide it into small holdings there is an additional item of expense and risk. You see in Prussia the Government has owners to deal with who want to sell, and who come to it to assist them in selling, because they either could not sell otherwise at all, or they could not obtain so good a price. The Government can accordingly lay a certain burden upon them; lay out some money; find purchasers; take some risk. If the Government itself is to sell and make improvements, it is essential that the settlers should find a holding paying some return at once—it has to take some security—and if working capital is required the settlers will have to find it, say, by the creation of a co-operative bank.

Another thing is that in Prussia there are always applicants waiting, only too happy to take the holdings, so that once an estate is cut up it is fully arranged to cultivate at once. The Government retains no balances of holdings on its hands.

You see there are a good many tnings to be considered. You do not want to run the risk of having holdings deserted by new tenants. But if you will explain to me the circumstances, I will consider what to suggest.

I hope Mr. Gosnell has acquired a copy of my new book, "People's Banks," for the Legislative Library.

Believe me, etc.,

(Signed) HENRY W. WOLFF.

VANCOUVER, January 14th, 1897.

Hon. J. H. Turner.

DEAR SIR,—Herewith I beg to submit extracts of a letter received from England *re* railway construction between here and Kootenay. As I understand it, it contains three distinct offers:—

(1.) In consideration of a right to 20% of the profits from the mines, the rentals from the lands and guarantee of the bonds, the Syndicate will contract to build the line, develop and settle 20,000 acres of land per mile, and put in roads and grant free sites to all the mines within the railway reserve belt. At the end of 30 years, or the maturity of the stock, the derelict and unsettled lands and the line to become the property of the State.

(2.) In consideration of the Government guarantee of the stock and the rentals of the land, the Syndicate will contract to build the line, develop and settle 20,000 acres of land per mile. At the end of 30 years, or maturity of the stock, all derelict and unsettled lands and the line to become the property of the State.

(3.) In consideration of 20% of the profits from the mines and the rentals from the land the Syndicate will construct the line, develop and settle 20,000 acres of land per mile, and put in roads and grant free sites to all the mines in the railway reserved belt. At the end of 30 years all derelict and unsettled land to become the property of the State, but the line to remain the property of the Syndicate.

I may, without prejudice, say I have submitted the letter to Messrs. Cotton and Williams. They agree in thinking it more favourable to the Province than any railway proposal that has yet been brought forward, and consider it should not be made a party measure. Mr. Cotton suggested the Government would be well advised to make it a Gevernment measure. Of course they do not pledge either themselves or their party.

I shall esteem it a favour if you will let me know whether you can accede to the request as stated in Mr. Fox's letter, and waive the time limit for advertising in the Gazette.

Yours, etc.,

(Signed) T. E. JULIAN.

[ENCLOSURES.]

14, DEANS YARD, WESTMINSTER, 22nd December, 1896.

T. E. Julian, Esq., Vancouver.

MY DEAR SIR:—I am obliged for your letter of December 1st respecting the proposed railway from Vancouver to Rossland and to Robson.

Since its receipt I have had interviews with one or two influencial financial men in the city respecting the contents of your letter, and I may at once say that we can organize an approved syndicate with a preliminary capital of £1,000 for the purpose of securing the charter of the proposed railway, and the said syndicate would be in a position to find a further sum of £5,000 to £6,000 for the purpose of making the necessary survey after the charter was secured, and would also undertake to place or finance the necessary capital for the construction of the said railway provided you can obtain letters from Mr. Turner as representative of the party now in office, and from some leader representing the party out of office, stating they would support in Parliament a bill granting to the proposed Company the right to receive 20% of all the profits from the mines on the reserved lands to be set aside from the railway grant, as specified in your letter, or a bill authorising the Government to guarantee 3½% on inscribed stock issued for 30 years, the said stock to be accepted at par by the Company, and to be for an amount sufficient to cover the construction of the railway.

The London group above referred to would, of course, agree to provide for the wishes and views of all the representative men of both parties as far as is possible.

