

EXHIBITS.

—o—

ORDERS IN COUNCIL, CORRESPONDENCE AND OTHER DOCUMENTS.

—o—

Order in Council No. 307, 1890.

On a memorandum from the Honourable Chief Commissioner of Lands and Works, dated 2nd August, 1890, recommending that a block of land enclosed by the following boundaries be reserved from pre-emption and settlement until further notice, viz :—

Commencing at a point on the eastern boundary of the Province of British Columbia, in the Crow's Nest Pass; thence southerly along the eastern boundary to a point on the 49th parallel of latitude; thence west along the said parallel 25 miles; thence in a northerly direction to the junction of Morrissey Creek with Elk River; thence easterly to the point of commencement.

The Committee advise approval.

(Signed) CHAS. E. POOLEY,
President of Executive Council.

Approved, 11th August, 1890.

(Signed) HUGH NELSON,
Lieutenant-Governor.

(Signed) HUGH NELSON,
Government House, Victoria, 11th August, 1890.

On the recommendation of the Honourable the Chief Commissioner,

His Honour the Lieutenant-Governor, by and with the advice of the Executive Council, has been pleased to order, and it is hereby ordered, that the land enclosed by the following boundaries be, and is hereby, reserved from pre-emption and settlement :—

Commencing at a point on the eastern boundary of the Province of British Columbia, in the Crow's Nest Pass; thence southerly along the eastern boundary to a point on the 49th parallel of latitude; thence west along the said parallel 25 miles; thence in a northerly direction to the junction of Morrissey Creek with Elk River; thence easterly to the point of commencement.

(Signed) JNO. ROBSON,
Clerk, Executive Council.

(Stamp—Received Provincial Secretary's Dept., May 2, 1891.)

308/91

VICTORIA, April 18th, 1891.

To the Honourable the Premier :

SIR,—The Crow's Nest & Kootenay Lake Railway Company—now the British Columbia Southern Railway Co.—expects to commence work on the line in the near future, and it is anxious to prospect for coal and for coal oil, by means of boring, on the block of land which lies to the south of the Crow's Nest Pass, and which is comprised between the line of railway, the Alberta Boundary, the International Boundary, and a line drawn from the International Boundary to Morrissey Creek, which flows into Elk River.

The block of land contains, approximately, 400,000 acres, and is conveniently situated to form the initial block in the railway land grant. The land designated is already reserved by the Government, but it is not specially reserved as the initial block for the Crow's Nest, or British Columbia Southern, which proposes to expend a considerable sum, amounting to thirty-five thousand dollars (or more), in prospecting, by boring, on the land in question, for coal and coal oil, and also in the construction of a waggon road, in order to get in the necessary machinery for that purpose; but the Company feels that it would not be authorised in undertaking such a large expenditure in prospecting without some adequate security that the land mentioned will form the initial block in the land grant to the Crow's Nest Railway.

If the Company is successful in discovering coal oil in paying quantities, it will be of immense benefit to the Province, but the risk of loss of capital in prospecting is very great, as there are numerous places in the world which show indications of coal oil on the surface, but which, after boring, prove to be of no commercial value.

Therefore, the British Columbia Southern Railway Company respectfully requests that, in consideration of the great benefit which may accrue to the Province by their explorations, a Minute of Council may be granted to the Company which will specifically make the aforesaid block of land the initial block of the land grant to the British Columbia Southern Railway Company.

I have, etc.,

JAMES BAKER,
President.

(Answered 13 May/91.)

(Seal—Crow's Nest and Kootenay Railway Company.)

(Signed) F. B. PEMBERTON, *Secretary.*

Order in Council No. 174, 1891.

Upon a memorandum from the Hon. the Attorney-General, dated the 2nd day of May, 1891, stating that, by an Act passed in the year 1888, a Company was incorporated under the name of the Crow's Nest and Kootenay Lake Railway Company, for the purpose of constructing and operating a railway from some point at or near the junction of Summit Creek with Michel Creek, in the Kootenay District; thence by way of Elk River to the Upper Kootenay River; thence by way of Cranbrook and Mooyie Pass and Goat River to a point on the Kootenay River at or near its junction with the Kootenay River; and that by an Act passed in the year 1890, intituled "An Act in aid of certain Railways," the Lieutenant-Governor in Council was empowered to grant to the said Company, under certain conditions, 20,000 acres of public lands for each mile of railway constructed. And that by an Act passed in the present year and intituled "An Act to amend the Crow's Nest and Kootenay Lake Railway Company Act, 1888," the name of the said Company was changed and is now known as "The British Columbia Southern Railway Company," and further stating that the said Company have now made application that the following described tract of land, amounting, approximately, to 400,000 acres, may be set apart and reserved for them as an initial block in the said grant, viz., commencing at a point on the eastern boundary of the Province of British Columbia in the Crow's Nest Pass; thence southerly along the eastern boundary to a point on the 49th parallel of latitude; thence west along the said parallel 25 miles; thence in a northerly direction to the junction of Morrissey Creek with Elk River; thence easterly to the point of commencement. And recommending that in view of the proposal of the said Company to expend a sum of not less than \$34,000 in boring for coal and coal oil in the said tract of land and for other purposes connected with the same the said tract of land should be set apart and reserved for the said Company as such initial block as aforesaid, to be conveyed to the Company upon condition (but not otherwise) of their complying in all things with their Act of incorporation and with the provisions of the hereinbefore recited statutes.

The Committee advise approval.

(Signed) CHAS. E. POOLEY,
President Executive Council.

Approved 6th May, 1891.

(Signed) HUGH NELSON,
Lieutenant-Governor.

(Signed) HUGH NELSON,
Government House, Victoria, 6th May, 1891.

Whereas the British Columbia Southern Railway Company have made application for a certain block of land in the East Kootenay District, approximating 400,000 acres—viz. :—

Commencing at a point on the eastern boundary of the Province of British Columbia, in the Crow's Nest Pass; thence southerly along the eastern boundary to a point on the 49th parallel of latitude; thence west along the said parallel 25 miles, thence in a northerly direction to the junction of Morrissey Creek with Elk River; thence easterly to the point of commencement—reserved from pre-emption and settlement by Order in Council No. 307, 1890, and notice of which was published in the British Columbia Gazette of the 14th day of August, 1890—as an initial block of the land granted to the said railway, under the "Railway Aid Act, 1890," as an inducement for the construction of the said railway; and

Whereas the Company propose to expend a considerable sum of money in prospecting, by boring, on the land in question for coal and coal oil, and also in the construction of a waggon road to facilitate the transport of machinery for that purpose:

On the recommendation of the Honourable the Attorney-General, and by and with the advice of the Executive Council, His Honour the Lieutenant-Governor has been pleased to order, and it is hereby ordered, that the said land be, and is hereby, set apart and reserved for the British Columbia Southern Railway Company, as such initial block as aforesaid, to be conveyed to the Company upon condition—but not otherwise—that the Company comply in all things with its Act of Incorporation, and with the provisions of the "Railway Aid Act, 1890" and the "British Columbia Southern Railway Act Amendment Act, 1891."

(Signed) JOHN ROBSON,
Clerk, Executive Council.

Order in Council No. 465, 1892.

The Committee of Council have had before them a communication, dated the 17th instant, from the British Columbia Southern Railway Company, referring to the provisional grant of land made to the Company under the then title of the Crow's Nest and Kootenay Lake Railway Company by the "Railway Aid Act, 1890," cap. 40, 53 Vic., and setting forth that, after many difficulties and considerable outlay, a satisfactory arrangement has been arrived at for the conditional construction of the most important portion of this railway, which would open up the coal fields in the Crow's Nest Pass, and permit of the coal being delivered to the smelters now being erected on the Kootenay Lake, as well as to the large markets in Montana, *via* the Great Northern Railway.

That the necessary capital for building the portion of the line from the summit of the Crow's Nest Pass at Michel Creek, by Elk River to the International Boundary, has been obtained, but is available only on condition that the Company be relieved from the obligation contained in section 1 of the "Railway Aid Act, 1890," of giving guarantees satisfactory to the Lieutenant-Governor in Council for the completion of the remainder of the railroad.

That the said Act provides that the Company shall commence the construction of the railway within three years from the 26th of April, 1890.

That if the road is built so as to permit of the development of the coal fields, the royalty from the coal, together with property and other taxes, will add over one hundred thousand dollars per annum to the revenue of the Province, or more than one-tenth of the present revenue. The line will also offer a large and ready market for ores, lumber and agricultural products from the south-east portion of the Kootenay District.

That in view of the said advantages which will accrue to the Province by the building of the portion of the road from Michel Creek to the International Boundary, the B. C. Southern Railway Company request that, provided the Company commences work before the tenth day of January, 1893, and prosecutes the work continuously, the seasons permitting, the Lieutenant-Governor in Council will consent to bring in a Bill next Session granting, to the constructing company, 20,000 acres per mile of railway for that portion of the line from the summit of the Pass to the International Boundary, which shall include the first block of land already reserved for the railway by advertisement in the B. C. Gazette of 12th August, 1890; and, also, that since the land below Elk River is already taken up by the Kootenay Valley Com-

pany and the Canadian Pacific Railway Company, the reserved land designated in section 16 of the Railway Aid Act shall form part of the said land grant for building the aforesaid portion of the said line, without the obligation of completing the whole line to the Lower Kootenay River.

The Committee having considered the application, advise that the request of the Company be granted.

Victoria, 22nd November, 1892.

(Signed) J. H. TURNER,
For the President, Executive Council.

Approved November 24th, 1892.

(Signed) E. DEWDNEY.

Order in Council No. 178, 1896.

On a memorandum from the Honourable the Chief Commissioner of Lands and Works, dated 4th May, 1896, reporting—

That the Columbia and Western Railway Company have filed a map of the course and direction of section one of the proposed line of railway, showing the lands intended to be traversed, and have requested that a reserve be placed upon the lands pursuant to the terms of section 2 of the "Columbia and Western Railway Subsidy Act, 1896":

That in consequence of the grant to the Nelson and Fort Sheppard Railway Company, and of the proximity of the International Boundary, it will be impossible to have any lands reserved or granted to the Company upon section one south of the said line of railway; it will be necessary, therefore, to place the reserve upon lands north of the line and in other locations as nearly as possible contiguous to the line of railway, as contemplated by sections 2 and 6 of the said Act:

That the length of section one is 15 39-100 miles, which entitles the Company to a reservation of about five and one-half blocks of land, measuring six by sixteen miles each:

And recommending that the following described parcels of land be reserved from sale or pre-emption, viz:—

Commencing at the north-east corner of block twelve, granted to the Nelson and Fort Sheppard Railway Company by Crown grant dated 8th March, 1895; thence due north twenty-two miles; thence due west twenty-eight miles; thence due south six miles; thence due east ten miles; thence due south sixteen miles; thence due east eighteen miles, more or less, to the place of beginning; also that portion of land described as commencing at the said north-east corner of block twelve, thence due east sixteen miles; thence due south to the International Boundary; thence west along said boundary sixteen miles; thence north to the place of beginning.*

The Committee advise approval.

(Signed) CHAS. E. POOLEY,
President of Executive Council.

Approved 7th May, 1896.

(Signed) E. DEWDNEY,
Lieutenant-Governor.

*NOTE.—This block is included within the area marked by black patched lines on the annexed plan.

Order in Council No. 224, 1896.

