

NAKUS-SLOAN RAILWAY.

Complete Information as to the Probable Cost of the Work of Construction.

Expert Opinions Upon the Matter—Interesting Comparisons With Other Roads.

The latest return presented to the legislature by the Hon. the Attorney-General, gives the most complete details of the facts upon which the government estimates of the cost of construction were founded, and as to the personnel of the construction company and others interested in the transaction. This return was the very complete answer made to the demand for further information made by the opposition. It is as follows:

VICTORIA, B. C., March 16th, 1894.

Arthur G. Smith, Esq., Deputy Attorney-General, Victoria, B. C.

Sir, I have the honor to acknowledge the receipt of your letter of this date, enclosing a copy of a resolution passed in the Legislature yesterday, and requesting me to forward certain information in connection with this company to the Attorney-General's office forthwith, and in reply I have to state that I shall be pleased to supply the information asked for at the earliest possible moment, but fear this cannot possibly be sooner than Monday next.

I have the honor to be, Sir,

Your obedient servant,

(Signed) A. J. WEAVER-BRIDGMAN, Secretary-Treasurer.

VICTORIA, B. C., March 21, 1894.

A. G. Smith, Esq., Deputy Attorney-General, Victoria, B. C.

Sir, In further reply to your communication of the 16th inst. I have the honor to state that a meeting of the directors of this company was convened yesterday at five o'clock, who authorized me to comply with your request for information, and I beg to enclose—

1. Copy of contract under which construction is proceeding.

2. Copy of form of tender issued.

The only tender received complying with the form was that of Mr. D. McGillivray, which was for all the bonds of the company and contained a marked cheque for \$112,000.

Three other tenders were opened, one for \$20,000 per mile in bonds and \$5,000 in paid up stock of the company, one for \$25,000 in bonds and \$4,000 in paid up stock, and one for \$20,000 in bonds per mile, none of which complied with the form of tender issued, or were accompanied by either cheque or deposit, and which consequently could not receive consideration. The last-mentioned tender was immediately withdrawn after receipt.

No contract was awarded at this time (the 7th of June), the government interposing with an objection to the company accepting their bonds in order to realize enough money to construct the road.

After the government agreed to guarantee the interest on the bonds in accordance with the agreement entered into on the 9th of August last, the contract, on a modified basis (of which copy accompanied), was awarded to Mr. McGillivray, whose deposit had been in the hands of the company for two months, and Mr. McGillivray proceeded to form a construction company to finance the enterprise.

I have also the honor to give the following information, viz: W. Jones, C. J. Major and John A. Wallace, were provisional directors of this company. They were elected directors after the formation of the company and have been ever since and now are directors.

The Inland Construction & Development Company, Ltd., are the contractors, and I am informed that Mr. McGillivray, the shareholders in that company are Malver, Molver Campbell, Donald McGillivray, C. J. Lowen and John Irving.

The subscribed capital of the Nakus & Sloan Railway Company is three thousand (\$3,000) shares of \$100 each, on which ten (10) per cent, has been paid up, which amount was deposited in the Bank of British Columbia, at Victoria, on the 25th July, 1893.

In conclusion I beg to say that before any bonds were guaranteed, this company deposited in the Bank of British Columbia, to the credit of the Government of British Columbia, on the 27th day of July, 1893, the sum of \$118,400.

I have the honor to be, Sir,

Your obedient servant,

A. J. WEAVER-BRIDGMAN, Secretary-Treasurer.

[This is the letter referred to by Arthur John Weaver-Bridgman in his declaration made before me on the 27th day of March, A.D. 1894.]

ARTHUR G. SMITH, Notary Public, B. C.

CITY OF VICTORIA,

Province of British Columbia,

To wit:

1. Arthur John Weaver-Bridgman, of the City of Victoria, do solemnly declare:

1. That I am the Secretary and Treasurer of the Nakus & Sloan Railway Company.

2. That the facts mentioned in my letter to the Deputy Attorney-General, dated March 21, 1894, and which letter is now produced and shown to me at the time of my declaring hereto, marked "A," are true in substance and in fact.

