RAILWAY AGREEMENT PRESENTED TO HOUSE

Text of Contract For Extending the Canadian Northern

Also For Building of the Coast-Kootenay Road.

Government Lays Its Railway Policy Before House.

The railway policy of the government was laid before the Legislature last night, the bill embodying the contracts for building the Edmonton, Yukon & Pacific, and also for the proposed building of the Coast-Kootenay railway. The full text of the bill is as follows:

An Act respecting certain railway agreements.

His Majesty, by and with the advice and consent of the Legislative Assembly of the province of British Columbia, enacts as follows:

1. This act may be cited as the "Railway Agreements Act, 1902."

2. The agreement bearing date the first day of May, A. D., 1902, made between His Majesty the King, in the right of the province of British Columbia, and represented by the Honorable James Dunsmuir, Premier and President of the Executive council, and the Honorable Wilmer Cleveland Wells, chief commissioner of lands and works for the said province, therein called the government, of the first part, and the Edmonton, Yukon and Pacific railway company, therein acting and represented by and through James N. Greenshields, of the city of Montreal, duly authorized by the said company for the purposes of said agreement, a copy of which agreement is set out in Schedule A to this Act, is hereby ratified and confirmed.

3. The Honorable James Dunsmuir and the Honorable Wilmer Cleveland Wells, on behalf of His Majesty the King, are hereby authorized to execute an agreement with the "Vancouver and Coast-Kootenay Railway company," a draft of which is set out in Schedule B to this Act.

4. The agreement mentioned in the preceding section shall be duly executed by the "Vancouver and Coast-Kootenay railway company," within ten days after this Act is assented to.

5. The Lieutenant-Governor-in-Council is hereby authorized to issue provincial debentures or inscribed stock to carry out the provisions of paragraphs 5 and 14 of said Schedule A, and of paragraph 6 of said Schedule B.

SCHEDULE A.

Agreement for the Construction of the Edmonton, Yukon and Pacific Railway.

This agreement made the first day of May, A. D., 1902, between His Majesty the King, in the right of the province of British Columbia, and represented by the Honorable James Dunsmuir, Premier and president of the Executive council, and the Honorable Wilmer Cleveland Wells, chief commissioner of lands and works for the said province, hereinafter called the government, of the first part, and the Edmonton, Yukon & Pacific Railway company, herein acting and represented by and through James N. Greenshields, of the city of Montreal, duly authorized by the said company for the purposes hereof:

Whereas the company are authorized to construct the line of railway hereinafter mentioned, which it is intended shall connect with the system of the Canadian Northern railway from Lake Superior:

And whereas the company have proposed to the government that, upon the terms and conditions hereinafter mentioned, they will, with all reasonable expedition, commence the construction of a line of railway from the sea-board of British Columbia, from a point at or near Bute Inlet, to the Eastern boundary of the province of British Columbia at or near Yellowhead Pass, to join with the said railway system of the Canadian Northern Railway from Lake Superior:

And whereas the government is willing to aid the company, by the cash subsidy and grant of land hereinafter mentioned, to build a standard gauge railway between the said points on the terms and conditions, and subject to the provisions hereinafter mentioned, and in this agreement set forth:

Now, therefore, this agreement witnesseth as follows:

1. The company covenant with the government that, upon the terms and conditions hereinafter expressed, they will lay out, construct, equip, fully complete and maintain, or cause to be laid out, constructed, equipped, fully completed and maintained, a line of railway, with all proper terminal facilities, from a point at or near Bute Inlet to the Eastern boundary of British Columbia, in the vicinity of Yellowhead Pass, which said railway, when fully completed as aforesaid, shall be a standard gauge railway, and up to the general standard of the Canadian Pacific railway as originally constructed, and which railway shall be the property of the company.

2. The company shall commence work on the construction of the railway within the time hereinafter fixed therefor, at a point at or near Bute Inlet, and will duly and diligently prosecute the work of building the line easterly until the whole line is completed.

3. The company shall, before the commencement of the said work, give security for the due performance of the work herein provided for in the sum of one hundred thousand dollars, not as a penalty, but as liquidated and ascertained damages due to His Majesty, in right of the province of British Columbia, in case of default, conditioned that the railway shall be completed from a point at or near Bute Inlet to the Eastern boundary of British Columbia within the time hereinafter fixed therefor; and upon completion of the railway the said security shall be returned to the company or their nominees, and in the event of the security before mentioned being deposited by the company in cash, the government will allow to the company, for such time as the money security shall remain in the hands of the government, interest at the rate of three per centum per annum: Provided, however, that if the said security is not given on or before the first of September, 1903, the Lieutenant-Governor-in-Council may, by order-in-council, cancel this agreement.

4. To aid the company in the construction of railway the government will grant and pay to the company for each mile of said railway the following sums, viz.:—

(a) For the first fifty miles of railway, commencing at or near Bute Inlet, the sum of ($4,800) forty-eight hundred dollars per mile:

(b) From the end of the said first fifty miles to the point nearest to Quesnel, the sum of ($4,000) four thousand dollars per mile:

(c) From the said point nearest Quesnel to the Eastern boundary of British Columbia, at or near Yellowhead Pass, the sum of ($4,500) four thousand five hundred dollars per mile.