The gauge of railway should, we think, be the same as that of the Canadian Pacific Railway, as this would probably facilitate the subsequent negotiation for running powers over the Canadian Pacific Railway near Vancouver.

Awaiting your cablegram, I am, etc.,

(Signed) FRANCIS WM. FOX.

TERMS OF THE PROPOSED CHARTER OR CONTRACT AS PER LETTER OF DECEMBER 1ST, 1896.

(1.) The line to be built by a Public Company.

(2.) The Government pay therefor by 30 years' Inscribed Stock at 3½%. Such stock to be received by the Company at par.

(3.) For 30 years 20,000 acres per mile may be reserved to the Company, and by it to be sold, or let on perpetual leases at Government rates, plus value of any improvements, but all land not settled within this period to revert to the Crown without compensation. Till settled the land to be free from taxation.

(4.) That the Company obtain $\frac{1}{5}$ interest in all the profits from the mines within the grant, subject, however, to its giving the surface rights free, and at least puts in a waggon road to the mine, connecting it to the railway.

(5.) At the maturity of the stock the line and lands on which it has been raised shall become the property of the State (see clause 3).

(6.) The State shall be free to redeem the stock at any time by paying a premium of 10%.

(7.) All rates, etc., to be yearly submitted to and approved by the Provincial Assembly.

Transmitted to the Hon. the Minister of Finance.

53, NEW BROAD STREET, LONDON, December 7th, 1896.

DEAR MR. BEETON:—My time has been so taken up since I saw you a week ago, that I have found it impossible to tackle the question of that most important undertaking, the "People's Railway," until this evening. I have, however, had the advantage of seeing the mail which came to-day in a lump, including papers which are dated as long since as a month ago, and letters of the 11th ulto., all delayed by land slides, I believe, on the trans-continental railways.

In discussing this question, I am of course in the dark as to cost of construction between the point on the west of Hope to the eastern terminus, which I consider should be the assumed terminus of the Crow's Nest Pass Railway, and I feel strongly that, for political reasons if for

no other, an attempt should be made to induce the promoters of that line to throw in with us, instead of with the C. P. R. In this case at any rate, the politicians are right, as the healthy competition of two railways is almost essential to the well-being of the Province, and I venture also to say, paradox as it may seem, of the railways as well. I believe in healthy competition in every way.

Because of my having no survey of the route and therefore no estimate, I must go by rule of thum in estimating cost. However, I have talked the matter over with Bell, C.E. Hamlin, Woods, and Hill, of Westminster, and others who have given me information on the subject, and of course I know the cost of the line north and west of New Westminster, and from that city to the east of Chilliwhack, so I don't think my estimate will be far out; I shall probably be more out in the distances.

For the purpose of this letter I take 350 miles as the probable length. Of this I reckon that not much more than 50 miles will be really bad work.

The cost of this bad work I should put down at $100,000 per m.....	$ 5,000,000
I believe the rest can be done at $20,000.....	6,000,000
Total.....	$11,000,000
Say..... .....£2,200,000	

The first question is, is this a liberal enough estimate; the second, how can the mone be raised; and third, what chance is there of the line earning the interest for its bonded debt

The estimate I believe is about right, but if it is not, I should feel inclined to make the distance 50 miles greater, taking this 50 miles at $10,000 per mile, say, $500,000. I think this will fill the bill in any case; as the estimate gives 70 miles of line over and above the direct line; and a great, I believe, excessive length of bad work. However, to be safe, add the extra $500,000, and put the total at $11,500,000—£2,300,000.

If the Province will guarantee interest at 3½%, I will build the line for bonds, and if necessary I will arrange to postpone the payment of interest, for say three years, on the equivalent being added to capital. This would involve an annual charge of £80,500—$425,000, surely a small risk for so great a boon. It seems almost certain that the Dominion Government would give the orthodox $3,200 per mile, perhaps even more, and this may be put down at 320 miles (without the B. I. and F. V. Ry. and the Steveston, say, $1,024,000), or nearly enough to pay the bonded interest for the first three or in case of the reduction of the $2,000,000 mentioned below, the first four years.

