RETURN

To an Order of the House for a Return of copies of all correspondence, papers, documents and advertisements referring in any way to the construction of the following Railways:—

(*a.*) For a railway from the Coast, in the neighbourhood of English Bluff, near Point Roberts, via Chilliwack and Hope to Midway, Boundary Creek District, approximately three hundred and thirty miles:

(*b.*) For a railway from the present terminus of the Esquimalt and Nanaimo Railway to the northern end of Vancouver Island, approximately two hundred and forty miles:

(*c.*) For a railway from Rock Creek to Vernon to connect with the Shuswap and Okanagan Railway, approximately one hundred and twenty-five miles:

(*d.*) For a railway from the Coast, at Kitimaat, to Hazelton, approximately one hundred miles:

(*e.*) For a railway from Fort Steele to Golden, approximately one hundred and fifty miles.

W. C. WELLS,
Chief Commissioner of Lands and Works.

Lands and Works Department,
2nd May, 1901.

PROPOSALS, COAST-BOUNDARY RAILWAY.

The Government of the Province of British Columbia is prepared to consider proposals for the construction of a Coast-Boundary Railway, such proposals to be addressed and handed to the Hon. W. C. Wells, Chief Commissioner of Lands and Works, at his office, up until noon of the 15th day of April next. The parties submitting such proposals to state the security they will be prepared to give to ensure the commencement and completion of the undertaking. The applicants must furnish with their proposals the course of the proposed line of railway, and plans approximately defining the same. The terms and conditions to be had on application to the Hon. the Chief Commissioner of Lands and Works.

J. D. Prentice,
Provincial Secretary.

Terms and Conditions of Proposed Coast-Boundary Railway.

The Lieutenant-Governor in Council may enter into all agreements with any person or company undertaking the construction of any railway upon the following conditions:—

That the subsidy shall not be payable until the railway is completed and in running order to the satisfaction of the Lieutenant-Governor in Council, and security to the like satisfaction has been given for the continuous maintenance and operation of the railway;

That four per cent. per annum of the gross earnings of the railway shall be paid to the Province, and such sum of four per cent. shall be a first charge upon the earnings;

That the railway obtaining the benefit of any such subsidy shall be constructed wholly and as a continuous line within the Province;

That the Lieutenant-Governor in Council shall have absolute control of the freight and passenger rates to be charged by the railway;

That in the event of a charter being granted by the Dominion Government for a line of railway over or parallel to the route proposed by this Act, the foregoing conditions of this section shall be assumed and carried out by the company so incorporated, as a contract and obligation of the said company prior to any other charge thereon;

That a suitable steam ferry for the transportation of cars for freight and passengers shall be operated daily between the Mainland and Vancouver Island at the most convenient point to connect with the City of Victoria; and that a proper railway connection shall be made with the Cities of Vancouver and New Westminster.

That the plans, specifications, and conditions of any proposed contract for the construction of the railway shall be subject to the approval of the Lieutenant-Governor in Council; and that the contracts shall be submitted to public tender and competition, under such conditions as the Lieutenant-Governor in Council shall approve; and no contract shall be awarded, or work or materials thereunder accepted, without the like approval;

That no Chinese or Japanese shall be employed during the construction of the railway;

That no aliens shall be employed on the railway during construction, unless it is demonstrated to the satisfaction of the Lieutenant-Governor in Council that the work cannot be proceeded with without the employment of such aliens.

2, BROUGHTON STREET,
VICTORIA, B. C., April 15th, 1901.

Re COAST TO KOOTENAY RAILWAY.

SIR,—Our clients have not submitted a tender in response to the public advertisement issued by the Government in this matter. The reason is, that the conditions under which the tender was required were, in the opinion of our clients, of a nature such as to preclude them from accepting the bonus, if the terms mentioned in the specifications were to be adhered to by the Government. We, however, wish you to understand that we are still prepared to discuss the question with the Government, and, as we stated in our letter to the Provincial Secretary, dated the 15th day of March, 1901, hope that we may be able to arrive at an understanding and agree upon conditions which, while they would not be oppressive to our company, are sufficient to protect the public interests.