5. The said money grant shall be payable to the company when and from time to time as each twenty miles of said railway (or, in the case of the last section, the fraction of twenty miles, if such it be), have been built of the standard and in accordance with the terms of this agreement, and a certificate therefor has been given by the engineer of the government: Provided, however, that the company in lieu of cash shall take and receive fifty year debentures or inscribed stock (not redeemable before fifty years) of the province of British Columbia, bearing interest at the rate of three per centum per annum half-yearly, at the market price of similar debentures or stock in London, England, at the time of delivery, if the government determine to grant the aid in that way instead of cash; and in the event of the bonus being paid in stock or debentures as aforesaid, the government shall hand over, and the company shall receive, the difference between such market price and par in fifty year debentures or inscribed stock of the province, bearing interest at the rate of three per centum per annum, half-yearly, and at said market price.

Provided, however, if any dispute arise between the parties hereto as to what the market price is, the same shall be finally determined by the manager, for the time being, of the banking house of Glyn, Mills, Currie & Co., of 67 Lombard street, London, England.

6. It is agreed that the government, in addition to the foregoing grant, will grant in fee simple to the company, in the manner and at the times hereinafter mentioned, lands to the extent of twenty thousand acres for each mile of standard gauge railway as aforesaid constructed.

7. Upon the company filing with the Chief Commissioner of Lands and Works maps or plans indicating the proposed general route and direction of the said railway, and of the proposed extension to Frederic Arm, hereinafter referred to, there shall be reserved by the government from sale, occupation or settlement, for the purposes of said land grant, a tract of land twenty miles wide on each side of the proposed route as shown on said map or plan. For the purposes of said land grant the said railway is divided into three sections, as follows:

Section One—Embraces the first fifty miles from the point at or near Bute Inlet;

Section Two—Embraces the part from the Easterly end of section one to the point nearest to Quesnel;

Section Three—Embraces the part from the Easterly end of section two to the Eastern boundary of the province at or near Yellowhead Pass.

As each section is completed the government will, as the company may from time to time request, issue to the company Crown grants, in fee simple, with the reservations as herein provided for coal, petroleum, timber and timber, and for the land grant applicable thereto. The lands to be so granted are to be selected by the company out of the Crown lands in the said reseve.

Provided, however, that the company shall not be bound to select land out of that portion of the reserve which lies to the west of a line drawn due north and south (astronomically) and passing through the easterly limit of section one.

Provided, also, that if, after the completion of said three sections, it is found that the acreage, calculated as below mentioned, of the Crown lands in the reserve on each side of such sections and the acreage (calculated as aforesaid) of any Crown land selected by the company out of the portion of said reserve west of said north and south line are not sufficient to satisfy the said land grant, the government shall grant to the company such Crown lands as shall be sufficient to make up the deficiency to be selected by the company in blocks of not less than ten miles square out of the Crown lands in the districts of the province through which the said reserve runs, and in the vicinity of or contiguous to said reserve.

Provided always, that there shall be excepted from all grants made under this agreement any lands which, before the said reserve is made by the government, have been alienated or held by pre-emption or as mineral claims, and in calculating the acreage of said reserve and of lands granted for the purpose of said land grant, there shall be excluded the acreage of lakes, and of any parcels in the occupation of persons whose occupancy the company and the government are willing should not be disturbed, and any deficiency in acreage arising from such exclusion shall be made up as above mentioned.

Provided, however, that the reserve on the lands mentioned in this agreement shall not continue beyond the first of September, 1903, unless in the meantime the company commence and continue diligently the construction of the railway according to the terms of this agreement.

8. The government shall grant to the company rights-of-way not exceeding two hundred feet in width along the line of railway, and such Crown lands as may be necessary for terminal purposes, sidings, stations, sheds, wharves, warehouses, embankments, cuts, bridges, culverts, drains and other works and approaches thereto. The Crown lands mentioned in this section shall be limited to such quantity as the Lieutenant-Governor-in-Council shall consider reasonable and necessary for the purposes of the company, and the acreage thereof shall be excluded in calculating the acreage of said land grant.

9. All lands to be granted to the company under this agreement shall not be subject to and shall be exempt from all provincial and municipal taxation until the lapse of fifty years from the completion of the railway hereby contracted to be built; but any lands alienated by lease, sale, agreement for sale or otherwise by the company shall, as against the alienee and assigns, be subject to such taxation.

Provided that the mortgaging or charging of lands to secure bonds, debentures, debenture stock or other securities of the company or the transfer of lands by the company to a trustee or trustees for convenience of administration or realization, shall not be deemed alienated within the meaning of this paragraph:

Provided, further, that after the lapse of said fifty years the company may at any time or times surrender to the government any of the said lands.