3. That I, A. J. WEAVER-BRIDGMAN, do declare before me at the City of Victoria, in the Province of British Columbia, this 27th day of March, A.D. 1894.

ARTHUR G. SMITH, Notary Public, B. C.

NAKUS AND SLOAN RAILWAY.

General Specifications for the Work of Engineering, Bridging, etc., and for Completing the said Railway.

1st. The railway shall be a single track line, with gauge four feet eight and one-half inches, with necessary sidings.

2nd. The alignments, gradients and curves shall be the best the physical features of the country will admit of, the maximum grade not to exceed one hundred and thirty-two (132) feet to the mile, and the minimum curve not to be of less radius than two hundred and ninety-five feet.

3rd. In all wooded sections the land must be cleared to the width of not less than fifty (50) feet on each side of the centre line; all brush and logs must be completely burnt and none thrown on the adjacent line.

4th. The grading will include all excavation in earth and rock, and all other descriptions of material necessary for the formation of the road-bed to the proper grades, both for the main line and for all sidings, that may be required. Allstumps must be grubbed out within the limits of cuttings under three feet in depth, or embankments less than two feet in height, and all stumps must be below four feet embankments less than four feet and more than two feet in height.

5th. Where land is occupied and cultivated, and in all other necessary places,

the railway must be enclosed with substantially built legal fences of wire or wood, with the usual gates and crossings.

6th. Road crossings with cattle-guards and side-boards, shall be provided at all public highways crossing the railway on a level with the rails.

7th. The width of cuttings at formation level shall not be less than 20 feet when settled into place.

8th. Efficient drainage must be provided by open ditches and under drains.

9th. Round and fluted cedar, fir, tamarac or pine timber of suitable size and length, may be used in permanent trestles and structures, and open or beam culverts in embankments less than eight feet in height, and cattle-guards may be of cedar, fir or tamarac wood not less than 10 inches by 10 inches, except the track stringers, which may be of sound pine, fir, tamarac or spruce.

10th. The spans shall not exceed 15 feet, and they shall be constructed on a plan to be approved by the Government Engineer. Superstructure of iron bridges may be of plate, tamarac or Douglas fir.

11th. The rails shall be of steel, weighing not less than fifty-six (56) pounds per lineal yard, of approved section and with the most approved fish plate. Rails transferred from the main line of the Canadian Pacific Railway, which have been previously in use, will be approved if suitable for the traffic.

12th. The railway must be well surfaced with either gravel or other suitable material. The sleepers to be six inches face by six inches thick and eight feet long—2,600 to the mile.

13th. In all other respects the railway shall be equal in character to the Canadian Pacific Railway in British Columbia.

14th. Progress estimates will be paid to the contractor monthly, based on the proportion that the work done on each mile of railway bears to the contract price per mile.

These blanks to be filled in by the contractor

This Indenture made the 10th day of August, in the year of our Lord one thousand eight hundred and ninety-three, between the Nakus and Sloan Railway Company (hereinafter called "the Nakus Company"), of the one part, and the Inland Construction & Development Company, Limited (hereinafter called "the Inland Company"), of the other part.

Whereas under and by virtue of an act of the Parliament of Canada passed in the 56th year of the reign of Her Majesty Queen Victoria, the Nakus Company are authorized to lay out, construct and operate a railway between a point at or near the town of Nakus to some point at or near the Forks of Carpenter Creek, in the District of West Kootenay, in the Province of British Columbia, a distance of thirty-eight (38) miles, more or less.

And whereas the Government of Canada will grant to the Nakus Company a subsidy of three thousand two hundred dollars (\$3,200) per mile for each and every mile of the said railway, but such subsidy has not yet been granted.

And whereas the government of the province of British Columbia (hereinafter called "the provincial government") have agreed under and by virtue of an act of the Parliament of British Columbia passed in the 56th year of Her Majesty's reign, entitled the "Railway Act, 1893," with the Nakus Company to guarantee interest at the rate of four (4) per cent. per annum for the term of twenty-five years on the bonds of the said company to the amount of twenty-five thousand dollars (\$25,000) per mile of the said railway, not exceeding in all nine hundred and twenty-five thousand dollars (\$925,000) upon the granting by the government of Canada (hereinafter called "the Dominion government") of the subsidy above mentioned and the assignment thereof to the provincial government.