As there has been some public comment respecting the constitution of the Vancouver, Victoria and Eastern Railway and Navigation Company, we beg to inform you, authoritatively, that that company is now organised permanently, that the plans of the road have been accepted and filed in the Railway Department at Ottawa, under the charter which we now have from the Dominion Parliament, and have also been filed in the proper Land Registry Offices in the Province; that a million dollars of the capital stock of the company have been issued, and that it is all held by Mackenzie & Mann and the Great Northern Railway Company, and that the latter company—by virtue of their interest in the road—have the control of the stock and a majority of the permanent directors; that the railway will be financed by the Great Northern Company, and will, when constructed, be operated as a part of their trans-continental system.

We are further prepared to give any reasonable assurance which the Government may require that the undertaking will always be conducted as a competing line with the Canadian Pacific system.

We have, etc.,
(Signed) BODWELL & DUFF,
Solicitors for the Vancouver, Victoria and Eastern Railway and Navigation Company.

To the Honourable
The Chief Commissioner of Lands and Works,
Victoria, B. C.

21, Bastion Street,
Victoria, B. C., April 15th, 1901.

To the Honourable
The Chief Commissioner of Lands and Works,
Victoria, B. C.:

Sir,—We have the honour to submit for your consideration a proposal in pursuance of the invitation on that behalf appearing in the Official Gazette, *re* the construction of a railway from the Coast to the Kootenay.

Our clients have applied to this Legislature for a charter over the route in question, under the name of The Coast-Kootenay Railway, and the Company will be prepared, upon incorporation, to assume the terms of the proposal outlined in this letter. The proposed Company will undertake the construction of the line in question over the route appearing in the tracing herewith enclosed, upon the conditions on file in your office, and advertised in the local press over the name of The Hon. The Provincial Secretary. Of course, this upon the assumption that the Dominion Government attaches its proposed bonus of $8,000 per mile to this Company, without a further requirement of any additional percentage out of earnings of the Company, or other terms too onerous for the Company to assume. We understand that the 4% will be in lieu of all taxes, charges, or other imposts by the Government of British Columbia upon the Company. The Company would also expect that the Government would assent to a term that the total amount to be paid to the Government in any one year should not exceed a sum equal to 4% upon the aggregate of money actually advanced by the Government to the Company by way of bonus, and that the Company should be at liberty at any time to pay the total amount advanced by the Government, and thereafter be absolved from further payment to the Government.

We may add that our clients are willing to enter into any reasonable agreement with the Company now having subsidy from the City of Victoria, for the construction and operation of a railway ferry, whereby such proposed ferry system could be utilised in connection with the railway.

An arrangement of the nature last mentioned would save the Company considerable expense, thereby enabling it to assume conditions more favourable to the Government.

The Company would be prepared to give guarantees, satisfactory to the Lieutenant-Governor in Council, to carry out any obligations assumed by it, in the event of the Government entering into an agreement with the Company.

We have, etc.,
(Signed) Hunter & Oliver.

Victoria, B. C., 16th April, 1901.

To the Honourable
The Chief Commissioner of Lands and Works,
Victoria, B. C.:

Sir,—In the matter of the proposed more direct line from the Coast to Kootenay, I am authorised to advise you that the Canadian Pacific Railway will undertake and will construct a line from Chilliwack to Abbottsford, or from some point in that vicinity, this year, and will continue westward as soon as the proposed railway bridge at New Westminster is constructed.