10. The company's railways and branches and extensions in British Columbia, and equipment and stations and station-grounds, workshops, buildings, yards, rolling-stock, appurtenances and other property required or used for the construction, equipment and working thereof, and all personal property owned or possessed by the company, and the capital stock and revenues of the company, shall be free from provincial and municipal taxation until the lapse of ten years from the completion of the railway hereby contracted to be built, and in lieu of all provincial taxation after the said ten years the company shall pay to the government each year two per cent. of the gross earnings of said railway and branches and extensions, and the same shall be a first charge on said gross earnings after the payment of maintenance and working expenses of the railway, and the government shall have the same rights and remedies for collection as for the collection of taxes in the ordinary manner. Should any question arise between the government and the company as to the amount of gross earnings, the government shall have access at reasonable times to the books of the company to verify the correctness of all statements of gross earnings submitted by it.

The government may, however, at any time after the payment of said two per cent. on gross earnings comes into operation, cancel the same and bring the said railway under the operation of the general law of the province governing the taxation of railways, and in which case the company will be relieved for the future of the payment of said two per cent. on gross earnings, and the said road will be subject to taxation; but the company shall not at any time be subject to taxation upon a more onerous basis than the taxation of any other railway company of a similar standard in British Columbia.

11. Nothing in this agreement and no grant to be made hereunder shall be construed to interfere with free miners entering upon and searching for claims in accordance with the mining laws of the province as they stand at the date of this agreement, and they shall also have the right to acquire the surface of mineral claims from the company except where such claims are within the right of way of the line of railway, or any branches or extensions, or in the immediate vicinity of stations or of townsites. In such cases the price to be determined shall be arrived at by arbitration, under the provisions of the Arbitration Act; in other cases the price shall not exceed five dollars per acre, and the company agree to dispose of the same to mineral claim-owners lawfully acquiring claims within the lands granted hereunder, in accordance with the mineral laws of the province as they stand at the date of this agreement:

Provided always, that the company shall not be obliged to dispose of any lands required or used in connection with the operation of the railway or any branches or extensions thereof.

12. All lands granted to the Company under this agreement shall include timber, petroleum and coal rights, and shall be subject to all royalties upon coal, petroleum, timber and wood, or the products of any of them according to the laws of the province, and the coal produced from said lands or the coke manufactured from the same shall also be subject to taxation imposed by the "Coal Tax Act, 1900," and the amendments thereto, and all provisions of the same:

Provided always, that any of said lumber and timber required for the construction of the railway and branches and extensions shall be exempt from all royalties.

13. The Company agree that they will, after the completion of the first hundred miles of line, enter into an agreement satisfactory to the Lieutenant-Governor in Council, that they will maintain and operate a suitable ferry of the requirements necessary for the transportation of cars, passengers and freight between the terminus of their railway on the seashore of the Mainland of British Columbia and the most feasible point on Vancouver Island to run in connection with a railway to the City of Victoria, it being the true intent and meaning of this agreement that the Company will, within the time for the completion of the railway contracted to be built under this agreement, operate, or cause to be operated, a line of transportation from the eastern boundary of British Columbia, at or near Yellowhead Pass, to a point on the sea-board at or near Bute Inlet; thence by ferry to Vancouver Island, to run in connection with a line of railway which will have its terminus at the City of Victoria, on Vancouver Island.

14. If, and so soon and from time to time as the Company extend their line to Frederic Arm or any intervening points, the Government, will grant to the Company in fee simple in aid of such extension, Crown lands to the extent of twenty thousand acres for each mile of standard gauge railway of such extension, and a cash subsidy of four thousand eight hundred dollars ($4,800) per mile for each and every mile of such extensions, when the same has been built of the standard above mentioned, and a certificate therefor has been given by the engineer of the Government.

Provided, however, that in lieu of cash the Government may allow the Company Provincial debentures or inscribed stock as in above provided for with reference to the cash subsidy for the railway contracted to be built under the agreement. The lands to be granted in aid of said extension shall be selected by the Company block for block of not less than ten miles square out of Crown lands in the reserve before mentioned until the lands in said reserve are exhausted, then out of Crown lands in the districts of the province through which the reserve above provided for runs and contiguous to or in the vicinity of said reserve.

Provided, however, that the Company shall not be bound to select land out of the portion of the reserve west of the north and south line in the proviso to paragraph seven hereof mentioned; and upon the Company filing with the Chief Commissioner of Land and Works maps or plans indicating the land so selected, there shall be reserved by the government from sale, occupation or settlement for the purposes of the land grant for said extension, the lands so indicated and the same shall be afterwards granted to the company when said extension has been completed.

The provisions above made with respect to calculating acreage and making up deficiencies with reference to the land grant for the said sections of railway shall apply to the land grant for said extension.

15. The said line of railway, from a point at or near Bute Inlet to the said eastern boundary of the province, shall be commenced and completed by the company within the time following, viz.: Within three months after the Parliament and Government of Canada have granted to the company aid satisfactory to the company for the construction of said railway, the construction thereof shall be commenced, and the railway shall be completed within six years thereafter:

Provided, however, if on account of strikes or delays in procuring men, materials or supplies, or other causes beyond the company's reasonable control, or for any other reason, the government may grant to the company such extension of time for the completion of the said railway as to them may seem reasonable.