On a memorandum from the Honourable the Chief Commissioner of Lands and Works, dated 3rd June, 1896, reporting—

That the Columbia and Western Railway Company have filed a map of the course and direction of sections 3, 4, 5 and 6 of the proposed line of railway, as indicated in the schedule to the Act of Incorporation, showing the lands intended to be traversed, and have requested that a reserve be placed upon the lands in pursuance of the provisions of the "Columbia and Western Railway Subsidy Act, 1896":

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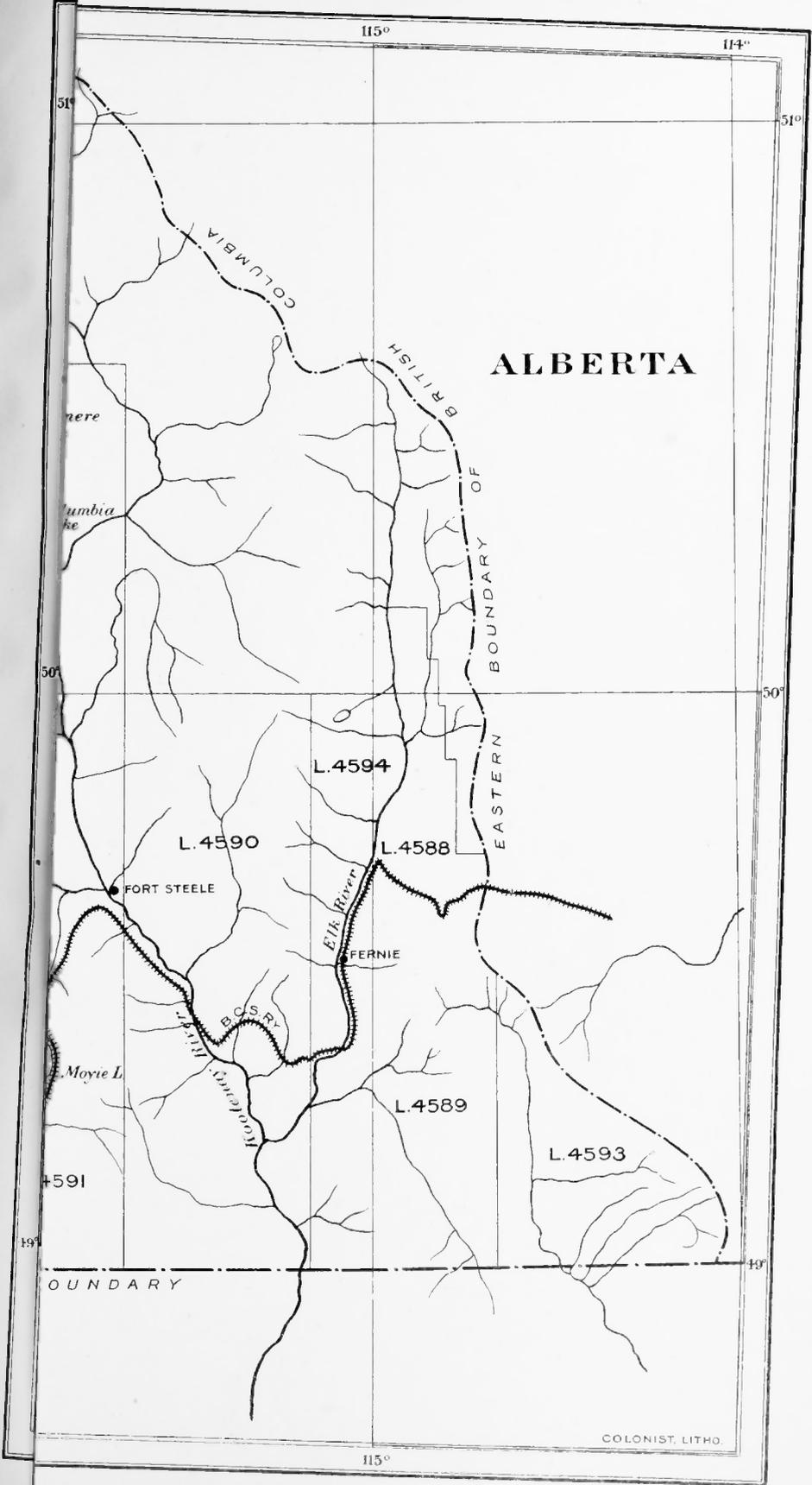
49°

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BOUNDARY

COLONIST, LITHO.

115°



That the length of the proposed railway from Trail to Penticton is 172 miles, which entitles the Company to a reservation embracing, approximately, 3,520,000 acres :

That the block of land now proposed to be reserved covers about 4,444,000 acres, from which there must be deducted lands previously reserved, or otherwise alienated, and lands covered by lakes, which together are estimated to amount to 1,060,000 acres, which leaves available about 3,384,000 acres for the Railway Company to make their selections out of.

The Minister accordingly recommends that all Crown lands not covered by existing reservations within the following described block be reserved for the above purpose, provided that all agricultural lands included therein which appertain to sections 3, 4, 5 and 6 of the said railway shall be open for sale or pre-emption under the Land Act, as provided by section 11 of the said Subsidy Act, viz.:—

Commencing at a point on the International Boundary 16 miles east of the south-east corner of block 12 of the Nelson and Fort Sheppard Railway land grant, which is also the south-east corner of Township 8A, Kootenay District; thence due west along the International Boundary for a distance of 124 miles to a point about 15 miles west of Similkameen River; thence due north 56 miles; thence due east 124 miles to a point about 10 miles east of the south end of Slocan Lake; thence due south to the point of commencement.*

The Committee advise approval.

(Signed) CHAS. E. POOLEY,
President of Executive Council.

Approved, June 5/96.

(Signed) E. DEWDNEY,
Lieutenant-Governor.

*NOTE.—This block is indicated by black patched lines on the annexed map.

(Signed) E. DEWDNEY,
Government House, Victoria, 5th June, 1896.

On the recommendation of the Honourable the Chief Commissioner of Lands and Works—

His Honour, the Lieutenant-Governor, by and with the advice of His Executive Council, has been pleased to order, and it is hereby ordered, that, under the provisions of the "Columbia and Western Railway Subsidy Act, 1896," all Crown lands not covered by existing reservations within the following described block be and are hereby reserved, provided that all agricultural lands included therein which appertain to sections 3, 4, 5 and 6 of the Columbia and Western Railway shall be open for sale or pre-emption under the "Land Act," as provided by section 11 of the said Subsidy Act, namely:—

Commencing at a point on the International Boundary 16 miles east of the south-east corner of Block 12 of the Nelson and Fort Sheppard Railway land grant, which is also the south-east corner of township 8A, Kootenay District; thence due west along the International Boundary for a distance of 124 miles to a point about 15 miles west of Similkameen River; thence due north 56 miles; thence due east 124 miles, to a point about 10 miles east of the south end of Slocan Lake; thence due south to the point of commencement.

(Signed) JAMES BAKER,
Clerk, Executive Council.

Order in Council No. 396, 1896.

On a memorandum from the Honourable the Minister of Finance, dated the 14th day of October, 1896, calling attention to the provisions of section 3 of the "Columbia and Western Railway Company Subsidy Act, 1896," and reporting that the Company had offered, as the security called for by said section, bonds of the Company to the extent of \$75,000.00, issued in pursuance of the powers contained in its Act of Incorporation, and being part of a proposed issue of \$30,000.00 per mile, secured upon the first section of the Company's line already constructed and upon the land appertaining thereto:

The Minister further reports that the Company has not yet issued such bonds, and that as security that the same will be duly issued and deposited with the Government on or before the 15th day of December, 1896, the Company has offered the personal bond of Mr. F. Aug. Heinze in the sum of \$50,000.00 :

The Minister recommends that such bonds, to the extent of \$75,000.00, be accepted as and for the security required by the said Act, and that the bond of Mr. Heinze, herewith enclosed, be accepted as interim security as therein set forth.

The Committee advise approval.

(Signed) CHAS. E. POOLEY,
President, Executive Council.

Approved October 14th, 1896.

(Signed) E. DEWDNEY,
Lieutenant-Governor.

JANUARY 27th, A. D. 1897.

Minutes of a meeting of the provisional directors of the Columbia and Western Railway Company at the head office of the Company at Trail Landing, Province of British Columbia, on Wednesday, the 27th day of December, A. D. 1897.

Present: Herrman C. Bellinger, F. P. Gutelius, Frederick E. Ward, and the Honourable Dewdney; F. A. Heinze and A. P. Heinze being represented by their proxy, F. P. Gutelius. A waiver of their right to notice of this meeting, signed by F. A. Heinze, A. P. Heinze, Charles Warfield and Chester Glass, the remaining directors, was produced and ordered to be filed.

In the absence of the chairman, upon motion duly made and unanimously carried, Mr. F. E. Ward was elected chairman of the meeting. In the absence of Mr. Chester Glass, the secretary, upon motion duly made, Mr. G. D. Cochrane was unanimously elected acting secretary for the purposes of this meeting.

It was then moved by Mr. F. P. Gutelius, seconded by Mr. H. C. Bellinger, and unanimously carried:

That whereas the "Columbia and Western Railway Subsidy Act, 1896," required the Company within six months from the passage of the Act, namely, the seventeenth day of April, 1896, to deposit with the Provincial Government good and sufficient security, to the satisfaction of the Lieutenant-Governor in Council, in the sum of fifty thousand (\$50,000) dollars, not as a penalty, but as liquidated and ascertained damages due to Her Majesty in right of the Province of British Columbia, in case default is made in the condition that the line of railway from Trail to Penticton should be built within four years from the date of the passage of the Act:

And whereas the said period of six months has been extended by the Lieutenant-Governor in Council:

And whereas the Company have issued a certain series of first mortgage bonds, and have secured the same by a first mortgage over all their railway, rolling stock, &c.:

And whereas the Lieutenant-Governor in Council has signified that the deposit of certain of said bonds, to aggregate at face value the sum of seventy-five thousand (\$75,000) dollars, will be good and sufficient security to the satisfaction of himself and Council, to be deposited with the Provincial Government in accordance with the above recited enactment:

Now be it and it is hereby *Resolved*, That the Secretary of the Company, and he is hereby instructed and authorised to deposit forthwith with the Provincial Government as the security required by the above-recited enactment certain of the bonds of the said series, amounting in the aggregate to seventy-five thousand (\$75,000) dollars, face value, which were authorised to be issued at the special general meeting of the shareholders of the Company held at Trail, B. C., on the ninth day of December, A. D. 1896, as appears by the minutes of such meeting.

Certified correct.

(Signed) GEO. D. COCHRANE,
Acting Secretary.

(Columbia and Western Railway Co. seal.)

(Stamp—Lands & Works Dept., May 21st, 1897, Victoria, B. C.)
3019/1897.

TRAIL, May 17th, 1897.

To the Public Land Office, Victoria :

DEAR SIR,—Would you furnish me with the law in regard to how much land a settler can take up and how to obtain title to the same ; also, what is the law in regard to obtaining title to coal land on Government land. Is there any natural coal oil springs, and, if any, where located ?

By giving the desired information you will greatly oblige me.

Yours respectfully,

(Signed) JOHN WATT,
Trail, B. C.

3019/97.

VICTORIA, B. C., May 21st, 1897.

SIR,—I have the honour to acknowledge the receipt of your letter of the 17th inst., and in reply I beg to advise having forwarded to your address by even mail a copy of the Land Act and of the Coal Mining Act, which will give you the information you desire. I am not aware of the existence of any natural coal oil spring.

I have, etc.,

(Signed) W. S. GORE,
Deputy Commissioner of L. & W.

John Watt, Esq., Trail, B. C.

Order in Council No. 252, 1897.

Whereas on the 2nd day of February, 1897, the Columbia & Western Railway Company presented a petition to the Lieutenant-Governor in Council, praying that, pursuant to section 37 of the "Columbia and Western Railway Company Act, 1896," an alternative route may be determined and established by the Lieutenant-Governor in Council :

And whereas the Lieutenant-Governor in Council has requested the said Railway Company to produce evidence of the fact that the line of Railway from Rossland direct to Christina Lake is almost impracticable, and that the alternative route asked for is the only feasible route for the said railway between the Columbia River and Christina Lake :

And whereas the Railway Company have produced the reports of William F. Tye, John G. Sullivan and Henry B. Smith, civil engineers, who report that the only practicable route from Trail to Christina Lake is by way of Robson, or the vicinity thereof, and Dog Creek Pass :

The Committee of Council having had under consideration the said petition, and the said reports, advise that, in the alternative route adopted by the said Company, the six sections or divisions of the said railway line be determined and established as follows :—

The first section shall consist of that portion of the line extending from a point at or near the Town of Rossland, in the Province of British Columbia ; thence easterly through the Town of Trail ; thence northerly to a point at or near the Town of Robson, on the Columbia River, or at or near a point on said river opposite said Town of Robson.

The second section shall consist of that portion of the line of railway extending from a point at or near the mouth of Trail Creek in an easterly or south-easterly direction not more than twenty miles in a direct line.

The third section shall consist of that portion of the line extending from such a point at or near the Town of Robson, or at or near to a point opposite the Town of Robson, on the Columbia River, to a point at or near Christina Lake.

The fourth, fifth and sixth sections shall remain as provided for in the schedule to the said Act of Incorporation.

(Signed) CHAS. E. POOLEY,
President Executive Council.

Approved 30th day June, 1897.

(Signed) E. DEWDNEY,
Lieutenant-Governor.

Order in Council No. 254a, 1897.