This portion of the line to be entirely without subsidy. The construction of the line westward from Okanagan to a connection with the through line will also be proceeded with, with all reasonable dispatch and as circumstances may admit. This Company would ask a subsidy, only, for what may be termed the mountainous sections of the proposed line, say Penticton, or some point in that neighbourhood and the eastern terminus of the western sections above referred to, and this not until the entire line has been completed and in operation. Pending its completion the Company would be pleased to confer with a representative of the Government upon the question of rates, with a view of minimizing the disadvantage, if any, under which the Coast cities may now be placed by reason of the longer distance, *via* the Company's main line, as compared with the distance *via* the proposed Kootenay line to and from points that would be served by the latter line.

I have, etc.,
(Signed) Geo. McL. Brown,
Executive Agent, Can. Pac. R'y.

2, BROUGHTON STREET,
VICTORIA, B. C., April 20th, 1901.

Re COAST-KOOTENAY RAILWAY.

SIR,—We have not yet received any answer to our letter to you of the 15th instant. We have, however, been in communication with our clients, and in order to facilitate negotiations we have the honour to inform you that, if the subsidy of $4,000 a mile is appropriated to our company we are prepared to commence construction on both ends of the railway this present year, and to push forward the completion as rapidly as circumstances will permit. We are also authorised to submit for your consideration the following:—

1. The subsidy to be payable in instalments as each twenty-mile section of the road is completed;
2. The company to return to the Government two per cent. of the gross earnings of the road for a period of time to be named, or until a certain proportion of the cash bonus (to be agreed upon) is by that means returned to the country: Provided that the charge upon the undertaking to secure this repayment shall not take precedence of such mortgage bonds as are necessary to cover the fair cost of construction: and provided, also, that if the two per cent. is returned, the company shall be exempt from taxation, municipal and otherwise, for a limited number of years, to be agreed upon.

We shall be glad to hear from you at your earliest convenience.

We have, etc.,
(Signed) BODWELL & DUFF,
Solicitors for the Vancouver, Victoria and Eastern Railway and Navigation Company.

To the Honourable
The Chief Commissioner of Lands and Works,
Victoria, B.C.

2, BROUGHTON STREET,
VICTORIA, B. C., April 30th, 1901.

Re COAST-KOOTENAY ROAD.

SIR,—Referring to our former letter to you of the 20th of April, we have the honour to inform you that Mr. Sutherland has just arrived in Victoria, after conferring with Mr. J. J. Hill at St. Paul, and with Messrs. Mackenzie & Mann at Toronto, and we are accordingly authorised to state that if the Provincial subsidy is appropriated to our undertaking, and the contract settled immediately, we are prepared to commence the work at once, and to complete at least thirty miles on the western end and a similar mileage on the eastern end of the road during the present season, whether the Dominion subsidy is granted to us or not. This is probably as large a mileage as could be conveniently arranged for during the present year, even if both subsidies were now in hand, and the fact that we are ready to begin work at both ends and prosecute a substantial amount of construction immediately should be sufficient to convince you that, if the requisite amount of public aid is granted, our company are prepared to push the whole line through at the earliest possible moment.

The reason why we are able to make this offer at present is that, in the first place, the money for construction is already provided for our company, and no time will be lost in making financial arrangements; secondly, our line is definitely located at the eastern end, and our surveyors are ready to do the same in the Fraser River Valley; our contractors and sub-contractors are now ready to take up the work, and we could at once put them in operation. If, however, the consideration of this question is delayed, matters will assume a different shape. There are very large undertakings in Manitoba and other places which will probably be carried on during the present year under the direction of Messrs. Mackenzie & Mann. The season for that kind of work is just beginning, and if we are not able to arrange with your Government for immediate construction in British Columbia, all the constructing force and the labour which would be employed here will be engaged upon other works in more distant parts and we will be unable to accomplish any substantial amount of construction work on the V., V. & E. this season, even if the bonus should be awarded to us at a later date.

Our representatives are now on the spot; we are ready to do business with the Government immediately, and with deference we submit that our proposition for construction of the road should be either accepted or rejected prior to the close of the present Session of the Legislature.