16. The government shall be entitled to retain the cash subsidy on each section when the same becomes due until the company produce satisfactory evidence that the wages of all workmen employed on said section have been paid.

17. The company agree that out of any lands in their possession they will grant, without charge, when requested, such as may be necessary for the erection thereon of churches and schools of all religious denominations, and all hospitals and government buildings. Should any dispute arise as to the location thereof, the same shall be decided by the Lieutenant-Governor in council.

18. After the lands are reserved under this agreement and up to the time the same are granted to the company, all such reserved lands except the rights of way and other lands mentioned in paragraph eight of this agreement, and except those mentioned in the proviso to this present paragraph, shall be open to purchase but not to pre-emption by all persons upon similar terms, so far as practicable, to those provided for the acquisition of crown lands by section 30 of the "Land Act" of the Revised Statutes of British Columbia, chapter 113, as heretofore amended, and the proceeds of such sales received by the government shall be held in trust for the company until the land is earned by the company under this agreement when such proceeds shall be paid over to the company and the lands so sold shall be deemed to be selected by the company out of said reserve. After the lands are granted to the company under this agreement, they shall, except as aforesaid, be open to purchase but not to pre-emption, upon similar terms until the expiration of ten years after the completion of the railway hereby contracted to be built.

Provided, always, that this paragraph shall not apply to any lands within the distance of one mile in a straight line in any direction from any station not a terminal or divisional point on the said line of railway or extension to Frederic Arm above mentioned, nor to any land within the distance of two miles in a straight line in any direction from the station at any terminal or divisional point on said line or extension.

19. Whenever in this agreement the government or the company is mentioned or referred to, such mention or reference shall extend to and include and be binding upon the successors of the government and the successors and the assignees of the Company, as the case may be.

20. The reserve of lands mentioned in this agreement, and the cash subsidy as applicable to the construction and extension of said line of railway to Frederic Arm, shall not continue beyond the first day of September, nineteen hundred and thirteen, unless in the meantime the company commence previous to that date and continue diligently the construction of said line towards Frederic Arm, according to the terms of this agreement.

21. The head office of the company for the management of their business for the Pacific Division thereof shall be at the City of Victoria. And the company further agree that they will not at any time discriminate in through rates from Atlantic to Pacific ports against the City of Victoria, or any other port on Vancouver Island, or the City of Vancouver, reached by their line of railway, in favor of any port on the Mainland at the end of any extension of their railway.

22. The company agree through their nominees to apply to the Legislature of the province of British Columbia, at the present session, for a charter granting power to build a railway from a point at or near Seymour Narrows to the City of Victoria, which said railway when so constructed shall be a part of their Pacific system.

23. The government will join with the company and petition the government of the Dominion of Canada to grant any and all assistance in their power to such end.

24. Notwithstanding anything contained in this agreement, if the said company have not begun the construction of said railway on or before the first day of September, nineteen hundred and three, the Lieutenant-Governor in Council may cancel this agreement.

25. The government agree that they will, during the present session of the British Columbia Legislature, submit to said Legislature, a bill to confirm this agreement, and authorize the carrying out thereof.

In witness whereof the parties hereto have duly executed this agreement.

(Signed) JAMES DUNSMUIR,
Premier.

(Signed) W. C. WELLS,
Chief Commissioner of Lands and Works

In the presence of
WILLIAM McNEILL.

(L.S.) THE EDMONTON & YUKON PACIFIC RY. CO.
(Signed) per J. N. GREENSHIELDS.

In the presence of
T. G. HOLT.

SCHEDULE B.

Agreement for the Construction of the Vancouver and Coast-Kootenay Railway.

This agreement made the — day of — in the year of our Lord one thousand nine hundred and two, between His Majesty the King, in the right of the province of British Columbia, represented by the Honorable James Dunsmuir, Premier and President of the Executive Council, and the Honorable Wilmer Cleveland Wells, Chief Commissioner of Lands and Works for the said province, hereinafter called "The government," of the first part, and "The Vancouver and Coast-Kootenay Railway Company," herein called "the company," of the second part.

Whereas the company have proposed to the government that if they are given aid by the province of British Columbia and the Dominion of Canada they will, with all reasonable expedition, commence and prosecute with diligence the construction of a line of railway from a point in or near the city of Vancouver, with terminus at tide water at such point, thence eastward via New Westminster, by the most feasible route through the said province, to a point at or near Midway, in the Boundary Creek district, and from a point at or near the mouth of the Fraser river, to connect with the Victoria Terminal City Railway & Ferry company, or such other ferry or ferries as may be in operation between the said points and Vancouver Island, which said railway, when fully completed as aforesaid, shall be a standard gauge railway, and up to the general standard of like gauge transcontinental railways, and shall be the property of the company.