The Committee of Council have had before them an application from Mr. F. Aug. Heinze for the return of the personal bond deposited by him, and dated the 14th October, 1896, and conditioned to secure the deposit of bonds of the Columbia and Western Railway Company to the extent of \$75,000, as the security accepted by Order in Council of the said 14th October, 1896:

The Honourable the Minister of Finance reports that, in accordance with the condition of such bond, there have been deposited in his Department the seventy-five bonds of the Columbia and Western Railway Company (in Treasury), dated the 1st July, 1896, and numbered consecutively from 1 to 75, inclusive, each for the sum of \$1,000:

The Honourable the Attorney-General reports that he has examined the Deed of Trust to the Union Trust Company of New York securing said bonds, and the same is, in his opinion, regular and effective:

The Minister, in his report, also refers to the fact that the bonds form portion of a series charged on the whole line, but states that the issue is duly limited by the mortgage deed to the amount of \$25,000 per mile of railway which may from time to time be constructed, and that further bonds can only be issued as the Company from time to time proceeds with the performance of the condition to secure which they are deposited, viz., the construction of the railway:

The Committee accordingly advise that the said bond of F. Aug. Heinze be returned to him as fulfilled, and that to avoid misunderstanding the said mortgage bonds be now accepted as from the 14th day of October, 1896, and held as and for the security and upon the conditions mentioned in section 3 of the "Columbia and Western Railway Subsidy Act, 1896."

(Signed) CHAS. E. POOLEY,
President, Executive Council.

Approved June 30, 1897.

(Signed) E. DEWDNEY,
Lieutenant-Governor.

Order in Council No. 271, 1897.

The Committee of Council has had under consideration a communication from the secretary of the British Columbia Southern Railway Company (a copy whereof is hereto annexed), in which the Company requests an assurance that the Government will, when application is made by the Company under the provisions of section 3 of "An Act to make further provision for a Land Subsidy for and in aid of the B. C. Southern Railway Company," being cap. 36 of the Statutes of 1893, issue a grant of the lands therein referred, upon performance of the statutory conditions attached thereto.

The Committee apprehend that the legislation in regard to the portion of the land grant of this Company specified in the communication, so far as is necessary for a determination of the present question, may be historically summarised as follows:

Previous to the Session of 1893 such lands were only available to the Company to compensate it for a deficiency in lands within the alternate blocks having a frontage of twenty miles on the railway by a depth of thirty-two miles. By section 3 of the Act passed during such Session (1893), intituled "An Act to make further provision for a Land Subsidy for and in aid of the British Columbia Southern Railway," the lands in question are specifically authorised to be applied for as portion of the block to be granted upon completion of the second twenty miles of the eastern section of the railway. The amendments since this date do not alter this position.

The conditions precedent to a grant are contained in 1890, cap. 40, sec. 1; 1893, cap. 36, sec. 2; 1894, cap. 39, sec. 3; and 1896, cap. 4, sec. 2, and will be complied with by the furnishing of satisfactory security for the completion of the eastern section of the railway, as specified in sub-section (a) of section 8 of the B. C. Southern Railway Company's Act, 1894.

The Committee accordingly conclude that, upon completion of the first forty miles of railway from the boundary of the Province westward, and upon satisfactory guarantees being given by the Company for the completion of the eastern section of its railway, the Company

will be entitled to a grant of the lands in question, the boundaries whereof are designated in section 16 of the "Railway Aid Act, 1890," and advises that a certified copy of this memorandum, if approved, be furnished to the British Columbia Southern Railway Company, in order that such Company may be assured of the views and intended action of Your Honour's Government in the premises.

(Signed) CHAS. E. POOLEY,
President, Executive Council.

Approved, 15th July, 1897.

(Signed) E. DEWDNEY,
Lieutenant-Governor.

[Attached to Order in Council No. 271, 1897.]

VICTORIA, B.C., 13th July, 1897.

To the Honourable J. H. Turner,
Premier of British Columbia :

Sir,—I have the honour to inform you, on behalf of the British Columbia Southern Railway Company, that the said Company has associated itself with the Canadian Pacific Railway Company, for the purpose of building the railway from Lethbridge in Alberta to Nelson, and construction work will commence on the 15th inst.

In order to assure the financial arrangements which the joint companies are making with the Dominion Government and others, it is found that it is necessary to receive from the Provincial Government an assurance, by Order in Council, that so soon as the B. C. Southern Railway Company, acting in conjunction with the Canadian Pacific Railway Company, shall have complied with the terms of the Acts passed by the Legislature of British Columbia, to wit: That so soon as "the second twenty miles of the railway from the summit of the Crow's Nest Pass westwards is built and completed to the satisfaction of the Chief Commissioner of Lands and Works, the Land Grant, the boundaries of which are defined in section 16 of the 'Railway Aid Act, 1890,' will be deeded by Crown grant to the Company, upon satisfactory guarantee being given to the Lieutenant-Governor in Council for the completion of the first section of the line, according to sections 1, 2 and 3 of the B. C. Southern Railway Aid Act, 1893."

Therefore, the B. C. Southern Railway Company respectfully request the Government to be good enough to pass an Order in Council setting forth its willingness to make the grant of land, the boundaries of which are defined in section 16 of the "Railway Aid Act, 1890," upon the completion of the first forty miles of railway from the summit of the Crow's Nest Pass westwards, and upon satisfactory guarantee being given by the Company for the completion of the first section of the railway.

I have, etc.,
(Signed) F. B. PEMBERTON,
Secretary.

Order in Council No. 460, 1897.

On a memorandum from the Honourable the Chief Commissioner of Lands and Works, dated 30th October, 1897, reporting that the British Columbia Southern Railway Company, having filed plans of their located line of railway, are entitled, under section 9 of the "Railway Aid Act, 1890," to a reserve of 32 miles on each side of said line:

The Minister reports that, in preference to closing up a large area of land by imposing a reserve, of which eventually only one-half will be granted to the Company, it would appear advisable to enter into an agreement under which the lands should be still open to acquisition by the public, while the proceeds thereof should be received by the Province in trust for the Company, and to be handed over to them upon performance of the conditions whereunder they would otherwise be entitled to the lands which such proceeds represent. This plan, the Minister points out, has been adopted in the case of other railway grants, and has met with the approval of and been adopted by the Legislature.

Firstly : The Minister accordingly recommends :—That account be kept of the proceeds of all lands which would have been included in a reserve made on the date of the approval hereof, in pursuance of the terms of the said 5th section of the "Railway Aid Act, 1890," and that upon the Company selecting and applying for Crown grants of the lands to which they may become entitled, the proceeds of so much of the lands alienated as are found to be within the boundaries of blocks to be granted to the Company be thereupon paid over.

Secondly : That no timber leases or licences be granted over lands which would be within any such reserve.

Thirdly : That the consent which the Company has given hereto, as conveyed in a telegram from Mr. Shaughnessy to the Provincial Secretary of even date with this report, shall not hinder the Company from selecting any lands which they would otherwise be entitled to receive, and which would be useful for the purposes of the railway hereafter ; but that, upon the Company duly applying therefor, reserves will be placed upon such lands.

The Committee advise approval.

Approved November 1st, 1897.

(Signed) E. DEWDNEY,
Lieutenant-Governor.

(Signed) CHAS. E. POOLEY,
President of Executive Council.

Attached to this Minute of Council is the following telegram :—

MONTREAL, QUE., October 30th.

Hon. Col. Jas. Baker, Victoria :

There are a few points at which we would want to select lands within the railway belt which will be useful for the purposes of the railway hereafter. Apart from that see no reason why we should not consent to sale of lands in the land grant at Government prices as proposed ; could it not be arranged in some way so that sales would only be made after we had opportunity to say if the lands would be required ; no doubt next season we could select nearly all that we would desire to have reserved in this way.

(Signed) T. G. SHAUGHNESSY.

(Stamp—Lands & Works Dept., Victoria, B. C., Jan. 5, 1898.)

THE CANADIAN PACIFIC RAILWAY COMPANY,
VICTORIA, B. C., 4th January, 1898.

The Honourable

The Chief Commissioner of Lands and Works :

SIR,—Referring to my communication to you of the 19th November last, I then had the honour, in pursuance of section 4, chapter 8, of the "Columbia and Western Railway Subsidy Act, 1896," and the "Columbia and Western Railway Subsidy Act Amendment Act, 1898," to submit therewith certain plans of the located line, on which were defined and projected the boundary lines of certain blocks of land, as provided for under the said Subsidy Act.

It is also within your knowledge that, subsequently thereto, additional alternative plans were submitted.

Up to the present moment of writing I am without a reply to my communication of the 19th November last ; and as, under the terms of the last-mentioned Act, the time limited for the Company to define and project, in a manner satisfactory to the Chief Commissioner of Lands and Works, upon a plan the located line of railway expires on the 17th of this month, I have now the honour to submit for your approval the plan numbered for convenience sake as No. 3, which I have deposited in your Department, on which are shown alternate blocks, defined and projected as required by the Subsidy Act ; and have the honour to request that you will, at your earliest convenience, and previous to the 17th of January, signify your approval of Plan No. 3, or of such other plans as have been deposited with the Department.

I have, &c.,

(Signed) GEO. McL. BROWN,
Executive Agent.

Contract for Railroad from Penticton to Boundary Creek.

THIS AGREEMENT entered into the fifteenth day of June, eighteen hundred and ninety-eight, between Her Majesty the Queen, represented by the Honourable J. H. Turner, Premier and Minister of Finance for the Province of British Columbia, and the Honourable D. M. Eberts, Attorney-General for the said Province, hereinafter called the Government, of the first part, and William Mackenzie of the City of Toronto, in the Province of Ontario, Contractor, and Donald D. Mann, of the City of Montreal, in the Province of Quebec, Contractor, hereinafter called the Contractors, of the second part :

Whereas the Government have been empowered by an Act, intituled the "British Columbia Public Works Loan Act (1897) Amendment Act, 1898," to grant a cash subsidy not exceeding the sum of four thousand dollars per mile in aid of the construction of a standard gauge railway from Penticton to the Boundary Creek District, in British Columbia, being approximately one hundred miles in length :

And whereas it is contemplated in the said Act, as shown by the recitals thereof, that additional aid should be granted for the construction of the said railway by the Dominion Government :

And whereas the Contractors have agreed with the Government, in consideration of receiving the said cash subsidy of four thousand dollars per mile, to build the said standard gauge railway on the terms and conditions, and subject to the provisions hereinafter in this Agreement set out :

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, AS FOLLOWS:—

1. The Contractors covenant with the Government to lay out, construct, equip and fully complete (or cause to be laid out, constructed, equipped and fully completed) a line of railway with proper terminal facilities, from Penticton to the Boundary Creek District, in the Province of British Columbia, the said railway when fully completed to be of standard gauge, and of the general standard of railways of like gauge in the same district of the said Province: Provided that the said railway shall be the property of the Contractors.

2. The Contractors will commence work on the construction of the said railway on or before the 8th day of August, 1897, at Penticton, as aforesaid, and will duly and diligently prosecute the same from Penticton aforesaid, to the satisfaction of the Lieutenant-Governor in Council, otherwise no subsidy to be paid.

3. The Contractors shall, upon the execution of this contract, give security to the Government for the due performance of the whole work herein provided for, in the sum of thirty-seven thousand five hundred (\$37,500) dollars, as provided in the security of even date herewith; and, upon the said railway being completed as herein specified, the said security shall be returned to the Contractors, or their nominees, and if such security or any part thereof be deposited in cash, interest at the rate of three per centum per annum thereon shall be paid by the Government to the Contractors for the time such cash has been so deposited.

4. In aid of the construction of the said line of railway the Government shall grant to the Contractors for each mile of said railway of approximately one hundred miles, the sum of four thousand dollars in cash, payable when and so soon as the said railway has been completed and is in running order to the satisfaction of the Lieutenant-Governor in Council, and the bond of the then owners of the said railway, or other security or guarantee satisfactory to the Lieutenant-Governor in Council has been given for the maintenance and operation of such railway.

5. In case the Contractors cause the said railway to be built under the charter of any railway company to whom the Government has heretofore granted, or been authorised to grant, any land subsidy, then, and in that case, the subsidy herein authorised shall only be paid to the Contractors upon such Company giving up its claim to the land grant for the railway herein contracted to be built.

6. The Contractors will cause the said line of railway to be built under the charter of the Vancouver, Victoria and Eastern Railway and Navigation Company: Provided always, that the Contractors are enabled to obtain control of the said charter under a certain agreement entered into between the Contractors and certain promoters and provisional directors of the said company, and dated on or about the 23rd day of September, 1897.