We have, etc.,
(Signed) Bodwell & Duff,
Solicitors for the Vancouver, Victoria and Eastern Railway and Navigation Company.

To the Honourable
The Chief Commissioner of Lands and Works,
Victoria, B.C.

Victoria, B. C., May 1st, 1901.

To the Hon. James Dunsmuir, Premier,
And Members of the Executive Council:

Gentlemen,—The deputation which received such courteous attention at the hands of your Honourable Government yesterday, when you were kind enough to give attention to their representations concerning the subsidy for the Midway and Vernon Railway, desire to express their appreciation of your kindness, and venture to again press upon your notice the great necessity which exists for the passage of such a measure as will ensure the immediate construction of this very important line.

We are desirous of again impressing upon your notice the fact that once a line of business is established in these mining towns with the farmers of Washington, it will be a slow process, and a matter of great difficulty, to redeem the business for the producers of the Okanagan District; and the danger of such connection being secured by the Americans is imminent. The other considerations which enable us to approach you with confidence in our request for a guarantee of the interest upon the bonds of this road are still fresh in your memory, and need not be referred to; but the urgency of the case, and the short time at our disposal, impel us to again respectfully address you upon the above point.

The more consideration given to this subject the more apparent does it become that instead of the Government being in any way hampered or embarrassed by such an arrangement, the returns from the line itself, taken in connection with the large increase of revenue from additional taxation and other sources, will speedily put the whole project upon more than a paying basis; and will almost immediately relieve the Government from any loss at present sustained from financial obligations with the Shuswap and Okanagan road.

It may be added that in addition to the great importance of this line to the large mining districts of the West Fork of Kettle River, its construction, and the consequent saving in freight rates, would save to the farmers and shippers of the Okanagan District a sum, based upon present shipments, approximating to some $80,000 per annum; this, of course, being due to the distance over the Midway and Vernon being much less than half the distance now obtaining, and three transfers being also avoided, involving a saving of time of twenty-four hours in passenger traffic, and perhaps forty-eight hours on freight shipments.

No other projected line will touch the mining section of Kettle River aforementioned, and in addition to this a large area of agricultural land will also be opened up for settlement, and from this will accrue a considerable addition to the Provincial revenue.

We are, therefore, desirous of impressing you with the great importance of the line in question, based on these considerations:—

1. Because it brings into direct connection two of the richest sections of the Province, which, though contiguous, have heretofore, for lack of adequate communication, been widely separated—one a magnificently rich agricultural district, capable of producing all that is necessary to supply the interior markets in agricultural produce; and the other having wonderful promise of mineral development, and an industrial population greater than that of any other part of the Province.

2. Because for the present it forms the quickest and most practicable means of giving direct communication between the Coast cities and the Interior mining towns.

3. Because it affords the key to the railway situation, inasmuch as in the event of any line of railway being built between the coast and Kootenay, by way of Hope Mountain or Spence's Bridge, it affords an alternative and competitive route.

4. It diverts from American channels, and conserves to British Columbia farmers, the market in agricultural produce.

5. Because, owing to the potential character of the district through which it will run, and the fact that a large traffic already awaits it at both ends, of all the railways proposed to be assisted by the Government it gives the greatest present promise of substantial returns to the Province for assistance extended.

We have, &c.,

(Signed) CHARLES WILSON,
(On behalf of promoters),

" G. A. HENDERSON,
(Representing Okanagan Board of Trade),

" W. R. MEGAW,
(Mayor, Vernon.)

RE VANCOUVER, VICTORIA AND EASTERN RAILWAY AND NAVIGATION COMPANY.

Some legal questions having arisen as to the status of the Company's charter, it may be useful to submit the following:—

1. The V. V. & E. Company was incorporated, in the first place, by a local Act, Chapter 75 of the Statutes of 1897. That Act created the incorporators into a body politic and corporate; it fixed no time as the limit of the life of the corporation. The work of building the railway under the Act was divided into four sections, and the time for completing the work was apportioned among the different sections in the following order:—

The first section, to be completed within two years; the second, within three years; and the third and fourth sections, within four years.