2. The company shall commence work on said railway within three months after a subsidy, satisfactory to the company, shall have been granted by the parliament and government of Canada in aid of the construction of the railway, and shall duly and diligently prosecute the same until completed.

3. When and so soon as the parliament and government of Canada shall have granted such subsidy as aforesaid the company shall give security for the due performance of the work herein provided for in the sum of one hundred thousand dollars, not as a penalty, but as liquidated and ascertained damages due to His Majesty in right of the province of British Columbia in case of default, conditioned that the railway shall be completed within four years after the commencement of the work herein set forth, and upon completion of the railway the said security shall be returned to the company or their nominees; and in the event of the security before mentioned being deposited by the company in cash, the government will allow to the company, for such time as the money security shall remain in the hands of the government, interest thereon at the rate of three per centum per annum.

4. To aid the company in the construction of the railway mentioned in paragraph 1 hereof, the government will grant and pay to the company, for each mile of the said railway, the following sums by way of cash subsidy, namely: (a.) For the westerly eighty (80) miles of the railway mentioned in paragraph 1 hereof the sum of four thousand dollars ($4,000) per mile; (b.) for the next one hundred (100) miles thereof running easterly from the easterly end of said eighty (80) miles, four thousand eight hundred dollars ($4,800) per mile; (c) for all other portions of the railway mentioned in paragraph 1 hereof (not exceeding one hundred and fifty (150) miles, four thousand dollars ($4,000) per mile.

5. The said sum of money by way of cash subsidy shall become due and be paid by the government to the company upon a certificate of the government's engineer at the times and in the manner following, that is to say: (a.) Eighty thousand dollars ($80,000) when and so often as twenty (20) miles of the said eighty (80) miles shall have been built; (b.) Forty-eight thousand dollars ($48,000) when and so often as ten (10) miles of the said one hundred (100) miles shall have been built; and (c.) eighty thousand dollars ($80,000) and when and so often as twenty (20) miles of the other portions (not exceeding one hundred and fifty (150) miles of the railway mentioned in paragraph 1 hereof shall have been built: Provided that the money grant in respect of the forty (40) miles immediately west of the Coast Range of mountains shall not become due and payable until the first ten (10) miles in the Coast Range of mountains shall have been built: Provided further, that if the last section of the railway shall be a fraction of twenty (20) miles the government shall pay to the parties of the second part a sum equivalent to four thousand dollars ($4,000) per mile when such section shall have been built.

6. Provided always, and it is an express condition of these presents that the company in lieu of cash shall take and receive fifty year debentures or inscribed stock not redeemable before fifty years, of the province of British Columbia, bearing interest at the rate of three per centum per annum half yearly, at the market price of similar debentures or stock in London, England, at the time of delivery, if the government determine to grant aid in that way instead of cash; and in the event of the bonus being paid in stock or debentures as aforesaid, the government shall hand over and the company shall receive the difference between such market price and par in fifty year debentures or inscribed stock of the province bearing interest at the rate of three per centum per annum half-yearly and at said market price. If any dispute arises between the parties hereto as to what the market price is, the same shall be finally determined by the manager, for the time being, of the banking house of Glynn, Mills, Currie & Co., of 67 Lombard street, London, E. C.

7. It is agreed that the government, in addition to the foregoing grant, will grant in fee simple to the company lands to the extent of one million acres, upon condition of their constructing and completing said line of railway according to the terms of this agreement.

8. Upon the company filing with the Chief Commissioner of Lands and Works a map or plan, indicating the proposed general route and direction of the railway mentioned in paragraph 1 hereof, there shall be reserved by the government from sale, occupation or settlement for the purposes of said land grant, that tract of land which may be described as commencing at a point on the 120th meridian of west longitude, fifty (50) miles north of the 49th parallel of north latitude; thence south along said 120th meridian forty (40) miles; thence due west to a point on the easterly boundary of the Dominion government belt; thence northerly along said last mentioned easterly boundary to a point thereon due west of the said point of commencement; thence due east to the said point of commencement; and the lands to be so granted are to be selected by the company out of the crown lands in the said reserve; provided, however, that if, on the completion of the line of railway it is found that the reserve does not contain sufficient lands to satisfy the whole grant to the said railway the company shall be entitled to areas of crown lands in the vicinity or contiguous to the said reserve sufficient to make up the deficiency; such areas to be selected by the company and granted by the government out of the crown lands last aforesaid: in blocks of not less than ten square miles, where crown lands in unbroken blocks of ten square miles can be obtained and are selected as aforesaid, and in smaller areas where crown lands in unbroken blocks of ten square miles are not obtainable or selected as aforesaid, but so that every area or fraction of one square mile which may be selected shall in computing the said land grant be taken as one full square mile.

9. Provided always, that there shall be excepted from all grants made under this agreement any lands which before the said reserve was made by the government had been alienated or held by pre-emption, or as mineral claims; and in calculating the acreage of said reserve and of lands granted for the purposes of the said land grant there shall be excluded the acreage of lakes and of any parcels in the occupation of persons whose occupancy the company and the government are willing should not be disturbed, and also the acreage of the lands in paragraph 10 hereof mentioned and any deficiency in acreage arising from such exclusion shall be made up as above mentioned.

