

public opinion of the country was clearly against cash subventions. Having this in mind, and the possession by the Great Northern of the V.V. & E. charter, we had made repeated attempts to interest the G.N.R. system in the work of finishing the V.V. & E. through to the coast, and of giving to the people on the coast that opportunity of doing business with the interior that would naturally result from the completion of the line. I may say that personally, with the concurrence of the Executive Council, I visited St. Paul for the purpose of taking up these proposals with the Great Northern officials and gentlemen representing the Great Northern interests waited upon the Government in Victoria and discussed the whole question at length of making connection with the coast cities. But for some reason or another there was delay upon delay. Explanations were always given, but there was no actual work of construction, and after the patience of the Government and the people had become almost exhausted, we finally proceeded with the present arrangement, by means of which we can expect to see the road completed shortly and in operation under the jurisdiction of the Canadian Pacific Railway system.

All the business relative to the Hope Mountain system, the extension of the road through the Nicola, Similkameen and Okanagan country, has been very complicated. In the first place there was the old charter of the Midway and Vernon road, which upon a pronouncement of the Supreme Court was declared to be still in force, despite the fact that the number of men and animals engaged on the work of actual construction would not involve any great outlay in wages from month to month. However, in the wisdom of the Court, it was declared that the charter was still in force, and when, on investigation, it was found that the project of the Kettle Valley must to some extent trespass upon the territory of the Midway and Vernon, a great many difficulties presented themselves, which had to be removed before any railway expecting to receive recognition at the hands of this country and this Parliament could be taken into account. The Midway and Vernon had carried out large and expensive surveys and other railway pioneering work of a costly character. When the Kettle Valley proposed to act under the charter of the Midway and Vernon, the Provincial Government stipulated that they should not proceed with its operations until the

rights of the Midway and Vernon were properly adjusted.

Some time elapsed before the questions incidental to these rights were disposed of, and even then, when the Government of the day was advised that everything was satisfactorily arranged, there remained many outstanding questions that were not adjusted until a later date. I recollect, in the course of a rather arduous campaign through the Boundary and Similkameen country, being subjected to some unfair abuse upon this matter. Pointed and offensive references were made to the Kettle Valley project because it was said that this corporation had failed to meet the payment of some wages and some store accounts that were due to people along the surveyed route from Midway to Vernon.

Happily, I am in a position to say that the Midway and Vernon difficulties have been disposed of and the ground cleared for the entry of the Kettle Valley. The V.V. & E. corporation, which has every right to the recognition of this Legislature, has been enabled to make arrangements satisfactory to this Government, to themselves, and to the Kettle Valley, which will give them access to the coast cities. I am also glad to be able to state that questions relative to the interests of the city of Grand Forks, the Boundary, Similkameen and Nicola districts have also been disposed of, so I approach the subject tonight of presenting to Parliament a bill that provides an important step in this magnificent project.

It is only fair to recall, however, that it was not until we had recourse to the treasury of this country that we were in a position to produce a contract that would absolutely insure the completion of the road. The charter of the Midway and Vernon was declared by the Courts of the country to be valid, and I must remind you that it carried with it a subsidy of \$5,000 a mile for 150 miles, or \$750,000. It became the right, therefore, of the Kettle Valley, having taken over the charter, to expect at the hands of the Government the same treatment that would have been accorded the original Midway and Vernon road.

By means of this cash subsidy, in so far as our interest in the road was concerned, we were able to assure Parliament and the country of the building of a standard gauge road from Penticton along to the Nicola country, but there still remained the very costly Hope Mountain section, which even Mr. J. J. Hill seemed to hesitate about attacking,