The Act was assented to on the 8th day of May, 1897, so that as to the building of the third and fourth sections the time does not expire until the 8th of May, 1901.

The situation, however, would be this: Supposing the time for the completion of the railway to have expired, the corporation would not necessarily be dissolved; it would still exist as a person, but its power to build the railway would be gone if it had nothing to depend upon except the local statute. While, however, it was in existence, and with none of its powers impaired, an Act of the Dominion Parliament was passed, being Chapter 69 of the Dominion Acts of 1898. By section 1 of that Act the works which the Company, by the local Act was empowered to operate, were declared to be a work for the general advantage of Canada, and by section 4 the Company was given the right to begin the railway within two years, and to complete it within five years, from the date of the passing of the Act, which is the 13th of June, 1898, and the Company was brought under the provisions of the Dominion Railway Act.

There can be no doubt that the Parliament of Canada had jurisdiction to declare this work one for the general advantage of Canada, and there can also be no doubt of the proposition that, having declared it to be a work for the general advantage of Canada, the Company which was authorised to construct the work came under the provisions of the Dominion Railway Act, and became thereby a Dominion company; so that Parliament could, beyond all question, extend the time or do any other act which was necessary for the proper completion of the work in accordance with the general policy of the Dominion. To argue any other proposition would be to curtail and diminish the powers which the British North America Act has given to the Dominion over works declared to be for the general advantage of Canada.

2. The Dominion Government have acted in accordance with the statute. The work was begun within the two years mentioned in the statute, and surveys and works of construction have been carried on which have been accepted by the Department of Railways in Ottawa as a compliance with the Act. The same Department has accepted and approved of the plans which the Company has prepared, and they are now officially certified and filed at Ottawa, and in the proper Land Registry Offices in the Province.

3. Supposing the local House should wish to keep the local charter alive, they could, beyond all question, now pass an Act extending the time. This has been done in the Columbia & Western charter, and in several other charters which were Dominion roads. The Columbia

& Western Railway Company, which is a company now operating in British Columbia, was, by Chapter 61 of the Dominion Statutes of 1898, re-incorporated *in exactly the same words* as the V. V. & E. Company, yet no one doubts that it is a properly organised corporation, and is carrying on its works lawfully in the Province. During the present Session of the House an Act has been passed extending the time for that company to complete a portion of its works.

4. It is also suggested that the local House cannot prevent the amalgamation of the V. V. & E. with the Canadian Pacific. The promoters have offered to permit the insertion of a clause preventing such amalgamation in any subsidy Act which may be passed.

Apart altogether from the wording of the different Acts, it is perfectly clear that if such a provision were inserted in the subsidy Act, and the Company were to accept the subsidy, the Courts would have power to prevent the amalgamation with the C. P. R.

It would not, however, be necessary to resort to the Courts. The amalgamation section in the V. V. & E. Act provides that the Company may lease or sell its works or any part thereof to the Canadian Pacific Railway Company, on such terms and conditions and for such period as is agreed upon between the directors of such companies, provided that the lease or sale be sanctioned by the consent in writing of every shareholder of the Company, and by *the Governor in Council*, or, failing such consent, by a two-thirds of the votes of the shareholders at a special meeting called for that purpose, and *by the approval of the Governor in Council.*

If the V. V. & E. Company should accept the bonus from the Province on the condition that they were not to amalgamate, or lease, or sell to the C. P. R., and in violation of that agreement should make a sale or lease, or enter into an amalgamation with the Canadian Pacific, then it would only be necessary to represent such fact to the Governor in Council to prevent his approval, and without such approval the lease or sale, or attempted amalgamation would be absolutely void.

VICTORIA, B. C.:
Printed by Richard Wolfenden, Printer to the King's Most Excellent Majesty.
1901.