10. The government shall grant to the company rights of way not exceeding two hundred feet in width along the line of railway, and such crown lands as may be necessary for terminal purposes, sidings, stations, sheds, wharves, warehouses, embankments, cuts, bridges, culverts, drains and other works and approaches thereto. The crown lands mentioned in this section shall be limited to such quantity as the Lieutenant-Governor in Council shall consider reasonable and necessary for the purposes of said railway, and the acreage thereof shall be excluded in calculating the acreage of said land grant.

11. No lands to be granted to the company under this agreement shall be subject to, but all such lands shall be exempt from all provincial and municipal taxation, except those alienated as hereof provided, and also except that any lands containing coal, lease, sale, agreement for sale, or otherwise by the company shall, after such alienation, be subject to taxation: Provided, however, that the mortgaging or charging of lands to secure bonds, debentures, debenture stock, or other securities of the company, shall not be deemed an alienation within the meaning of this paragraph.

12. The railway and branches, and extensions in British Columbia, and the equipment and stations and station grounds, workshops, buildings, yards, rolling stock, appurtenances, and other property required or used for the construction, equipment and working thereof, and all personal property owned or possessed in connection with said railway, branches and extensions in British Columbia, and the capital stock of the company, and all revenues arising therefrom shall be free from provincial and municipal taxation until the lapse of ten years from the completion of the railway hereby contracted to be built, and in lieu of all provincial taxes on after the said ten years there shall be paid to the government each year, two per cent of the gross earnings of the said railway and branches, and the same shall be a first charge on the said gross earnings, after the payment of the maintenance and working expenses of the railway, and the government shall have the same rights and remedies for the collection of the said two per cent of the gross earnings as for the collection of taxes in the ordinary manner. Should any question arise between the government and the company as to the amount of the gross earnings, the government shall have access to the books—at reasonable times—respecting such earnings to verify the correctness of all statements of gross earnings submitted to the government. The government may, however, at any time after the payment of the said two per cent of gross earnings comes into operation, cancel the same and bring the said railway under the operation of the law of the province governing the taxation of railways, in which case the said two per cent on gross earnings will thereafter be no longer payable, and the said road will be subject to taxation.

13. Nothing in this agreement, and no grant to be made hereunder, shall be construed to interfere with free miners entering upon and searching for minerals and acquiring claims in accordance with the mining laws of the province, and they shall also have the right to acquire the surface of mineral claims from the company, except where such claims are within the right of way of the said line or railway, or any branches or extensions thereof, or in the immediate vicinity of stations or townsites; in such cases the price to be determined shall be arrived at by arbitration under the provisions of the Arbitration Act; in other cases the price shall not exceed five dollars per acre, and the company agree to dispose of the same to mineral claim-owners lawfully acquiring claims within the lands granted hereunder, in accordance with the provisions of the mineral laws of the province: Provided, always, that the company shall not be obliged to dispose of any lands required or used in connection with the operation of the railway, or any branches or extensions thereof.

14. All lands granted to the company hereunder, shall include timber, petroleum and coal rights, and shall be subject to all the royalties upon coal, petroleum, timber and wood, or the products of any of them according to the laws of the province; and the coal produced from the said lands, or the coke manufactured from the same, shall also be subject to taxation imposed by the Coal Tax Act, 1900, and any amendments thereto, and all provisions of same; Provided always, that any of the said timber required for the construction of the railway and branches and extensions shall be exempt from royalty.

15. Before any subsidy is handed over to the company, they shall produce satisfactory evidence that all the workmen on the road have been paid their wages for work done by them on the section in respect of which the subsidy is being handed over.

16. The amount expended by the government on surveys in connection with this line of railway will be refunded by the company, and may be deducted from any subsidy payable under this agreement.

17. The company agree that out of the lands granted hereunder, and in their possession, they will grant without charge, when requested, such as may be necessary for the purposes of the railway, or any of its branches or extensions, or any part of the undertaking, and as are necessary for the erection thereon of churches and schools of all religious denominations, and all hospitals and government buildings. Should any dispute arise as to the location thereof, the same shall be decided by the Lieutenant-Governor in Council.

18. The government will join with the company and petition the government of Canada to grant a subsidy in aid of the construction of the said railway, and render any grant and all assistance in their power to such end.