7. Whenever the said line of railway, as located, runs through waste lands of the Crown the Government shall reserve, for the purposes of the said railway, all lands which the Lieutenant-Governor in Council shall deem necessary for right of way, station yards and

grounds, terminal buildings, and other requirements of the railway, and shall, upon the completion of the said railway, issue to the Contractors the Crown grant for such lands.

8. The Contractors may, with the consent of the Chief Commissioner of Lands and Works for the said Province, and without compensation therefor, enter upon and take from any public lands adjacent to or near the line of the said railway all stone, timber, gravel and other material which may be necessary or useful for the construction of the said railway, and may also, where necessary, fill in and deposit material upon any public lands.

9. If the Contractors fail to perform the obligation assumed by them under this contract, they shall be liable only as provided in the security furnished for the performance of this contract.

10. The covenants and provisions herein contained shall, respectively, extend to and be binding upon the executors, administrators, successors and assigns of the parties hereto.

IN WITNESS WHEREOF this Agreement has been duly executed the day and year first above-mentioned.

Signed, sealed and delivered by the Contractors, in the presence of		}	(Signed)	WM. MACKENZIE, [s.]	
(Signed)	ARTHUR G. SMITH.			By his Attorney, D. D. MANN.	
			(Signed)	D. D. MANN.	[s.]
Signed and delivered by the Honourable J. H. Turner, and the Honourable D. M. Eberts, in the presence of		}	(Signed)	J. H. TURNER,	[s.]
(Signed)	ARTHUR G. SMITH.		(Signed)	D. M. EBERTS.	[s.]

Contract for Railroad from Coast to Penticton.

THIS AGREEMENT entered into the fifteenth day of June, eighteen hundred and ninety-eight, between Her Majesty the Queen, represented by the Honourable J. H. Turner, Premier and Minister of Finance for the Province of British Columbia, and the Honourable D. M. Eberts, Attorney-General for the said Province, hereinafter called the Government, of the first part, and William Mackenzie, of the City of Toronto, in the Province of Ontario, contractor, and Donald D. Mann, of the City of Montreal, in the Province of Quebec, contractor, hereinafter called the Contractors, of the second part :

Whereas the Government have been empowered by an Act intituled the "British Columbia Public Works Loan Act, 1897, Amendment Act, 1898," to grant a cash subsidy not exceeding the sum of four thousand dollars per mile in aid of the construction of a standard gauge railway from the coast of British Columbia, in the neighborhood of English Bluff, near Point Roberts, *via* Chilliwack to Penticton, being approximately two hundred and thirty miles in length :

And whereas it is contemplated in the said Act, as shown by the recitals thereof, that additional aid should be granted for the construction of the said railway by the Dominion Government :

And whereas the Contractors have agreed with the Government, in consideration of receiving the said cash subsidy of four thousand dollars per mile, to build the said standard gauge railway on the terms and conditions, and subject to the provisions hereinafter in this Agreement set out :

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS FOLLOWS :—

1. The Contractors covenant with the Government to lay out, construct, equip and fully complete (or cause to be laid out, constructed and fully completed) a line of railway, with proper terminal facilities, from the coast of British Columbia in the neighbourhood of English Bluff, *via* Chilliwack to Penticton, the said railway, when fully completed, to be of standard gauge and of the general standard of railways of like gauge in the same district of the said Province ; provided that the said railway shall be the property of the Contractors.

2. The Contractors will commence work on the construction of the said railway on or before the 8th day of May, 1899, and will duly and diligently prosecute the same to the satisfaction of the Lieutenant-Governor in Council, otherwise no subsidy to be paid.

3. The Contractors shall, upon the execution of this contract, give security to the Government for the due performance of the whole work herein provided for in the sum of thirty-seven thousand five hundred dollars, as provided in the security of even date herewith, and upon the said railroad being completed as herein specified, the said security shall be returned to the Contractors or their nominees, and if such security, or any part thereof, be deposited in cash, interest thereon at the rate of three per cent. per annum shall be paid by the Government to the Contractors for the time such cash has been so deposited.

4. In aid of the construction of the said line of railway, the Government shall grant to the Contractors for each mile of railway of approximately two hundred and thirty miles, the sum of four thousand dollars in cash, payable when and so soon as the said railway has been completed and is in running order to the satisfaction of the Lieutenant-Governor in Council, and the bond of the then owners of the said railway, or other security or guarantee satisfactory to the Lieutenant-Governor in Council has been given for the maintenance and operation of the said railway.

5. In case the Contractors cause the said railway to be built under the charter of any railway company to whom the Government has heretofore granted, or been authorised to grant, any land subsidy, then and in that case the subsidy herein authorised shall only be paid to the Contractors upon such company giving up its claims to the land grant for the railway herein contracted to be built.

6. The Contractors will cause the said line of railway to be built under the charter of the Vancouver, Victoria and Eastern Railway and Navigation Company, provided always that the Contractors are enabled to obtain control of the said charter under a certain agreement entered into between the Contractors and certain promoters and provisional directors of the said company, and dated on or about the 23rd day of September, 1897.

7. Wherever the said line of railway, as located, runs through waste lands of the Crown, the Government shall reserve, for the purposes of the said railway, all lands which the Lieutenant-Governor in Council shall deem necessary for right of way, station yards and grounds, terminal buildings and other requirements of the railway, and shall, upon completion of the said railway, issue Crown grants to the Contractors for such lands.

8. The Contractors may, with the consent of the Chief Commissioner of Lands and Works for the said Province, and without compensation therefor, enter and take from any public lands adjacent to or near the line of the said railway, all stone, timber, gravel and other material which may be necessary or useful for the construction of the said railway, and may also, where necessary, fill in and deposit material upon any public lands.

9. If the Contractors fail to perform the obligation assumed by them under this contract they shall be liable only as provided in the security furnished for the performance of this contract.

10. The covenants and provisions herein contained shall respectively extend to and be binding upon the executors, administrators, successors and assigns of the parties hereto.

Signed, sealed and delivered by the Contractors in the presence of	} (Signed)	WILLIAM MACKENZIE, [SEAL]
		By his Attorney, D. D. MANN. [SEAL]
(Signed) ARTHUR G. SMITH.	} (Signed)	D. D. MANN. [SEAL]
Signed, sealed and delivered by the Hon. J. H. Turner and the Hon. D. M. Eberts in the presence of		(Signed)
(Signed) ARTHUR G. SMITH.	(Signed)	D. M. EBERTS. [SEAL]

Order in Council No. 288, 1898.

On a memorandum from the Honourable the Minister of Finance, dated the 16th day of June, A.D. 1898, referring to the provisions of the "British Columbia Public Works Loan Act, 1897," as amended at the recent Session, and especially to that portion of the said Act which provides a subsidy for a standard gauge railway from Robson to the Boundary Creek District, approximately eighty miles.

The Minister reports that he is in receipt of an offer from the Columbia and Western Railway Company to construct the said line, and that the Company has expressed its willingness to comply with all the conditions laid down in the said Acts.

The Minister specially refers to the condition enacted in sub-section (c) of section 8 of the said Act, as amended by the Act of the recent Session, and section 5 thereof, and remarks that a resolution of the Company, duly and formally passed, should be required, in order to express the giving up by the Company of its claim to a land grant in respect of any portion of its line between Robson and the point where it connects with the railway from Penticton.

The Minister further reports that the Company is desirous of reorganising its bond issue, and requires to that end to have possession of the full issue of bonds, including bonds to the extent of \$75,000 heretofore deposited with the Government as the security required by section 3 of the "Columbia and Western Railway Subsidy Act, 1896."

The Minister in this connection points out that since the passage of the said Act the railway had been completed between Rossland and Robson, and that by a contract entered into yesterday the construction of that portion of the line between Penticton and the Boundary Creek District is secured. There remains, therefore, only that portion which the Company propose now immediately to construct, and the security is no longer required as the Company proposes to abandon its land subsidy.

The Minister, therefore, recommends that the Columbia and Western Railway Company be designated as the recipients of the subsidy for the railway from Robson to the Boundary Creek District, conditionally upon their fulfilling the terms of the Act and furnishing a duly authenticated copy of a resolution giving up their claim to any land subsidy in connection therewith, as above pointed out.

The Minister further recommends that, upon the Company entering into an agreement, in form as may be hereafter approved, to construct the said line, there be returned to the Company the said bonds to the extent of \$75,000, so deposited as aforesaid.

The Minister further recommends that he be authorised to furnish a copy of this Minute to the said Columbia and Western Railway Company, and also to furnish an assurance that the foregoing shall not be deemed to affect in any way the right of the Company to the land subsidy in respect of the portion of the line heretofore constructed.

The Committee advise approval.

(Signed) D. M. EBERTS,
For President, Executive Council.

Approved 16th June, 1898.

(Signed) THOS. R. McINNES,
Lieutenant-Governor.

(Book 27, Folio 911.)

23rd June, 1898.

SIR,—As I am unaware of the name and address of the secretary of the Columbia and Western Railway Company, and inasmuch as negotiations between the Government and the said Company with regard to the construction of a railway from Robson to the Boundary Creek District were arranged by yourself, I have the honour to enclose, herewith, for transmission to the said Company, a certified copy of an approved Minute of the 16th instant, which provides for the grant of the subsidy in aid of the aforementioned railway to the Columbia and Western Railway Company, upon the Company fulfilling the conditions prescribed by the "British Columbia Public Works Loan Act, 1897," as amended in 1898.

I am, etc.,
(Signed) A. CAMPBELL REDDIE,
Deputy Provincial Secretary.

G. McL. Brown, Esquire, etc., etc.,
Canadian Pacific Railway Company, Victoria.
(Acknd. by 2/1, 1316/98.)

1316/98

(Stamp—Provincial Secretary's office, 11 July, 1898.)

CANADIAN PACIFIC RAILWAY COMPANY,
VANCOUVER, B. C., 6th July, 1898.

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

SIR,—I have the honour to acknowledge receipt of your favour of the 23rd ult., covering certified copy of an approved Minute of the 16th inst, which provides for a grant of the subsidy in aid of the Columbia and Western Railway.

I have just returned from the East Kootenay, and only received your communication this morning—hence the delay in acknowledging.

I am, etc.,
(Signed) GEO. McL. BROWN.
Executive Agent.

Proposed Contract for Railroad from Boundary Creek to Robson.

This agreement entered into the eighth day of July, one thousand eight hundred and ninety-eight, between Her Majesty the Queen, as represented by the Honourable J. H. Turner, Premier and Minister of Finance for the Province of British Columbia, and the Honourable D. M. Eberts, Attorney-General for the said Province, hereinafter called "the Government," of the first part, and the Columbia and Western Railway Company, an incorporated railway company having their head office at Trail Landing, in the Province of British Columbia, hereinafter called "the Contractors," of the second part.

Whereas the "British Columbia Public Works Loan Act, 1897," as amended by an Act entitled "An Act to amend the British Columbia Public Works Loan Act, 1897," granted for and in aid of the constructing of certain railways therein designated, subject to the conditions therein contained and to be paid out of the moneys raised under the said first-mentioned Act, a sum not exceeding four thousand dollars for each mile of railways designated for that purpose, amongst other railways a standard gauge railway from Robson to the Boundary Creek District, approximately eighty miles, to connect with a standard gauge railway from Penticton to the Boundary Creek District, approximately one hundred miles in length, and authorised the Lieutenant-Governor in Council to enter into all agreements with any person or company undertaking the construction of any railway to which a subsidy is thereby attached, which may be necessary or convenient for the due construction and operation of such railway; such agreements in every instance, in addition to other matters therein provided for, to contain certain provisions set out in the said Act; and enacted that in the case of the line from Robson to the Boundary Creek District being built by a company entitled to a land grant for the construction of such line, the subsidy therein authorised should only be paid to such company on its giving up its claim to the land grant for such portion of its line:

And whereas the said parties have agreed as follows:—

Now, these presents witness that the Contractors covenant that they will lay out, construct, equip and fully complete, with proper terminal facilities, a standard gauge railway from Robson to the Boundary Creek District, approximately eighty miles (to connect with a standard gauge railway from Penticton to the Boundary Creek District, approximately one hundred miles in length), such railway to be so constructed as aforesaid to be of standard gauge and similar in character to other railways, by whomsoever owned, now in like territory south of the Canadian Pacific Railway Company's main line in British Columbia, and when completed, the Contractors will thereafter continuously maintain and operate the same for ever, the said railway to be the property of the Contractors:

And the Government covenants that in aid of the construction of the said line of railway which the Contractors have covenanted to construct as aforesaid, the Government will grant to the Contractors for each mile thereof the sum of four thousand dollars in cash:

Provided always, that unless work is commenced on the railway so to be constructed by the Contractors as aforesaid within fifteen months from the eighth day of May, one thousand eight hundred and ninety-seven, and is duly and diligently prosecuted to the satisfaction of the Lieutenant-Governor in Council, all right and claim to the aforesaid subsidy shall be cancelled and forfeited, and provided further that the aforesaid subsidy shall not be payable until the

said railway, which the Contractors have hereinbefore covenanted to construct as aforesaid, is completed and in running order, to the satisfaction of the Lieutenant-Governor in Council; the above covenant of the Contractors being security satisfactory to the Lieutenant-Governor in Council for the continuous maintenance and operation of such railway, and being taken as fulfilling that condition precedent within the meaning of the said Act.