And whereas the Nakus Company are desirous of proceeding immediately with the construction of the railway, and for the purposes are desirous of issuing bonds, as aforesaid, and for the provincial government, by virtue of the powers upon them conferred by the said "Railway Act, 1893," thought fit to give the guarantee aforesaid in anticipation of the said Dominion government subsidy, upon the Nakus Company making a cash deposit.

And whereas the Nakus Company have agreed with the provincial government to deposit in the Bank of British Columbia at the city of Victoria, the sum of one hundred and eighty thousand four hundred dollars (\$180,400), being the said cash deposit in the preceding recital mentioned.

And whereas the Construction Company have agreed with the Nakus Company to construct the said railway upon the terms and in the manner hereinafter appearing.

Now therefore this Indenture witnesseth that it is agreed between the Nakus Company and the Construction Company as follows:

1. The Construction Company shall upon the execution of this Indenture pay to the Nakus Company the sum of ninety thousand dollars (\$90,000) as security for the due performance of the work by them hereinafter agreed to be constructed, and for the purpose of assisting the Nakus Company in making such cash deposit under said "Railway Act, 1893," and shall also pay to the Nakus Company all the costs and expenses incurred by the Nakus Company or its agents in the promotion and organization of the company immediately the same can be ascertained.

2. The Construction Company shall proceed without delay to make, at their own expense, all necessary surveys and file all necessary plans, and to construct and complete a railway from some point at or near the town of Nakus to some point at or near the Forks of Carpenter Creek, in the District of West Kootenay, according to and in full compliance with the specifications attached to a certain Indenture dated the 10th day of August, A.D. one thousand eight hundred and ninety-three, made between the Nakus Company and the Canadian Pacific Railway Company (hereinafter called "the Pacific Company"), a copy of which said specification and Indenture are hereto annexed and signed by the parties hereto at the foot thereof, and anything in the said Indenture mentioned relating to the said specifications defining or explaining the same shall be read with and shall be taken to be and form a part of this Indenture. Such completion to be established by certificates as hereinafter mentioned.

3. The Construction Company shall in all things complete the construction of the said railway in running order as far as Sloan Lake on or before the 31st day of December, next—time being the essence of the contract.

4. The work of construction shall be done to the satisfaction of the engineer to be appointed by the Chief Commissioner of Lands and Works for the Province of British Columbia (hereinafter called "the government engineer"), who shall have certificates of completion of the work and the value thereof, and also to the satisfaction of an engineer to be appointed by or satisfactory to the Pacific Company (hereinafter called "the Pacific Company's engineer"), who shall certify in writing his satisfaction with the work and the manner in which same is being promoted.

5. The railway shall be finally completed the entire distance and in running order on or before the 31st day of December, 1894—time being the essence of the contract.

6. The Nakus Company, in consideration of the construction company herein contained being strictly performed, will pay to them (the construction company) the sum of fifteen thousand two hundred and fifty dollars (\$15,250.00) per mile, at the times and the manner following, that is to say: Upon the certificate of the government engineer being issued showing the progress of the work and the value thereof as hereinbefore mentioned, the Nakus Company shall pay to the construction company ninety (90) per cent. of the amount mentioned in the certificate of the government engineer as being the value of the work done; Provided, always, that the amount payable under such certificates shall not exceed (a) the sum of 90 per cent. of fourteen thousand three hundred and fifty dollars (\$14,350.00) for each and every mile of the said railway from Nakus to Sloan Lake; (b) the sum of 90 per cent. of sixteen thousand dollars (\$16,000.00) per mile for each and every mile of railway from Sloan Lake to Wilson Creek; (c) the sum of ninety (90) per cent. of twenty-five thousand dollars (\$25,000.00) per mile for each and every remaining mile of railway from Wilson Creek to the Forks of Carpenter Creek.