19. Notwithstanding anything in this agreement contained, it is an express condition hereof that none of the rights of the company hereunder shall continue beyond the first day of September, 1903, unless in the meantime they shall have commenced and continued diligently the construction of the said railway: Provided, however, that if the parliament and government of Canada shall not have granted aid satisfactory to the company for the construction of the said railway, or if, on account of strikes, delays in procuring men, materials or supplies, or from any other cause beyond the reasonable control of the company, the commencement, progress or completion of the said railway shall have been delayed or hindered, the Lieutenant-Governor in Council may grant to the company such extensions of time for commencement, prosecution or completion of the said railway as to them may appear reasonable 20. After the lands are reserved under this agreement, and up to the time the same are granted to the company, all lands so reserved, other than coal lands, shall be open to purchase but not pre-emption, by any person or persons upon similar terms, as far as practicable, to those provided for the acquisition of crown lands by section 30 of the Land Act, except as to area, and the proceeds of such sales shall be received by the government and held in trust for the company until the land is earned by the company, when such proceeds are to be paid over to the company; and after the said lands are granted to the company they shall be open to purchase, but not pre-emption, upon similar terms: Provided, however, that this right to purchase from the company or the government shall expire at the end of twenty years from the authorization of this agreement by the Legislature.

In witness whereof the parties hereto have duly executed this agreement this day and year first above written.

Signed, sealed and delivered in the presence of

LAW NOTES.

Spring Assizes Begin This Morning Before Mr. Justice Irving.

The criminal assizes for Victoria having been cancelled, Mr. Justice Irving begins the trial of the civil suits this morning at 11 o'clock. There are in all some ten cases to be heard, three of which had been stood over from the previous sitting of the court.

There are two cases in which the learned judge will be assisted by special juries. These come first on the list and are:

1. Bank of B. N. A. vs. Robt. Ward & Co.—W. J. Bowser, K. C., of Vancouver, for plaintiffs. C. E. Pooley, K. C., for defendants. W. J. Taylor, K. C., for the assignee of the Earle estate.

2. Hurst vs. Powell—S. P. Mills, K. C., for plaintiffs, J. H. Lawson, jr., for defendant.

The remaining suits, of which two, viz., Ureston vs. Preston and Thom vs. Thom, are for divorces, which will be called in the following order:—

3. Macdowall vs. Macaulay Bros.—J. H. Lawson, jr., for plaintiff, R. Cassidy, K.C., for defendants.

4. Moi Chung vs. Snider.—A. F. R. Martin for plaintiff, G. E. Powell for defendant.

5. Davis vs. McDonell.—A. F. R. Martin for plaintiff, G. E. Powell for defendant.

6. Pither & Leiser vs. Shanly.—R. T. Elliot for plaintiffs, H. Cayley for defendant.

7. Preston vs. Preston.—F. Higgins petitioner.

8. Thom vs. Thom—F. B. Gregory for for petitioner.

9. Hyland vs. Canadian Development Co.—A. L. Belyea, K.C., for plaintiff, J. H. Lawson, jr., for defendants.

10. Ah Tam vs. Robertson.—Special case. A. F. R. Martin for plaintiff, W. J. Taylor, K.C., for defendant.

The assize at Kamloops is also being opened this morning, Mr. Justice Walkem presiding, while Mr. Justice Martin has gone up to Kootenay to will take courts also being held this week at Nelson and Greenwood.

Supreme Court Chambers were held yesterday morning by Mr. Justice Irving, at which a couple of applications were stood over and an order made on the request of the defendants in the suit of McHugh vs. Dooley et al, which is brought to contest the validity of a will, for the appointment of an administrator and receiver pending the result of the action. Wm. Monteith, official administrator, was appointed under the order.

DIVERS SOCIETIES.

Lawyers, Doctors and Farmers' Associations All Holding Council Meetings.

Yesterday morning the Benchers of the Law Society held a special meeting to consider a complaint made against one of the members of the bar of this province. Mr. G. E. Corbould, K.C., of New Westminster, presided, Messrs. McPhillips and Davis of Vancouver, and Pooley, Bodwell and Helmcken, of this city being present at the board. Consideration of the complaint was held over, however, until the next meeting, which will be held early in July next. Some routine business was, however, completed and Mr. A. McLean, of Messrs. Drake, Jackson & Helmcken's office, was called and admitted before the benchers.

The Medical Council meet this morning at 10 o'clock in the Board of Health rooms over at the Parliament Buildings, for the purpose of the election of their officers and the appointment of examiners for the ensuing year. At 11 o'clock the examinations will begin when eight applicants all from the medical colleges of Eastern Canada will take the papers required before license will be granted them to practise in this province. This examination will probably last about three days.

This afternoon at 2.30 o'clock the executive committee of the Dairymen's and Live Stock Association will hold a meeting in the public offices of the Department of Agriculture, when several very important matters which seriously affect the well-being of the association will come up for consideration. It is expected that the Hon. J. D. Prentice, the minister of agriculture, will be present to assist in the deliberations of this the most important association in his department.

A full attendance of the members of the committee is expected, and several of the members from the Mainland have been down since Sunday.

Pittsburg, May 4.—Mrs. Kate Soffel, the wife of Warden Soffel, of the Allegheny county jail, who figured in the sensational escape and recapture of the Biddle brothers last January, was called into court this morning and entered a plea of guilty to the charges of aiding and abetting in the escape of the prisoners. She will be sentenced next Saturday.

Provincial Legislature

Legislative Chamber, May 5, 1902.