Wherever the said line of railway as located runs through waste lands of the Crown, the Government shall reserve for the purposes of the said railway all lands that are necessary for right of way, station yards and grounds, terminal buildings and other requirements of the railway, and shall, upon the completion of the said railway, issue to the Contractors the Crown grant for such lands.

The Contractors may, with the consent of the Chief Commissioner of Lands and Works for the said Province, and without compensation therefor, enter upon and take from any public lands adjacent to or near the line of the said railway, all stone, timber, gravel and other material which may be necessary or useful for the construction of the said railway, and may also, where necessary, fill in and deposit material upon any public lands.

And these presents further witness that the Contractors, in consideration of the covenants on the part of the Government hereinbefore contained and the payment of the said cash subsidy in aid of the construction of the said railway as aforesaid, do hereby release to the Government forever, and give up their claim to any land grant from the Province of British Columbia to which they might at any time be entitled in respect of such portion of their line as they have hereinbefore contracted to construct as aforesaid, provided that nothing herein shall affect the right of the Contractors to any land grant to which they may be entitled in respect to their railway already constructed between Rossland and Robson, or any portion of their railway other than that which they have herein contracted to construct as aforesaid.

In witness whereof this agreement has been duly executed the day and year first above written.

COLUMBIA AND WESTERN RAILWAY CO.

(Signed) T. G. SHAUGHNESSY,

President.

(Signed) H. CAMPBELL OSWALD,

Secretary.

[L.S.]

THE COLUMBIA AND WESTERN RAILWAY COMPANY,

August 6th, 1898.

Hon. J. H. Turner, Victoria, B. C. :

DEAR SIR,—Upon being furnished with a copy of the Order in Council of the 16th of June, approving of the recommendation of yourself that the Columbia and Western Railway Company be designated as the recipients of the subsidy of the railway from Robson to Boundary Creek conditioned upon their fulfilling the terms of the "British Columbia Works Loan Act, 1897," as amended in 1898, in connection with the proposed standard gauge railway from Robson to Boundary Creek District, no time was lost by the Company in proceeding to comply with the conditions laid down, and to this end a resolution of the Company was duly and formally passed, by which it gave up its claim to a land grant in respect of any portion of its line between Robson and the point where it connects with the railway for Penticton. The Order in Council recites its desire to reorganise its bond issue, and requires to that end the Company to have possession of the full issue of bonds, including bonds to the extent of \$75,000, deposited with the Government, of the security required by section three (3) of the "Columbia and Western Railway Subsidy Act, 1896." His Honour saw fit to approve of your recommendation, as appears by the Minute, that upon the Company entering into an agreement, in form as might be hereafter approved, to construct the said line of railway, there should be returned to the Company the said bonds, to the extent of \$75,000, so deposited.

An agreement was duly drawn up on the 8th day of July and executed by the Company and forwarded to your Government, in order that the formal approval contemplated by the Order in Council of the 16th June might be obtained, and that this agreement might be executed in the usual form by yourself and the Attorney-General for the Province.

The resolution which was adopted on the 11th of July, at a meeting of the Board of Directors of the Company duly called for that purpose, recited the Order in Council of the 16th of June and authorised, among other things, the Company to give up its claim to the land

grant mentioned, and authority for the execution of the agreement provided for by the Order in Council. All of these papers have been duly forwarded, and I called upon your Attorney-General and learned that these papers, including the contract, had been submitted to His Honour the Lieutenant-Governor, but that no approval had been given to the Order in Council necessary in the usual course to empower yourself and the Attorney-General to execute the agreement on behalf of the Lieutenant-Governor in Council.

I desire to call your particular attention to the importance of this subject and to the urgency of the case. All the terms of the Statute and of the Minute of Council having been complied with on the part of the Company, the agreement executed by the Company is, I submit, in proper form. There remains, therefore, but what might fairly be called the formal act of approval; the Minute of Council expressly referring to the agreement contemplated by it to be "an agreement in form as may hereafter be approved."

Any delay in obtaining this further Order in Council will involve embarrassment to the Company and postpone the reorganisation by it of its bond issue. In venturing to press you for immediate attention being given to this subject, I take it for granted that, under the circumstances already detailed, ultimately the Company will be considered entitled to the execution of the formal agreement, and I feel sure that if you will be good enough to bring these facts particularly to the attention of His Honour, the subject will receive immediate attention.

I have &c.,
(Signed) GEO. McL. BROWN.

PREMIER'S OFFICE,
VICTORIA, 11th August, 1898.

SIR,—The enclosed communication from Mr. Brown respecting the Columbia and Western Railway Company appears to me to be of such importance, and yet the subject of it to have reached a stage when only a formal Act is required on the part of Your Honour, that I feel it my duty to return this Order in Council relating to it, together with the communication itself, so that it may receive your further attention.

Your Honour seems to have been under the impression that this Minute contemplated the granting of a subsidy, but the enclosed letter very clearly points out that all discretion under the Statute, so far as the subsidy is concerned, had been exercised under an Order in Council of the 16th June (a copy of which I enclose for Your Honour's perusal), and the Company was, by direction, formally advised of the conditions precedent to their obtaining a contract.

These conditions having been fulfilled, it would seem that the approval referred to in the Order of the 16th June was fully earned.

I have, &c.,
(Signed) J. H. TURNER.

To His Honour
Thos. R. McInnes, Lieutenant-Governor.

PREMIER'S OFFICE,
VICTORIA, B. C., August 12th, 1898.

His Honour the Lieutenant-Governor,
Government House, Victoria, B. C.

SIR,—In continuation of my letter of the 11th instant in relation to the agreement with the Columbia and Western Railway Company, I have the honour to submit herewith a Minute in Council which, I think, indicates more clearly than the one formerly submitted to you that its object is only to put in formal shape the agreement already arrived at, and approved by Your Honour on the 16th June last.

I trust that this will remove all difficulties in the way of your approval of the present Memorandum.

I have, &c.,
(Signed) J. H. TURNER,
Premier.

2327/98

MONTREAL, 1st October, 1898.

*Hon. Jos. Martin,**Attorney-General, Victoria, B. C.:*

DEAR MR. MARTIN,—Referring to our conversation when I had the pleasure of meeting you in Montreal.

The Dominion Government has already paid us one million five hundred thousand dollars on account of the Crow's Nest Pass Subsidy, and a further Order in Council was passed day before yesterday for seven hundred and forty thousand dollars, which we shall receive Monday next, so that the engineers have passed for subsidy two hundred miles of the road, representing the railway line from Lethbridge to the summit of the Rocky Mountains, and ninety-five miles of the British Columbia Southern Railway west of the boundary of British Columbia.

By the time that this letter reaches you the rails will have been laid to Kootenay Lake, and while, of course, there is a good deal of finishing up work to do, as in all cases of this kind, your Government will, I hope, feel justified in issuing the patents applicable to the eastern section of the line, being the portion of the railway between the summit of the Rocky Mountains and the upper Kootenay River (75 miles), leaving the patents for the lands applicable to the central section (that is the section between upper Kootenay River and Kootenay Lake) in abeyance until the work to the lake has been entirely finished.

Of course, if you prefer it, you might send your own engineer to report, but, under the circumstances, this would hardly seem to be necessary.

We also talked about the land grant of the Columbia and Western Railway Company. You seemed to be of opinion, first, that there was some doubt as to the Company being entitled to the land grant for the portion of the line between Rossland and Robson, because that they had not complied with the sections of the Statute requiring them to secure the approval of the Lieutenant-Governor in Council of any changes in their route constituting a departure from the descriptions of the sections set out in the Statute. I showed you copy of the Order in Council dated June 30th, 1898, which you seemed to consider satisfactory. The lands have not as yet been selected, but the Company is required to make the selection before the end of the year, when I hope your Government will issue the necessary patents. It is quite understood, of course, that the land grant applicable to the section of the line between Robson and Boundary Creek is to be surrendered in consideration of a cash subsidy of four thousand dollars per mile.

I hope that, on further consideration, you will accept as security for the construction of the line west of Robson seventy-five thousand dollars of Columbia and Western stock, in lieu of the bonds now held by the Government. In reality, no security should be required, as the road is actually being built, but I appreciate your anxiety to comply with the terms of the Act, and, therefore, we are quite prepared to make the change of securities specified above. We desire, before the end of the year, if possible, to cancel all the old bonds and make an issue of new securities, and for that purpose it will be necessary for us to have the bonds now in possession of the Government. I trust that you may see your way to meet us on this point.

I have asked Mr. George McL. Brown to call on you at Victoria shortly after your return, and to communicate with me if any further information be required.

Yours very truly,

(Signed) T. G. SHAUGHNESSY,
Vice-President.

Order in Council, No. 484, 1898.

AT THE EXECUTIVE COUNCIL CHAMBER, VICTORIA, B. C.

The 26th day of October, A. D. 1898.

PRESENT:

The Honourable Mr. McKechnie (in the Chair), Mr. Semlin, Mr. Carter-Cotton, Mr. Martin, Mr. Hume.

On the recommendation of the Honourable the Attorney-General, His Honour the Lieutenant-Governor of British Columbia, by and with the advice of his Executive Council, doth order as follows:—That upon the Columbia and Western Railway Company depositing shares

of the capital stock of the said Company to the amount of \$75,000, the bonds of this Company, to the amount of \$75,000, deposited under the provisions of section 3 of chap. 8, of 59 Victoria, intituled the "Columbia and Western Railway Subsidy Act, 1896," be returned to the said Company.

(Signed) A. CAMPBELL REDDIE,
Deputy Clerk, Executive Council.

Approved and ordered this 27th day of October, A. D. 1898.

(Signed) THOS. R. McINNES,
Lieutenant-Governor.

The undersigned has the honour to report that an Order in Council was passed on the 16th day of June last, providing that the bonds of the Columbia and Western Railway Company, to the amount of \$75,000, deposited under the provisions of section 3 of chapter 8, of 59 Victoria, should be returned to the said Company, but said bonds have not yet been returned to the said Company, as provided by the said Order in Council:

That the arrangement made by which the Columbia and Western Railway Company is building a railway from Robson to the Boundary Creek District, a distance of, approximately, eighty miles, as provided by sub-section (b) of section 8, of chapter 24 of 60 Victoria, as amended by section 3, chapter 30 of 61 Victoria, is that the Columbia and Western Railway Company shall abandon all its rights to subsidies under said chapter 8 of 59 Victoria, so far as its line west of Robson is concerned, except the subsidy of \$4,000 per mile, as provided by said sub-section (b) of section 8, chapter 24 of 60 Victoria, as amended as aforesaid:

The undersigned considers that it is not within the power of the Lieutenant-Governor in Council to return the said bonds, but that as the charter of the said Columbia and Western Railway Company has become the property of the Canadian Pacific Railway Company, and as there can be no doubt, from the amount of work already done, that the said railway will be duly completed as agreed upon for a distance of eighty miles from Robson to the Boundary Creek country; and the Columbia and Western Railway Company have offered to substitute \$75,000 in value of the capital stock of their Company in place of the said bonds; and the undersigned has been informed by the Canadian Pacific Railway Company that the reason the said Columbia and Western Railway Company desire to have their said bonds returned to them is for the purpose of negotiating new bonds upon the property of the said Company for the purpose of paying for work done and to be done in connection with the building of the said railway, the undersigned would, therefore, recommend that upon the Columbia and Western Railway Company depositing shares of the capital stock of the said Company to the amount of \$75,000, the said bonds, to the amount of \$75,000, be returned to the said Company.

Dated this 26th day of October, 1898.

(Signed) JOSEPH MARTIN,
Attorney-General.

Approved this 26th day of October, 1898.

(Signed) ROBT. E. McKECHNIE,
Presiding Member, Executive Council.

(Book 28, fol. 817.)