7. Upon the final completion of the road and acceptance thereof by the Pacific Company, in accordance with the terms of the said Indenture, hereunto annexed, made between the Nakus Company and the Pacific Company, the Nakus Company will pay to the Construction Company the balance of the contract price, and shall likewise repay to the Construction Company the sum of ninety thousand dollars (\$90,000.00) to be paid by them in accordance with the terms of paragraph one (1) of this Indenture.

8. Provided, and it is hereby agreed by and between the parties hereto, that in the event of the Nakus Company being unable to make payment in money at the rate of fifteen thousand two hundred and fifty dollars (\$15,250.00) per mile, should it be earned through default on the part of the provincial government, in obtaining the passage of the necessary legislation whereby a money grant can be made to the Nakus Company, then and in that event the construction company is to accept, in lieu of money, in full payment and satisfaction of the contract price (should same be earned) the bonds of the Nakus Company to the amount of one hundred and twenty-five thousand dollars (\$25,000.00) being bonds issued to the amount of twenty-five thousand dollars (\$25,000.00) per mile (not exceeding thirty-seven miles in all) with the provincial government guarantee thereon of interest at the rate of four per cent. per annum for the term of twenty-five years.

9. And the construction company agree to comply with the agreement of the Nakus Company contained in paragraph 28 in the Indenture before mentioned, made between the Nakus Company and the Pacific Company, the construction company hereby agreeing to purchase from the Pacific Company rails and fastenings as in the said paragraph 28 is mentioned.

10. And it is further agreed between the parties hereto that if any dispute arises concerning any of the matter herein contained, such dispute shall be finally settled by an award of any two of their arbitrators, to be chosen as follows: Each one of the parties of the first and second parts shall choose one arbitrator, and a third shall be appointed by the arbitrators chosen by the two first to choose a third, within one month after the last of the two is appointed, then, on application to any judge of the Supreme court of British Columbia by either party, said judge may appoint the third arbitrator, the said award to be given in writing within three months after the appointment of such third arbitrator.

In witness whereof the parties hereto have caused their corporate seals to be hereunto affixed and attested by the proper officers in that behalf, the day and year first above written.

Signed, sealed and delivered in the presence of

THE NAKUS AND SLOAN RAILWAY CO.,

(Sd.) A. J. WEAVER-BRIDGMAN, President.

(Sd.) A. J. WEAVER-BRIDGMAN, Secretary-Treasurer.

FOR THE INLAND CONSTRUCTION AND DEVELOPMENT CO. (LTD.)

(Sd.) D. MCGILLIVRAY, Managing-Director.

(Sd.) W. CUNNINGHAM, Secretary.

[The Indenture of 9th August, 1893, above referred to, has already been published in the first set of papers relating to the Nakus & Sloan railway.]

1. Edmond Duchesneau-Duchesney, Civil Engineer, do hereby declare—

1. That I am and have been for thirteen years in the employ of the Canadian Pacific Railway as engineer of construction.

2. That in the month of June, 1893, acting upon instructions received from Mr. H. Abbott, general superintendent Pacific division of the Canadian Pacific Railway, I proceeded to Nakus and went over the ground to be occupied by the Nakus & Sloan railway for the purpose of making a preliminary estimate of the cost of construction of such railway.

3. My estimate for the several sections of the line was as follows:—

From Nakus to Summit Lake, 12 1/2 miles, at \$14,350.00 per mile, \$179,375.00

From Summit Lake to Sloan Lake, 10 1/2 miles, at \$16,000.00 per mile, \$168,000.00

From Sloan Lake to Wilson Creek, 9 1/2 miles, at \$16,000.00 per mile, \$152,000.00

From Wilson Creek to Three Forks, 9 1/2 miles, at \$25,000.00 per mile, \$237,500.00

Mean average, 38 miles, at \$15,250.00 per mile, \$579,625.00

This estimate was exclusive of all rolling stock, equipment and plant whatever.

