

The Executive Council at that time promised to give the matter its consideration and it was intimated to the Company that the proper way to get the guarantee asked for was to go ahead with construction as, though there had been many charters granted by the Provincial Government, no road had ever been constructed under a Provincial charter without a land or money bonus and that the Government was, therefore, dubious. In consequence of this intimation the Railway Company got to work and between the date of that advice and March, 1909, has spent several hundred thousand dollars.

In *March*, 1909, the Company renewed its application to the Government, as will appear by the letter which it had the honour to address to you on the 31st *March*, 1909. The reply was made on behalf of the Government that it was contemplating certain railroad legislation and that the representations of my Railway Company would be duly considered. We were told to go ahead with our construction.

In *December*, 1909, I had the honour to appear with Mr. Bodwell before the Executive, and then laid before them a statement, copy of which is appended together with details of the engineer's estimates, and renewed the application for a guarantee.

I wish to point out to you that at that time, that is in the fall of 1909, we occupied a unique position amongst B. C. Railways. For some years prior to 1910 the Government had given no aid to railways and it had become a generally accepted idea that no more land or money grants would be made, but that any aid given would be in the shape of a guarantee of bonds on railways, the plans of which had received the approval of the Government. I think I am right in saying the public anticipated some sort of general guarantee legislation. I was certainly under this idea and felt that the Howe Sound and Northern was in a good position as it had, in following the suggestion of the Government, put in two year's hard work and spent a great deal of money on actual construction by way of showing its bona fides.

In this connection, without egotism, I may say that I think there are comparatively few men that would have been willing, or if willing, able to have spent the amount of money I have spent in showing my bona fides, and I may say further that I have done so in absolute faith that I would get a fair deal from the Province.

In renewing my application to the Government in *December*, 1909, in anticipation of the legislation then to be passed which contemplated the guarantee of the bonds of certain specifically named roads, I had the honour to point out to you that the sale of our bonds would be seriously affected if the Government guaranteed the bonds of one road and did not guarantee the bonds of the other; that it would immediately be said by financiers that the bonds of the road whose bonds were unguaranteed were no good as security because if the Government had any faith in the undertaking it would, at least, have been prepared to guarantee bonds issued for less than two-thirds of its cost. The experience of my road has borne this out. We have submitted to you the names of two English banking houses of the highest standing who have stated definitely over their signatures that, in view of the action of the Government in guaranteeing the