As to the earning probabilities of the line, I can't, and I don't believe anyone in the Province anticipates, that when once the line is properly running it can fail to earn its expenses including interest on bonds. Let us see what is required for this purpose per mile per week: $380,000, 350 miles, roughly $1,100 per mile per annum, or $21 per mile per week; again roughly, the English railways earn on an average about £40—$200 per mile per week, and I should say over the whole, the Canadian do much more than $21, at any rate, a very conservative estimate gave the Burrard Inlet and Fraser Valley line, without any Kootenay extension, $40 per mile per week. I am certain the line must pay, but we want thoroughly to protect the Province, and I think over and above this we ought to give it some part of the profits, because as the Province guarantees the bonds, it should participate in the surplus.

Moreover, I think that members of the Provincial and Dominion Legislature and members of the corporations of the four cities should be allowed to travel free during the time they serve as such. I therefore suggest that one-fourth of the surplus profits over and above—

(*a.*) The cost of working:

(*b.*) The payment of interest on bonded debt should belong to the Province to be used as follows:—

I propose that the bonds shall be permanent and irredeemable except by purchase in open market, as mentioned below, and inscribed in London. They will sell well in this way.

That any surplus due to the Province shall go first in buying and extinguishing bonds that can be bought in the open market at or under the price of 110%, and that when bonds cannot be bought at that price, the surplus shall be used in building extensions and branches.

I propose that a land grant of 20,000 acres per mile of line shall be made, and that such land shall be sold from time to time, the proceeds to be used in the same way as the one-fourth surplus profits. All townsites shall be granted and realised in the same way.

Such a land grant will, I believe, if properly administered, fully provide for the debenture interest until the traffic suffices for that purpose, and will eventually either result in extin-

guishing the bonded debt or supplying the Province with such a network of railways as no other Colony can boast, and equal to the magnificent system in India.

I would suggest here as an alternative, that instead of selling land or town plots, the best possible facilities should be given to settlers to take up land, and proposing residents to take up town plots, the railway company, which is a semi-state undertaking, and working partly for its shareholders and partly for the Province, retaining the fee simple in the land on its own hands subject to liberal and equitable arrangements with its tenants. Such an arrangement would prevent the pernicious system of speculation in land, and gambling in real estate which always has and always will result in loss to individuals, and great damage to the development of any colony; such a system will lead to the very rapid settlement of all the good lands available.

I should propose that the two Island Cities be put on a level as to rates and fares for through bookings with Westminster and Vancouver, in exchange for bonusing and maintaining the ferry boats necessary for the service. I can't see how they can fairly ask more.

The best earning sections of this line will be what are now known as the B. I. and F. Valley, and the Steveston and New Westminster section of the Victoria, Vancouver and New Westminster Railways. Powers are not only in existence for these lines, but an application has been made, and looks very like being granted, for a guarantee on the bonus by the Dominion Government. I believe the "People's Railway" will find it greatly to its interest to undertake to work these sections at 50% of the gross receipts, and such an arrangement would probably result in securing the Domining guarantee, thus relieving the Province to the extent of, approximately, $2,000,000, say, £400,000, leaving the total at £1,900,000 and the interest £66,500 per annum.

I forgot to say above that although the Island Cities would get the advantage of an equal through-rate with the Mainland, that the car works and engineering shops would naturally go to Vancouver and New Westminster, as they could not, with due regard to convenience, be operated over the water This argument will help to satisfy the Mainland interests.

Now, as to management. I propose that the Province shall be represented by two permanent officials to be appointed by the Government, and paid by the Company a salary of $5,000 per annum each, and to be called "Government Directors of Railways." They shall give all their time to the business and be irremovable except for misconduct, incompetency, or some other valid business reason, at decision of Company. They shall, in case of breaking down in health, or old age, be entitled to a pension to be agreed on between the Government and the Company, when the appointment is made; the pensions to be based on length of service.