29th October, 1898.

SIR,—With regard to the offer of the Columbia and Western Railway Co. to substitute \$75,000 in value of the capital stock of their Company in place of the bonds to the amount of \$75,000 deposited under the provisions of section 3 of the "Columbia and Western Railway Subsidy Act, 1896," I have the honour to forward, herewith, for your information, a copy of a Report dated 26th October, 1898, approved by His Honour the Lieutenant-Governor on the 27th idem, expressive of the acceptance by the Government of the offer of the Company.

I am, &c.

(Signed) J. FRED HUME,
Provincial Secretary.

T. G. Shaughnessy, Esquire,
Vice-President, Canadian Pacific Railway, Montreal.

7328/98.

(Stamp—Lands & Works Dept.,
Nov. 1, 1898, Victoria, B. C.)

CALISPELL, MON., Oct. 29th, 1898.

To the Minister of Crown Lands, Victoria.

DEAR SIR,—A party of six men, my two brothers and three others, were looking for land in East Kootenay. We found some to suit us. We staked off a section for each man, done some improvements, and posted up notices on each section.

This land is situated in the south-east part of the Province, about three or four miles north of the International Boundary Line, on a tributary of the Flathead River. We had to come out sooner than we intended, on account of a snowstorm coming on. Our intentions are to purchase this land from the Province. Would you please let us know what steps we have to take to secure patent for the same.

It will be impossible to do anything more this fall, on account of snow and no roads; but we want to secure it as early as possible next spring, in order to make some improvements in the early part of the year.

As to who we are, our honesty and ability to carry out any agreement that we should make with the Province, I would refer you to J. F. Lister, now Judge of the Court of Appeals, Toronto, formerly M. P. for West Lampton.

Please send the desired information to George Watt, Sarnia, Ontario, Canada.

Yours truly,
(Signed) JOHN WATT.

7328/03.

November 1st., 1898.

SIR,—I have the honour to acknowledge the receipt of your letter of the 29th ultimo, and in reply beg to say that all Crown lands in the south-eastern portion of British Columbia are under reservation and not open to sale or settlement.

I have, &c.,
(Signed) W. S. GORE,
Deputy Commissioner of L. & W.

*John Watt, Esq.,
C/o George Watt, Esq., Sarnia, Ont.*

8349/98.

(Stamp—Lands & Works Dept.,
Dec. 5th, 1898, Victoria, B. C.)

SARNIA, November 21st, 1898.

To the Hon. the Minister of Crown Lands and Mines:

HON. SIR,—Received communication from the Deputy Minister of Lands and Works, and in reply, and in further explanation, I might say, the lands on which we are located is about six miles north of the International Boundary, on a tributary of the Flathead River, and in a canyon in the main range of the Rocky Mountains; the mountains are on both sides. On this property we found indications and small quantities of coal oil in three different places, and gathered a small amount of it, and had Professor Ellis, of Toronto University, analyse it, with satisfactory results. Will send you a copy of one of his reports along with this communication, and will send you report of other location when I receive it from Dr. Ellis, which I expect in a few days. Now, we have found those indications of coal oil and located on the property in good faith; the land is worthless unless oil can be produced in paying quantities; what we ask is that we be allowed the privilege of further prospecting and developing the same, subject to the laws and regulations of the Province regarding the production of coal oil.

I might refer you, if necessary, to Dr. Johnson, Mayor of Sarnia, Chas. McKenzie, ex-M. P., Sarnia, or to Justice Lister, of the Court of Appeal, Toronto.

Yours Respectfully,
(Signed) JOHN WATT.

c/o. George Watt, Sarnia, Ont.

NOTE.—A duplicate of this letter was received Dec. 6th, 1898.

(Stamp—Lands & Works Dept.,
Dec. 5th, 1898, Victoria, B. C.)

SCHOOL OF PRACTICAL SCIENCE,
TORONTO, 5th Sept., 1898.

Geo. Watt, Esq., Sarnia :

DEAR SIR,—The following is the analysis of the oils you sent me:—

	No. 2.	No. 3.
Light oil	3.6	0.0
Burning oil.....	36.4	18.0
Heavy oil	60.0	82.0

No. 3 has the character of a lubricating oil made artificially. If it is a natural product, it must have undergone a process of natural distillation. I shall be glad of any further particulars as to the conditions under which these oils were found, locality, quantity, etc., and any more of them that can be secured.

Yours truly,
(Signed) W. H. ELLIS.

Report of Professor Ellis, regarding oils found in British Columbia. Correct copy.
(Signed) GEO. WATT.

(8349/98.) (8389/98.)

Dec. 6th, '98.

SIR,—I have the honour to acknowledge the receipt of your two letters of the 21st ultimo, asking for permission to further prospect and develop certain coal oil discovered by you on a tributary of the Flathead River, East Kootenay.

In addition to my letter of 1st ultimo, I beg to inform you that in pursuance of the reservation over lands in the south-eastern portion of the Province, the Government have, in all cases (and there have been several) declined to grant licences to prospect for and work coal or petroleum.

I regret to say that, as long as the reservation exists, applications from yourself or other persons cannot be favourably entertained.

I have, etc.,
(Signed) W. S. GORE,
Deputy Commissioner of L. & W.

John Watt, Esq.,
c/o George Watt, Esq., Sarnia, Ont.

VICTORIA, B. C., Jan. 10th, 1899.

SIR,—Referring to your communication on the subject of selection of land along the line of the Columbia and Western Railway, provided for under the Subsidy Act, and to the plan which accompanied your letters, I beg to inform you that, owing to the pressure of legislative duties, the Government have been unable, so far, to give the matter attention, but I desire to assure you that the delay on this account will not prejudice the Company's position, and, if necessary, additional legislation will be introduced to extend the time within which the Company may make their selection.

I have, etc.,
(Signed) C. A. SEMLIN,
Chief Commissioner of L. & W.

Geo. McL. Brown, Esq.,
Executive Agent, C. P. R., Victoria, B. C.

MARCH 9th, 1899.

George McL. Brown, Esq.,
Executive Agent, C. P. R., Victoria, B. C.

SIR,—In connection with the Columbia and Western and Railway matter, I find the position to be as follows:—

On the 16th June last an Order in Council was passed, designating that Company as the recipient of a subsidy of \$4,000 per mile provided by the "British Columbia Public Works Loan Act, 1897, Amendment Act, 1898," for building a railway from Robson to Boundary Creek a distance of 80 miles, upon condition that the Company released its land grant for the same territory, and executed the agreement provided for by the said Act. Afterwards an agreement was drawn up and executed by the Company, and a recommendation made that it should be executed on behalf of the Government. This recommendation was never assented to by His Honour the Lieutenant-Governor. It, therefore, becomes necessary for the present Government to take the responsibility of entering into this agreement or refusing to do so.

Upon consideration, it has been decided that we cannot enter into this agreement as drawn. The clause with regard to the right of way, and the privilege of taking stone and other material from Crown lands, have nothing whatever to do with the present agreement and should be eliminated from it. The security offered in compliance with the Act for the continuous operation of the road after completion is not satisfactory to the Government. It is not considered that the covenant of the Columbia and Western Railway Company is any security whatever. As far as the Government are aware, that Company has no assets, except its road, which it is authorised to bond for a large sum per mile, so that, in all probability, any execution against the Company could not be enforced.

Under these circumstances, we must ask your people to furnish substantial security, in compliance with the provisions of the Act. I may state that we would be prepared to accept the covenant of the Canadian Pacific Railway Company, provided that Company has power to enter into such a covenant. If these changes are made in the agreement, we will be prepared to recommend that it be executed on behalf of the Province.

I have, &c.,

(Signed)

JOSEPH MARTIN,

Attorney-General.

1567/98

VANCOUVER, B. C., 25th March, 1899.

The Hon. Joseph Martin, Attorney-General,
Victoria, B. C.

SIR,—I have the honour to acknowledge the receipt of your communication of the 9th instant, and to confirm our conversation of yesterday, regarding the execution of the agreement between the Government and the Columbia and Western Railway Company.

Mr. T. G. Shaughnessy, President of the Columbia and Western Railway Company, and Vice-President of the Canadian Pacific Railway Company, authorises me to say that the amendment to the agreement, as fully set out in your letter above referred to, is satisfactory, as the clauses in regard to the right of way and the privilege of taking stone and other material from Crown lands do not necessarily form part of such agreement.

I am also authorised to advise you that the Canadian Pacific Railway Company will covenant to continuously operate the line when constructed.

As advised by you, I have wired Mr. Shaughnessy that the Order in Council would be passed on Monday next, that the agreement would be prepared without delay and sent to him for execution, and that all he had to do was to have prepared the Canadian Pacific Railway Company's covenant and send it here.

I have, &c.,

(Signed)

GEO. McL. BROWN,

Executive Agent.

March 30, 1899.

*George McL. Brown, Esq.,
Executive Agent, C.P.R., Vancouver, B.C.*

SIR,—With regard to the proposed agreement between the Columbia and Western Railway Company and the Government, I started to draw this up in Victoria, but on looking at the Statute under which the bonus is provided for, I found two clauses which seem to me to make it impossible for the Government to give the bonus to the Columbia and Western Railway Company, in spite of the fact that that Company was designated by the late Government as the recipient of this bonus. These clauses are, first, the one that provides that freight and passenger rates are to be subject to the control of the Lieutenant-Governor in Council; and, second, the one which provides that the Railway Company which builds the line bonussed must be subject to the British Columbia Railway Act.

The Columbia and Western Railway Company is, I understand, a Dominion Company, and if so, I do not think it could in any way be made subject to the British Columbia Railway Act, nor do I see any way by which the rates of the Company could be controlled by the Lieutenant-Governor in Council. I may be wrong in the above stand, and will be very happy to consider any arguments which you can address to me to show that I am mistaken in the view I have taken.

Yours truly,

(Signed) JOSEPH MARTIN,
Attorney General.

VICTORIA, B.C., May 20th, 1899.

SIR,—I have the honour to acknowledge the receipt of your letter of the 17th instant, also tracing and book of reference in triplicate of the Columbia and Western Railway branch line from near Grand Forks along the North Fork of the Kettle River.

The plans and books of reference have been certified by the Honourable the Chief Commissioner of Lands and Works, and I have sent two copies of each to your agent in this City, as desired.

I have, etc.,

(Signed) W. S. GORE,
Deputy Commissioner of L. & W.

*Geo. McL. Brown, Esq.,
Executive Agent, C.P.R., Vancouver, B.C.*

Order in Council No. 302, 1899.

AT THE EXECUTIVE COUNCIL CHAMBER, VICTORIA, B. C.,

The 20th day of May, A.D. 1899.

PRESENT :

The Honourable Mr. Semlin (in the chair), Mr. Carter-Cotton, Mr. Martin.

On the recommendation of the Honourable the Minister of Finance, His Honour the Lieutenant-Governor of British Columbia, by and with the advice of His Executive Council, doth order as follows :—That Order in Council No. 288, of 1898, a copy of which is attached hereto*, be, and is hereby, rescinded.

(Signed) A. CAMPBELL REDDIE,
Deputy Clerk Executive Council.

Approved and ordered this 22nd day of May, A. D., 1899.

(Signed) THOS. R. MCINNES,
Lieutenant-Governor.

*For Order in Council No. 288, of 1898, see p. DCCXXXIX.

To His Honour the Lieutenant-Governor-in-Council :

The undersigned has the honour to recommend that Order in Council No. 288, of 1898, a copy of which is attached hereto, be rescinded.

Dated this 20th day of May, A. D., 1899.

(Signed) F. CARTER-COTTON,
Minister of Finance.

Approved this 20th day of May, A. D., 1899.

(Signed) C. A. SEMLIN,
Presiding Member of the Executive Council.

On the memorandum from the Honourable the Minister of Finance, dated the 16th day of June, A. D., 1898, referring to the provisions of the "British Columbia Public Works Loan Act, 1897," as amended at the recent Session, and especially to that portion of the said Act which provides a subsidy for a standard gauge railway from Robson to the Boundary Creek District, approximately 80 miles :

The Minister reports that he is in receipt of an offer from the Columbia and Western Railway Company to construct the said line and that the Company has expressed its willingness to comply with all the conditions laid down in the said Acts :

And the Minister specially refers to the condition enacted in sub-section (c) of section 8 of said Act as amended by the Act of the recent Session and section 5 thereof, and remarks that a resolution of the Company duly and formally passed should be required in order to express the giving up by the Company of its claim to a land grant in respect of any portion of its line between Robson and the point where it connects with the railway from Penticton :

The Minister further reports that the Company is desirous of reorganising its bond issue, and requires to that end to have possession of the full issue of bonds, including bonds to the extent of \$75,000 heretofore deposited with the Government as the security required by section 3 of the "Columbia and Western Railway Subsidy Act, 1896."