4. The work estimate which I communicated to Mr. Abbott, and in preparing the same I went upon the assumption, from the source of my instructions, that the Canadian Pacific Railway Company proposed themselves to build the road as they had done in the case of the Columbia and Kootenay railway, of which I had been the engineer in charge of construction. The above estimate (as mentioned in a telegram from Mr. Abbott to Mr. Van Horne on the 3rd July, 1893,) did not make any allowance for contingencies or omissions, and I then considered, as I now do, that a margin of 15 per cent. should be allowed to cover any omissions in my estimate, and to provide for contingencies, and I incurred in the telegram as sent.

My final estimate, therefore, assuming that the company themselves would construct the line, is:

15 per cent. \$873,221.25

And the average per mile, \$22,953.19

5. The above estimate makes no allowance for ordinary contractors' profit, nor for the cost of railway transportation of rails, material and labor, nor the use of rolling stock, tools and materials, which would have to be defrayed by a construction company, the Canadian Pacific Railway Company, or exclusive of rolling stock \$236,137.15

Mileage, 10, equal to a cost of \$23,415.72

per mile, not including rolling stock or the bridge across the Fraser river.

Certified correct,

J. D. TOWNLEY, Accountant, Pacific Division C.P.R.Y., Vancouver, B.C., March 17, 1894.

"A."—Statement of the cost of the Mission branch of the Canadian Pacific railway, exclusive of the bridge across the Fraser river.

Description of work. Cost.

Clearing, grubbing, grading, trestles and bridges, exclusive of the bridge across Kootenay river, \$333,624.07

Track, ballasting, engineering, and incidental expenses, \$20,621.18

Buildings, \$9,707.86

Total cost of railway ready for traffic, exclusive of bridge across Fraser river, and exclusive of rolling stock, \$363,953.11

Mileage, 10, equal to a cost of \$23,415.72

per mile, not including rolling stock or the bridge across the Fraser river.

Certified correct,

J. D. TOWNLEY, Accountant, Pacific Division C.P.R.Y., Vancouver, B.C., March 17, 1894.

"B."—Statement of the cost of the Columbia and Kootenay railway, exclusive of the bridge across Kootenay river.

Description of work. Cost.

Clearing, grubbing, grading, trestles and bridges, exclusive of the bridge across Kootenay river, \$333,624.07

Track, ballasting, engineering, and incidental expenses, \$20,621.18

Buildings, \$9,707.86

Total cost of railway ready for traffic, exclusive of bridge across Fraser river, and exclusive of rolling stock, \$363,953.11

Mileage, 27.8, equal to a cost of \$21,133.92

per mile, not including bridge across Kootenay river. Certified correct,

J. D. TOWNLEY, Accountant, Pacific Division C.P.R.Y., Vancouver, B.C., March 17, 1894.

1. Donald McGillivray, of Vancouver, contractor, do solemnly declare:

1. That I, in the party whose tender was accepted for the construction of the Nakus and Sloan railway.

2. In order to carry out the contract I obtained the formation of "The Inland Construction and Development Company, Limited Liability."

3. The shareholders in that company are Messrs. Melver Melver Campbell, C. J. Lowen, John Irving and myself.

4. I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of the "Canada Evidence Act, 1893."

Declared before me, at the city of Victoria, in the Province of British Columbia, this 20th day of March, 1894.

ARTHUR G. SMITH, Notary Public, B. C.

1. Richard Marpole, of Kamloops, do solemnly declare:

1. That I am the superintendent of the Pacific division of the Canadian Pacific railway.

2. That I have a knowledge of the country between Nakus and the forks of Carpenter Creek, and that the whole of the location, as well as part of the construction, of the line of the Nakus & Sloan railway has been inspected by me in company with Mr. Duchesneau who was resident in the district in the fall of 1893, for the purpose, among other matters, of changing the location of the line at the Carpenter Canyon to avoid dangerous snowdrifts, upon request of the Nakus & Sloan railway company. We viewed in view the location of sidings, stations and water tanks, etc., between Nakus and Three Forks.