It is unnecessary to point out the enormous importance of this line to the Province. The difference between it and the British Pacific is that it taps at existing traffic, whereas the B. P. sought to create one, it serves an industry already created, growing rapidly and most vigorously, whereas the B. P. would have had to create it. Its connections to the east are virtually made, and its traffic will be sought for by no less than three transcontinental lines, whereas the B. P. had none.

I recommend the matter to your careful consideration.

I am, etc.,

H. C. Beeton, Esq. (Signed) C. H. WILKINSON.

VANCOUVER, August 26th, 1896.

Hon. James Baker, Provincial Secretary, Victoria, B. C.

SIR:—I have the honour to direct your attention to the enclosed resolution, passed by the Council of the City of Vancouver, on Monday, August 24th, 1896, in relation to the construction of a railroad from Vancouver to Kootenay, and would ask that you kindly give the matter your favourable consideration.

I have, etc.,

(Signed) THOS. F. MCGUIGAN.

(Receipt acknowledged, 29th Aug., 1896.) *City Clerk.*

Resolution of the Council of the City of Vancouver, passed the 24th day of August, 1896,

Having carefully considered the route of the proposed Vancouver, Victoria and Eastern Railway and Navigation Company, and being fully aware of the great benefit the said railway will be to the people of this city, in giving them direct communication with a trade that is already established in the great mining districts of Similkameen, Rock Creek, Kettle River,

Boundary Creek, and Kootenay, a trade which is now one of the greatest in Canada, and will increase every year as the mines are developed and the country is opened up.

Under the present conditions the merchants of this city cannot compete with the merchants of Spokane, owing to the lack of direct railway communication, consequently this trade is lost to Canada, and is monopolised by the people of the United States.

Be it therefore resolved, that we fully approve of the construction of the said railway, and respectfully ask that charter be granted, and every encouragement possible be given to the said Company, so that the said road may be built at the earliest possible date.

That a copy of this resolution be sent to our representatives in the Dominion and Provincial Parliaments, requesting them to assist in having the wishes of the petitioners carried out.

CITY CLERK'S OFFICE, VICTORIA, B. C., November 4th, 1896.

To the Deputy Provincial Secretary, Victoria B. C.

SIR:—I have the honour to transmit herewith a copy of a resolution relating to proposed railway from the coast to the Kootenay country, the construction of which it is therein desired should be undertaken as a public work by the Provincial Government.

I have, etc.,
(Signed) W. J. DOWLER, *C. M. C.*

(Receipt acknowledged 9th November, 1896.)

Copy of a Resolution passed by the Municipal Council of the Corporation of the City of Victoria, at a meeting held on the 2nd November, 1896.

"Resolved—That a memorial be presented by the Council to the Provincial Government urging the immediate undertaking, as a public work by the Government, of a railway from the Coast to the mining districts of the Slocan and Kootenay. The road when completed to remain public property, and to be operated by the Government or by a Company leasing from the Government on such conditions as shall fully protect the public interest."

(Signed) W. J. DOWLER, *C. M. C.*

VANCOUVER BOARD OF TRADE,
VANCOUVER, B. C., 7th November, 1896.

A. Campbell Reddie, Esq., Deputy Provincial Secretary, Victoria, B. C

SIR:—I beg to enclose copy of resolution *re* Kootenay railway connection with Pacific Coast of special committee which met this a. m. in Vancouver, and at same time beg respectfully to ask your Government at what date it would be convenient to receive a deputation from the joint Board of Trades' Committee of Victoria, New Westminster and Vancouver in regard to the above important question.

I have, etc.,
(Signed) WM. SKENE,
Acting Secy. to Joint Committee pro tem.

(Receipt acknowledged 11th Nov., 1896.)

Copy of Resolution adopted at a meeting of delegates from the Board of Trade of Victoria, New Westminster and Nanaimo, held in Vancouver, Saturday, 7th November, 1896, viz.:—

"Having carfully considered the necessity of constructing a line of railway from the Coast into the district of Kootenay, and thereby bringing the great mining trade of the southern part of B. C. to the Coast cities by the shortest possible route;

"Be it therefore resolved that the Provincial and Dominion Governments be asked to grant a charter and assist any properly organised scheme for an independent line of railway from the Pacific Coast to the Columbia River, and that they will do everything possible so that such line may be constructed at the earliest possible moment.