The Minister, in this connection, points out that since the passage of the said Act, the railway has been completed between Rossland and Robson, and that by a contract entered into yesterday the construction of that portion of the line between Penticton and the Boundary Creek District is secured. There remains, therefore, only that portion which the Company propose now immediately to construct and the security is no longer required as the Company proposes to abandon its land subsidy.

The Minister, therefore, recommends that the Columbia and Western Railway Company be designated as the recipients of the subsidy for the railway from Robson to the Boundary Creek District conditionally upon their fulfilling the terms of the Act, and furnishing a duly authenticated copy of a resolution giving up their claim to any land subsidy in connection therewith, as above pointed out.

The Minister further recommends that upon the Company entering into an agreement in form as may be hereafter approved to construct the said line there be returned to the Company the said bonds to the extent of \$75,000 so deposited as aforesaid.

The Minister further recommends that he be authorised to furnish a copy of this Minute to the said Columbia and Western Railway Company, and also to furnish an assurance that the foregoing shall not be deemed to affect in any way the right of the Company to the land subsidy in respect of the portion of the line heretofore constructed.

The Committee advise approval.

(Signed) D. M. EBERTS,
For President, Executive Council.

Approved the 16th June, 1898.

(Signed) THOS. R. McINNES,
Lieutenant-Governor.

(Book 30, folio 406.)

22nd May, 1899.

RE COLUMBIA AND WESTERN RAILWAY.

Sir,—I am directed to acquaint you, for the information of the President, that by an Order in Council approved by His Honour the Lieutenant-Governor this day, the Order in

Council of the 16th of June, 1898, has been rescinded, and I am to return to you herewith the agreement, in duplicate, dated the 8th day of July, 1898, which was not executed on behalf of the Province.

I am, etc.,
(Signed) A. CAMPBELL REDDIE,
Deputy Provincial Secretary.

G. McL. Brown, Esquire,
Executive Agent, C. P. Ry. Co., Vancouver.

(Stamp—Provincial Secretary's Office, 26 May, 1899.)

1137/99

CANADIAN PACIFIC RAILWAY COMPANY,
Vancouver, B.C., 23rd May, 1899.

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

Sir,—I have the honour to acknowledge receipt of your communication of the 22nd inst., together with enclosures consisting of two agreements executed by the Columbia and Western Railway Company, one between the Company and Her Majesty the Queen, as represented by the Honourable J. H. Turner, Premier and Minister of Finance for the Province of British Columbia, and the Honourable D. M. Eberts, Attorney-General for the said Province, and the other between that Company, as represented by the Honourable the Premier and the Honourable the Attorney-General.

I note your advice that His Honour the Lieutenant-Governor did on the 22nd May rescind the Order in Council of the 16th June, 1898, and that you are instructed to return the agreements in duplicate. For your information I would respectfully point out that the enclosures are not duplicate agreements. In one case the agreement is drawn as between Her Majesty the Queen, as represented by the Honourable J. H. Turner and the Honourable D. M. Eberts, of the first part, and the Columbia and Western Railway Company of the second part, whereas the second is between Her Majesty the Queen, as represented by the Honourable the Premier and the Honourable the Attorney-General, of the first part, and the Columbia and Western Railway Company of the second part, and I would respectfully ask for the return of the duplicate copies of both these agreements, which are still in the hands of the Government, together with certified extract from the minutes of a meeting of the Board of Directors of the Columbia and Western Railway Company, held at the head offices of the Canadian Pacific Railway Company, Montreal, the 11th day of June, 1898. This minute authorises the entering into an agreement with the Government for the construction of the line, and the acceptance of four thousand dollars per mile cash in lieu of land subsidy, all of which was required under provisions of the Order in Council of the 16th June, which is now rescinded. That the Government received four copies of the agreement executed by the Columbia and Western Railway Company is easily explained. The original negotiations were between the former administration and the Company. As the matters were not settled prior to the Honourable J. H. Turner's retirement from office, it was desired that new agreements should be executed, eliminating the names of the ex-Premier and Attorney-General. If I mistake not, the original file of papers is in your Department.

Trusting that I am not causing you too much trouble,

I have, etc.,
(Signed) GEO. McL. BROWN,
Executive Agent.

(Book 30, folio 874.)

25th July, 1899.

SIR,—Adverting to your letter of the 23rd May last, in which you acknowledge the receipt of two agreements executed by the Columbia and Western Railway Company, one between that Company and Her Majesty the Queen, as represented by the Honourable J. H. Turner, Premier and Minister of Finance for the Province of British Columbia, and the Honourable D. M. Eberts, Attorney-General for the said Province, and the other between that Company, as

represented by the Honourable the Premier and the Honourable the Attorney-General, transmitted with a communication from this office dated the 22nd *idem*, and direct attention to the description of the said enclosures which were incorrectly described as "the agreements in duplicate," and, further, request the return of the duplicate copies of both of the said agreements, and of the certified extract from the minutes of a meeting of the Board of Directors of the Columbia and Western Railway held at Montreal on the 11th of July, 1898, I have the honour, in compliance with your application, to enclose herewith, the said extract from the minutes of a meeting of the Board of Directors, and also a copy of an agreement between Her Majesty the Queen, as represented by the Honourable the Premier and the Honourable the Attorney-General, of the first part, and the Columbia and Western Railway Company of the second part, but I regret to state that, so far, I have been unable to find the duplicate of the other agreement between Her Majesty the Queen, as represented by the Honourable J. H. Turner and the Honourable D. M. Eberts, of the first part, and the Columbia and Western Railway Company of the second part.

I am, etc.,

(Signed) A. CAMPBELL REDDIE,

Deputy Provincial Secretary.

G. McL. Brown, Esq.,

Executive Agent C. P. R. Co., Vancouver.

Order in Council No. 559, 1899.

AT THE EXECUTIVE COUNCIL CHAMBER, VICTORIA, B. C.

The 17th day of August, A. D. 1899.

PRESENT :

The Honourable Mr. Semlin (in the Chair), Mr. Carter-Cotton, Mr. Hume.

On the recommendation of the Honourable Minister of Finance, and under the provisions of 53 Victoria, chapter 40, 56 Victoria, chapter 36, His Honour the Lieutenant-Governor of British Columbia, by and with the advice of the Executive Council, doth order as follows:— That the lands described in the Report dated 17th August, 1899, of the Minister of Finance, hereto attached, be laid out, and that Crown grants of the same be issued to the British Columbia Southern Railway Company, subject to the provisos mentioned in the said Report.

(Signed) A. CAMPBELL REDDIE,

Deputy Clerk, Executive Council.

Approved and ordered this 18th day of August, A. D. 1899.

(Signed) THOS. R. McINNES,

Lieutenant-Governor.

No. 593.

(Stamp—Provincial Secretary's Office,
18th Aug., 1899.)

To His Honour the Lieutenant-Governor in Council :

In the year 1888, an Act was passed by the Legislature of British Columbia incorporating the Crow's Nest and Kootenay Lake Railway Company, and empowering the Company to construct a line of railway from some point at or near the junction of Summit Creek with Michel Creek to a point on the lower Kootenay River at or near its junction with Goat River. The name of this Company was afterwards changed to the British Columbia Southern Railway Company.

By the "Railway Aid Act, 1890," it is provided that the Lieutenant-Governor in Council may grant to the said Company 20,000 acres of land for each one mile of said railway completed by said Company, in accordance with the provisions of said Act.

By section 5 of said "Railway Aid Act, 1890," it is provided that the said lands shall be taken in alternate blocks on each side of the line of railway, and each block of land shall have a frontage on the line of railway of 20 miles, so that the land granted by the Government on one side of the line of railway shall be opposite to a like 20 miles of land retained by the Government on the other side of the line of railway.

By section 16 of the said last-mentioned Act it is provided that wherever along the line of said railway the full quantity of 20,000 acres per mile in alternate blocks cannot be had, the deficiency shall be made up out of a belt of land five miles in width along the east side of Elk River, extending between a point five miles below Morissey Creek and a point 28 miles above Michel Creek, and from a belt $2\frac{1}{2}$ miles in width on each side of Coal Creek, extending to the Summit, and from a belt three miles in width on each side of Michel Creek, and on each side of the east and west branches of said creek to the summit.

By section 3 of chapter 36 of the Statutes of 1893 it is provided that the land mentioned in section 16 of the "Railway Aid Act, 1890," may be made available to the Company as portion of the grant in respect of the construction of the eastern section of its said railway, and may be applied for as portion of the block to be granted upon completion of the second twenty miles of the eastern section of the said Company's railway.

The Railway Company have constructed the whole of said railway in accordance with the provisions of the said Acts. The railway is about 180 miles in length and is now in operation. The Company have applied for a grant of a portion of the said lands, including those mentioned in section 16 of the "Railway Aid Act, 1890."

It is recommended that a block of land as hereinafter described be laid out, and that a Crown grant be issued to the Company for the same, namely:—

"Commencing at station zero on the line of the said railway, being the summit of the Rocky Mountains on the boundary line between British Columbia and Alberta; thence due south to the 49th parallel; thence due west along the said 49th parallel 20 miles; thence due north to the main line of said railway; thence following the line of said railway to the place of beginning."

It will be seen that this block of land embraces a portion of the lands mentioned in section 16 of the "Railway Aid Act, 1890." The remainder of the lands mentioned in said section falls in the alternate block on the opposite side of the railway retained by the Government. It is, therefore, recommended that out of the said Government block the land hereinafter described, and which is the remainder of the lands mentioned in said section 16, be laid out and granted to the said Company, namely:—

"Commencing at said station zero on the line of the said railway; thence in a northerly direction following the boundary line between British Columbia and Alberta to a point where a line running due east and west and distant 435 chains due north from said station zero intersects said boundary line; thence due west to a point due north of said station zero; thence due west 228 chains; thence due north 1,000 chains; thence due west 100 chains; thence due north 520 chains; thence due west 40 chains; thence due north 460 chains; thence due west 100 chains; thence due north 420 chains; thence due west 405 chains, more or less, to the east bank of Elk River; thence in a southerly direction, following the sinuosities of the east bank of Elk River to its intersection with the main line of said railway; thence easterly along the line of said railway to the place of commencement."

It is agreed between the Government and Railway Company that neither the Government nor the Company shall be in any way prejudiced in any claim they may have, or in any contention they may make, respecting the bonus lands dealt with in the various Acts incorporating or aiding the said railway, by the passing of this Order in Council or the issuing of the said Crown grants, but that, notwithstanding the passing of said Order in Council or the issuing of the said Crown grants, both the Government and the Company shall be, as respects any such claim or contention, in precisely the same position as if this Order in Council had never been passed and the said Crown grants had not been issued thereunder, and it is distinctly understood by the Company that the Crown grants issued hereunder are accepted by them upon these terms. The said Crown grants shall contain a proviso to the above effect and the following additional provisos:—Provided, nevertheless, that it shall at all times be lawful for Her Majesty, or her heirs and successors, or for any person or persons acting in that behalf, by her or their authority, to resume any part of the said land which it may be deemed necessary to resume for making roads, canals, bridges, towing paths or other works of public utility or convenience, so, nevertheless, that the lands so to be resumed shall not exceed $\frac{1}{20}$ of the whole of the lands aforesaid, and that no such resumption shall be made of any lands on which any buildings may have been erected, or which may be in use as gardens or otherwise for a more convenient occupation of any such buildings:

Provided also, that it shall at all times be lawful for Her Majesty, her heirs and successors, or for any person or persons acting under her or their authority, to enter into and upon any

part of the said lands, and to raise and to get thereout any minerals, precious or base (other than coal), which may be thereupon or thereunder situate, and to use and enjoy any and every part of the said land and the easements and the privileges thereto belonging, for the purpose of such raising and getting and every other purpose connected therewith, paying in respect of such raising and getting reasonable compensation :

Provided also, that there shall be and there is hereby reserved to Her Majesty, her heirs and successors, the royalty upon and in respect of each and every ton of coal raised or gotten from the lands hereby granted, now in force or from time to time imposed by the Legislature :

Provided also, that there shall be and there is hereby reserved to Her Majesty, her heirs or successors, the royalty upon and in respect of all timber and cordwood, now in force or from time to time imposed by the Legislature :

Provided also, that it shall be lawful for any person duly authorised in that behalf by Her Majesty, her heirs or successors, to take and occupy such water privileges, and to have and enjoy such rights of carrying water over, through or under any parts of the hereditaments hereby granted as may be reasonably required for mining or agricultural purposes in the vicinity of the said hereditaments, paying therefor a reasonable compensation to the aforesaid Railway Company, their successors or assigns :

Provided also, that it shall be at all times lawful for any person duly authorised in that behalf by Her Majesty, her heirs or successors, to take from or upon any part of the hereditaments hereby granted, without compensation, any gravel, sand, stone, lime, timber or other material which may be required in the construction, maintenance or repair of any roads, ferries, bridges or other public works.