Mr. Speaker took the chair at 2.20 p.m. Rev. B. H. Balderston B. A., offered prayer.

Hon. Mr. Wells presented a return of correspondence regarding land grants to Columbia & Kootenay railway.

Also all applications and correspondence respecting foreshore rights.

THE BUDGET.

Mr. Taylor resumed the debate on the estimates. He took exception to certain items in the estimate of revenue—the wild land tax, a large portion of which was arrears which would never be collected in full. The condition of the mining industry in the interior did not warrant the estimate of collections from the mineral tax. The same criticism applied to the tax on coal. At the end of the year the receipts would be found half a million dollars less than the estimates. He complained of the proposed grant of $30,000 in aid of the Point Ellice bridge. With regard to the Canadian Northern contract he desired to place himself on record as strongly opposed to it, as he considered it unfair and iniquitous. He did not believe the Government would dare to present the contract to the House at this session, for he could assure the government that the people of the Mainland were as a unity in opposition to that contract. He contended that the government had abandoned their railway policy of last session and read long extracts from the Loan Act and Mr. Dunsmuir's letters in support of his argument.

Mr. Taylor occupied an hour and a quarter in a general attack upon the government and their policy, and concluded by moving an amendment to the motion, "That Mr. Speaker do now leave the chair for the purpose of going into committee of supply."

"That this house condemns the practice, now sought to be introduced, of voting supplies for roads, streets and bridges in the various districts in a lump sum instead of appearing in detail as heretofore."

Mr. A. W. Smith raised a point of order. An amendment to the motion that the house go into committee to supply having been disposed of, no further amendment providing for the addition of words to the original motion could be allowed.

After a long discussion Mr. Speaker ruled Mr. Taylor's amendment was not in order and the debate proceeded on the main motion.

Mr. E. C. Smith argued that taxation should be equalized to the amount of benefit derived from the taxpayer. He claimed that his constituency had not been fairly treated in past years, but this year, he was happy to say, the appropriations had been increased. Fernie and other towns were greatly in need of public buildings. At Fernie the lock-up was known as the "black hole," and was totally inadequate. He had hoped that before the estimates were finally considered action would be taken to remedy this evil. He spoke of the benefits derived from the Crow's Nest Southern railway, which had cheapened the price of coal and freight rates. He was strongly in favor of compulsory arbitration in labor disputes, claiming that many millions might be saved under such a law. He criticized the government for cutting down the appropriation for the pages from $50 to $40 and he would recommend that their allowance be increased. Certain of the high salaried officials were said to occupy their time in playing golf when they should be attending to their duties. He would hold those members of the house who were giving the government an independent support equally responsible with the government for any bad legislation.

Mr. Munro said that the budget had been very ably criticized and he had little to say. He was thoroughly in accord with the Hon. the Minister of Finance that the province was so wealthy and so vast in its resources that the suggestion that it was in a bankrupt condition was misleading and erroneous. There was no ground for looking with alarm to the future for the development of resources of the province would warrant a vastly greater expenditure than any that had been made. The only requisite was that those expenditures should be made prudently. In the present estimates he found the appropriations had not been made in accordance with the wants of the different constituencies. Earlier in the session honorable members had been led to believe that they were to receive generous appropriations, but when the estimates were brought down they found those appropriations considerably cut down. He argued that Chilliwack had been shabbily treated in the appropriations for roads, streets and bridges. With regard to dyking, he could not agree entirely with Mr. Oliver and he felt inclined to support the bill brought down by the government. Although there might be difficulty in taking over fractional portions of land and placing a value upon them, but the bill would be the first step towards a settlement of a troublesome question. He hoped the people most interested would be consulted before any final arrangement was arrived at. He regretted that there was no provision in the estimates for the establishment of a high school at Chilliwack. It was regrettable that the railway bill had not been brought down, but if the bill should be on the lines of the contract before the house he would certainly oppose it. He also expressed himself strongly on the subject of North Victoria, and accused the government of having no settled policy.

Mr. Curtis continued the debate. He could not agree with other honorable members in congratulating the Hon. the Minister of Finance on his presentation of the estimates—it was merely an attempt to present a bad case in the best possible light. There had been deficits for several years past and Mr. Prentice should have shown how they were to be wiped out. He accused the government of favoring the Island and Coast constituencies and neglecting those of the interior, quoting figures from 1885 up to the present, in support of his argument.

He moved the adjournment of the debate at 5.30.

The house then adjourned till 8.30 p.m.

NIGHT SESSION.

Mr. Speaker took the chair at 8.30 p. m.

Mr. Curtis rising to a question of privilege, read from a Rossland paper an account of a man named Joseph Bogle who escaped from the New Westminster asylum and was afterwards captured at Ruskin, and returned to the asylum. He would ask the government to investigate the case, as from the report in the paper the man had recovered his reason and should not be kept in confinement.

Hon. Mr. Prentice said he would have the case investigated immediately. He felt confident that the medical superintendent of the asylum would not hold the man nor subject him to any hardship without reason.