3. We found the work of construction, so far as it had progressed, to be well done and such as would be, in our opinion, acceptable to the Canadian Pacific railway company for operation, and up to the standard required by the Dominion Government for a subsidised road in a minor country. So far as I inspected the gradients and curvature are, in my opinion, not excessive, and are the best the country will allow within reasonable limits of expenditure in construction.

4. In accordance with the provisions of the agreement for a lease of the 9th August, 1893, the erection of the various stations, and other structures, is proceeding under the supervision of myself and Mr. Duchesneau, as engineer of construction, and as the contractors are acting under our direction in these matters, the attaining of the standard required by such agreement is assured.

5. I am familiar with the estimate made by Mr. Duchesneau, and in my opinion the total cost as placed by him at \$579,625, was a moderate estimate even under the most favorable conditions which he mentions as influencing him in its preparation.

6. I submit, for the purpose of comparison, the relative cost of the Mission branch of the Canadian Pacific railway and of the Columbia & Kootenay railway, both of which were constructed by the Canadian Pacific railway and under the immediate supervision of the company's engineers.

7. Attached hereto and marked "A" is a statement of the cost of the Mission Branch of the Canadian Pacific Railway which shows the total cost to have been \$236,137.15, exclusive of the bridge across the Fraser River, and the average cost per mile, \$23,415.72; and also attached hereto and marked "B" is a similar statement of the cost of the Columbia and Kootenay Railway, showing the total cost of that railway to have been \$363,953.11, exclusive of the bridge across the Kootenay River, and the average cost per mile, \$21,133.92.

8. The work of construction on the Mission Branch of the Canadian Pacific Railway and on the Columbia and Kootenay Railway was heavier than on the Nakus and Sloan Railway, and the smaller amount of the estimate for construction was also due to the fact that at the time of construction of the former railways the cost of labour and supplies was higher than it was estimated to be at the time of the construction of the Nakus and Sloan Railway; but even making allowance for these conditions, the estimate of \$17,497 as its probable cost to the Canadian Pacific Railway, in light of the facilities mentioned in Mr. Duchesneau's declaration, is low.

9. The rolling stock and equipment which will be placed upon the Nakus & Sloan railway, and which will be transferred from the main line of the Canadian Pacific railway, and will be of the same standard as is now in use on other branches operated by the company.

10. The rails supplied by the Canadian Pacific railway company to the Nakus & Sloan company, in pursuance of the agreement of the 9th August, 1893, are ordinary 60-pound rails, which are being taken off sections of the main line where we have heavy traffic and where large locomotives are in use for the purpose of being replaced by 72-pound rails, and in this matter the Nakus & Sloan railway is being treated in an exactly similar manner to the Mission branch of the Canadian Pacific railway, and exclusive of rolling stock \$236,137.15

And I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath and by virtue of the "Canada Evidence Act, 1893."

Declared before me at the city of Victoria, in the Province of British Columbia, this 20th day of March, 1894.

ARTHUR G. SMITH, Notary Public, B. C.

"A."—Statement of the cost of the Mission branch of the Canadian Pacific railway, exclusive of the bridge across the Fraser river.

Description of work. Cost.

Clearing, grubbing, grading, trestles and bridges, exclusive of the bridge across Kootenay river, \$333,624.07

Track, ballasting, engineering, and incidental expenses, \$20,621.18

Buildings, \$9,707.86

Total cost of railway ready for traffic, exclusive of bridge across Fraser river, and exclusive of rolling stock, \$363,953.11

Mileage, 10, equal to a cost of \$23,415.72

per mile, not including rolling stock or the bridge across the Fraser river.

Certified correct,

J. D. TOWNLEY, Accountant, Pacific Division C.P.R.Y., Vancouver, B.C., March 17, 1894.

"B."—Statement of the cost of the Columbia and Kootenay railway, exclusive of the bridge across Kootenay river.

Description of work. Cost.

Clearing, grubbing, grading, trestles and bridges, exclusive of the bridge across Kootenay river, \$333,624.07

Track, ballasting, engineering, and incidental expenses, \$20,621.18

Buildings, \$9,707.86

Total cost of railway ready for traffic, exclusive of bridge across Fraser river, and exclusive of rolling stock, \$363,953.11