"Further, that a copy of this resolution be sent to the respective Governments."

(Signed) WM. SKENE, *Secretary.*

To A. Campbell Reddie, Esq.,
Deputy Provincial Secretary, Victoria, B. C.

Moved by Alderman McGregor, seconded by Alderman McCandless, that—

Whereas it has been proved that immense deposits of gold, silver and other materials exist and are being profitably worked in the Kootenays, the Boundary Creek and Similkameen River portions of the Province, as well as there being a great deal of first-class agricultural and grazing lands, much of which is occupied by farmers:

And whereas there are tens of thousands of miners now employed in the getting of ores from the parts herein named:

And whereas the present means of transportation are not commensurate with the requirements of this large mining population, nor even convenient in the general transaction of business, thereby retarding to a great extent the development which would otherwise take place:

And whereas it has been demonstrated by a competent engineer, who has closely examined the proposed route, with the object of constructing a shorter line of railway *via* Hope, Similkameen, Kettle River and Grand Forks, so as to reach the mining centres of Kootenay, and has pronounced it quite feasible:

And whereas, in the best interests of these industries, and those who follow them, it is absolutely necessary that a line of railway should be built at the earliest possible moment to connect Kootenay by way of Boundary Creek country and Hope with the Coast cities:

Therefore, be it resolved, that this meeting emphatically urge on both the Dominion and Provincial Governments that substantial aid should be given to the "Vancouver, Victoria, Eastern Railway and Navigation Company," to enable the Company to proceed at once with the work herein set forth, and that a copy of this resolution, signed by the Mayor and Chairman, and by the Secretary, be forwarded to the Dominion and Local Governments, as well as to each member representing this City and District in both the House of Commons and Local Legislature.

Carried Unanimously. (Signed) CHAS. E. REDFERN, *Mayor.*
JAMES HENDERSON FALCONER, *Secretary.* January 27th, 1897.

T. E. Julian, Architect, Vancouver. VICTORIA, 28th January, 1897.

DEAR SIR:—With reference to your communication received by me some time ago, in which you outline a scheme for the construction of a People's Railway, connecting with a point on the C. P. R., I beg to say that the matter has had the consideration of the Government in connection with a general railway policy which is being formulated by the Executive, and whatever steps are taken looking to the construction of the line in question, or whatever assistance is granted, will come under and be governed by the general conditions which the Government will lay down.

All the details of the railway policy referred to have not yet been decided upon, but I trust will be before the meeting of the House.

I am, etc.,
(Signed) J. H. TURNER, *Minister of Finance.*

Hon. J. H. Turner. VANCOUVER, B. C., 12th February, 1897.

DEAR SIR:—In your favour of the 28th January *re* Railways, will have to conform to the general conditions of the railway policy to be inaugurated during the coming session. As far as the London Syndicate is concerned it will suit its purpose to be *contractors*, as it were, under the Government, on the terms of our letter, quite as well as to have an independent charter. We find Mr. Maxwell, M.P., and Dr. Milne, are at Ottawa, and we understand are trying to get the usual Dominion grant in favour of their scheme. In the case of the London Syndicate this grant, one million, or more if the bonds were guaranteed, would, of course, go through to the Provincial Treasury, and be available for any purpose which circumstances might from time to time determine. If, under these conditions, the Government can give any assurance that the offer of the Syndicate would be entertained a letter to that effect will oblige.

From a letter just received we conclude that Mr. Vernon can give you full and explicit particulars as to the *bona fides* of the Syndicate.

We are, etc.,
(Signed) T. E. JULIAN & Co.

VICTORIA, B. C.:
Printed by RICHARD WOLFENDEN, Printer to the Queen's Most Excellent Majesty.
1897.