Provided also, that in the event of any of the lands hereby granted being divided into town lots, $\frac{1}{2}$ of all the blocks of lots shall be reconveyed to Her Majesty, or to her heirs and successors.

Provided also, that all travelled streets, roads, trails and other highways existing over or through said lands at the date hereof shall be excepted from this grant.

Provided also, that the cost of surveying the said lands shall be borne by the Company.

Provided also, that said grant shall not include any lands held by grant, lease, agreement for sale, or other alienation by the Crown, nor shall it include Indian reserves or settlements, military or naval reserves, or lakes or lands in which any person other than the Crown shall have a vested interest.

Dated this 17th day of August, A. D. 1899.

(Signed) F. CARTER-COTTON,
Minister of Finance.

Approved this 17th day of August, A. D. 1899.

(Signed) C. A. SEMLIN,
Presiding Member of the Executive Council.

7724/99.

(Stamp—Lands & Works Dept., Sept. 20th,
1899, Victoria, B. C.)

COLUMBIA FALLS, MONTANA.

To the Deputy Minister of Lands and Works, B. C. :

DEAR SIR,—In corresponding with you last spring regarding some lands in south-eastern British Columbia, on which I found strong symptoms of coal oil, and you notified me that you could not give any privilege to develop same, as the land was under reservation by the Government for R. R. grant, or otherwise, I am informed, or it is rumoured that the reservation is or is about to be taken off. As I have spent a good deal of time prospecting over this oil land, I would like very much if you would be so kind as to let me know if the reservation is taken off or is about to be, and when.

Yours respectfully,
(Signed) JOHN WATT,
Columbia Falls, Montana.

7724/99.

20th September, 1899.

SIR,—Referring to your letter, without date, referring to some correspondence you had with me last spring regarding lands in the south-eastern part of British Columbia, in which you had found evidence of coal, and asking whether such lands were now open to be acquired, I beg to inform you that the lands are still under reservation, and there is no prospect of the reserve being lifted in the near future.

I have, etc.,

(Signed) W. S. GORE,

Deputy Commissioner of Lands and Works.

*John Watt, Esq.,
Columbia Falls, Mont.*

(539075).

9242/99.

(Stamp—Lands and Works Dept., Nov.
22nd, 1899, Victoria, B. C.)(Stamp—Dept. of the Interior, Ottawa, Correspondence,
Administration Branch, Oct. 28th, 1899.)

SARNIA, Oct. 26th, 1899.

Mr. James Smart, Deputy Minister of the Interior.

DEAR SIR,—Dr. Johnston, M. P. for West Lambton, has referred me to you for information regarding the ownership of certain lands in South-Eastern British Columbia; the land I refer to is just north of the International Boundary Line and close to the foot-hills of the main range of the Rocky Mountains, and about 30 miles or more south of the Crow's Nest line. It is rumoured that this land was reserved some years ago for the British Columbia and Southern R. R. The land is not surveyed, and as I have squatted on this land and want to perfect my title, I would like very much if you could give me the necessary information how to proceed, whether I will have to apply to the Dominion or British Columbia offices. I might just say that I have found strong indications of petroleum on this land and want to secure the privilege of further prospecting and developing it, if it can be procured in paying quantities.

Thanking you very much for any information you can give,

I remain, etc.,

(Signed) JOHN WATT,
Sarnia, Ont.

539075.

(Stamp—Dept. of the Interior, Ottawa, Oct. 28th, 1899.)
(Pat. Bch., Oct. 30, 1899, received.)

SARNIA, ONT., 26th Oct., 1899.

Hon. James Smart, Deputy Minister of Interior, Ottawa.

DEAR SIR,—A friend of mine, Mr. John Watt, is writing your Department for some certain information. I would feel much obliged if you would see that he is furnished with it.

Faithfully yours,

(Signed) T. G. JOHNSTON,
M. P., West Lambton.

Mr. Goodeve for report.

(Signed) J. A. S.,
A. C. 28/10/99.

(G. P.)

(Pat. Bch., Nov. 13, 1899, Received.)
Ref. 539075.DEPARTMENT OF THE INTERIOR,
OTTAWA, 6th November, 1899.

MEMORANDUM:—With regard to Mr. John Watt's inquiry as to the lands in the south-eastern portion of British Columbia, in which he describes the land as being just north of the International Boundary Line and close to the foot-hills of the Rocky Mountains, and about thirty miles or more south of the Crow's Nest Line, I beg to say that, from the description of the land applied for, I have no doubt in my own mind but that the lands are situated within the Province of British Columbia, and, in consequence, Mr. Watt's application should be addressed to the Government of that Province.

(Signed) WM. M. GOODEVE.

James A. Smart, Esq.,
Deputy Minister of the Interior.

Send to proper authorities in B.C. and advise Mr. Watt of action.

(Signed) M. G.

10-11-99.

539075. (L.C.)

DEPARTMENT OF INTERIOR, CANADA,
OTTAWA, 15th November, 1899.

Acknowledged and transferred to the Deputy Commissioner of Lands and Works, Victoria, B.C.

By order,

(Signed) LYNDUADE PEREIRA,
G.
Assistant Secretary.

539075

DEPARTMENT OF THE INTERIOR,
OTTAWA, 15th November, 1899.

Sir,—In reply to your letter of the 26th ultimo, I am directed to say that as the lands referred to by your correspondent, Mr. John Watt, of Sarnia, Ont., are situated in the Province of British Columbia, his letter and your own have this day been transferred to the Commissioner of Lands and Works for British Columbia, at Victoria.

Your obedient servant,
(Signed) LYNDUADE PEREIRA,
Assistant Secretary.

T. G. Johnston, Esq., M.D.,
Sarnia, Ont.

9242/99.

Nov. 23rd, 1899.

SIR,—Your letter of the 26th ultimo, addressed to the Deputy Minister of the Interior, Ottawa, making inquiry regarding certain lands situated in the south-eastern portion of this Province, just north of the International Boundary Line and close to the foot-hills of the main range of the Rocky Mountains, and about 30 miles or more south of the Crow's Nest line, has been referred to this Department.

In reply, I beg to inform you that the lands in the vicinity referred to are under reservation and cannot be dealt with in any manner.

I have, etc.,

(Signed) W. S. GORE,
Deputy Commissioner of L. & W.

John Watt, Esq., Sarnia, Ont.

9282/99

(Stamp—Lands and Works Department,
Nov. 24, 1899, Victoria, B.C.)

(B.)

CANADIAN PACIFIC RAILWAY COMPANY,
VANCOUVER, B. C., November 23rd, 1899.*The Honourable the Chief Commissioner of Lands and Works, Victoria, B.C.*

SIR,—I would be greatly obliged for a reply to my communication of the 10th inst. in respect to the settlement of the Columbia & Western Railway Company's subsidy matter. I trust, then, that you will pardon my again calling your attention to the matter.

I have etc.,
(Signed) GEO. McL. BROWN,
Executive Agent.

CANADIAN PACIFIC RAILWAY COMPANY,
MONTREAL, November 25th, 1899.

Geo. McL. Brown, Esq.,
Executive Agent, Vancouver, B. C.

DEAR SIR,—The enclosed letter from Mr. Hamilton would indicate that you and he are not of one mind as to the sufficiency of the blocks shown on the plan in Mr. Gore's office to cover the land grant of the whole Columbia and Western Line.

You had better take this matter up direct with Mr. Hamilton so that you may understand it alike.

What steps are being taken by the British Columbia Government towards granting patents for the balance of the British Columbia Southern grant.

Yours truly,
(Signed) T. G. SHAUGHNESSY.

(Personal.)

CANADIAN PACIFIC RAILWAY Co.,
MONTREAL, December 2nd, 1899.

Geo. McL. Brown, Esq.,
Executive Agent, Vancouver, B. C.

DEAR SIR,—Your letter of the 23rd ultimo about the British Columbia Southern land grant.

The plans and letters for the British Columbia Government were forwarded to Mr. Hamilton by No. 1 this morning and should reach him Monday. I have requested him to forward the communication to the British Columbia Government immediately so that you may be able to take the matter up, and if possible bring it to a finish within the next two weeks. Mr. Hamilton submitted to me two different plans and recommendations, one of which we selected as being in our opinion the most feasible. I have asked him to forward the communication through you so that you may understand just what it is.

Yours truly,
(Signed) T. G. SHAUGHNESSY,
President.

TREASURY DEPARTMENT,
VICTORIA, 9th Dec'r, 1899.

T. G. Shaughnessy, Esq.,
President Canadian Pacific Railway, Montreal.

DEAR SIR,—Referring to the land subsidy to the Columbia and Western Railway and to the conversation which I had with you when you were in British Columbia last month, I have considered the matter of substituting a cash subsidy for the land grant. In the interests both of the Province and your Company, I consider the former is the preferable manner of giving aid to the enterprise.

I would, therefore, propose to substitute for the Columbia and Western Railway land subsidy on the line to Midway the following:—

For that portion where the grant was 10,000 acres per mile, a subsidy of \$2,000 per mile, and of \$4,000 per mile for those sections on which a grant of 20,000 acres was made.

The subsidy would be in Provincial Internal Debentures or stock (I have not yet decided which form would be the better), bearing three per cent. interest, the principal being repayable within 25 years by annual payments commencing within five years from date of issue.

This is a method of paying railway subsidies very similar to that which has for many years been adopted by the Ontario Government and which has been approved of by bankers and financiers.

As I shall desire to reach some definite arrangement about this matter before the opening of the Session of the Legislature on January 4th, proximo, I shall be obliged if you will let me hear from you at your early convenience.

I am, etc.,
(Signed) F. CARTER-COTTON,
Minister of Finance.

VICTORIA, Dec. 12th, 1899.

DEAR SIR,—I have the honour to acknowledge the receipt of your letter of the 6th inst., having reference to the selection of the balance of the lands to be granted to the British Columbia Southern Railway Company.

In reply, I beg to say that a consideration of the different Acts in force which have reference to the matter will show:—

1st. That the Legislature contemplated granting to the Company a subsidy of 20,000 acres per mile of railway constructed by them under authority of their Act of Incorporation, to be taken up in alternate blocks, each having a frontage of 20 miles on the railway by a depth of 32 miles (approximately).

2nd. That the grant is limited to the eastern and central sections of the railway, as defined by chapter 53 of the Act of 1894, section 8 (a) and (b).

3rd. That any deficiency in area shall be made up out of three belts, which are defined by section 16 of the "Railway Aid Act, 1890."

As you are aware that the Company obtained Crown grants on the 18th August last, under authority of section 3 of chapter 36 of the Act of 1898, which include all of the lands referred to in the preceding paragraph, and although those grants were given and received without prejudice, yet it is apparent the Company have absorbed the only areas within which it is competent for them to select lieu lands.

Referring to that portion of your letter which relates to the manner you propose for defining the alternate blocks, I have examined the plan you enclosed, but fail to see an advantage in substituting it for the method already decided upon, viz.: That of laying out the blocks with a uniform width of 20 miles measured along the International Boundary Line, the initial block of which is already Crown-granted to the Company as referred to above. This method commends itself to me as decidedly preferable; it conforms to the terms of the Act as closely as yours, and is more in consonance with our regulations touching the survey of Crown lands.

I may also point out that blocks 7, 8 and 9 on your plan extend beyond the terminus of the central section of the railway and are wholly, or in part, already disposed of and are not now available.

The question of placing a reservation on the belt of lands out of which the Company's blocks are to be taken appears to have been fully considered in 1897, when an agreement touching the acquisition of lands by the public in lieu of imposing a reserve was made between the Government and the Company and embodied in an Order in Council approved on 1st November, 1897. I do not consider the public interests would be served varying that agreement.

(Signed) F. CARTER-COTTON,
Chief Commissioner of Lands and Works.

L. A. Hamilton, Esq.,
Land Commissioner, Canadian Pacific Railway, Winnipeg, Man.