

the opening of traffic on the through line, that is to say by the early summer of 1886.

The Company further proposes to construct a branch from some convenient point on the main line to the town of New Westminster during the year 1886, on the condition that the town of New Westminster shall contribute seventy-five thousand dollars in cash in aid thereof, and furnish the necessary right of way and depot grounds.

It will be necessary that the lands be granted to trustees, to be appointed by the Company, in order that they may be free from any line attaching to the Canadian Pacific Railway.

I have, etc.,
(Signed) W. C. VAN HORNE,

To Hon. Wm. Smithe. Vice President.

THE CANADIAN PACIFIC RAILWAY COMPANY,
OFFICE OF THE VICE PRESIDENT,

Hon. Wm. Smithe, Montreal, Sept. 23rd, 1884.
Victoria. B. C.

DEAR SIR,—I am told that a strong pressure is being brought to bear to secure the extension of the timber limits on the Government property in the vicinity of Coal Harbour and English Bay for a long term of years, and I am also led to believe that it is the object of the parties in securing such an extension to acquire rights that will have to be bought out; and I trust this may be guarded against.

In view of the probable rapid growth of the town when finally located and put upon the market, and the certainty that manufacturing concerns of more or less importance will spring up all about it, and of the importance of being able to secure the location of such concerns where they will contribute best to the growth of the town, although they may not be directly upon the townsite, it is very important that as much as possible of the property be immediately available for sale or lease.

Believe me, etc.,
(Signed) W. C. VAN HORNE,
Vice President.

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VICTORIA, B.C., October 6th, 1884.

SIR,—Referring to your letter, dated 9th and posted on the 16th ultimo, in which you ask for a tract of land on Coal Harbour and English Bay, embracing an aggregate of about 11,000 acres, and including the whole of Granville townsite and the north half of Hastings, in consideration of which you say the company "proposes to extend the main line of the Canadian Pacific Railway to Coal Harbour and English Bay by the time the through line is ready for operation, and to establish the terminus of the railway in the immediate vicinity of Coal Harbour and English Bay, and commence the construction of the necessary workshops and other works in time to provide the necessary facilities for the opening of traffic on the through line by the early summer of 1886,"

I have the honour to inform you that the Government fully appreciate the advantage of having the main line of railway extended to Coal Harbour and English Bay, and are disposed to render the company such aid as a fair consideration of the interests of the province will justify, in order to make the Canada Pacific Railway, upon which so much of the future welfare of the country depends, a complete success.

The do not, however, consider that they can grant so large an area of land for terminal purposes as you

desire, nor do they feel that they can add to the area verbally discussed at the time of your visit to Victoria.

With a view, however, to facilitate an immediate arrangement, the Government would be willing to give the land indicated in red tint on the enclosed plan, less a sufficient area for Government Offices, Schools, etc., to be selected to the extent of say, five acres, half in Granville and half on the south side of False Creek, within half a mile of the shore.

The small Indian Reserve on False Creek, which you include in your plan, is held in trust by the Dominion Government to whom you must apply if you desire to obtain it. The Government Reserve on the point of the peninsula, near the entrance to the harbor, is also in the hands of the Dominion Government.

You will observe that the land now proposed to be given to your Company includes all the Government land at Granville, except, as I have already said, a small area for offices, etc. On the other hand, the whole of Hastings, a portion of which it was proposed to grant to your Company, is retained. Although the area at Hastings now retained exceeds that proposed to be given in exchange at Granville, the value of the two parcels may be taken as very nearly equal.

In order that the vexed question of the Pacific terminus may be finally settled and public confidence established, I have to request that immediate steps may be taken for making the decision of the Company authoritatively known, and that the boundaries of the land hereby granted be properly defined upon the ground.

With this in view, the survey of the line should be undertaken at once and a definite time appointed for the commencement of construction of the necessary terminal buildings.

The grant of land will of course be conditional upon the terms of the agreement being carried out and time will be considered as of the essence of the contract.

It was explained to you when you were here that the Government had agreed to extend the lease of the Hastings Saw Mill Company for a period of five years on condition of their giving up immediately a strip along the shore line of False Creek and English Bay extending back a mile embracing an area of some 4,000 acres. The Government have since agreed to grant a further extension on condition, among others, that in addition to giving up a mile belt at once, the Company shall give up a thousand acres more annually.

This arrangement is considered to be in the interest of the Canadian Pacific Railway Company, as well as in that of the Province. Without the extension, upon the conditions named, the Mill Company under their lease, which has over two years to run, would be in a position to refuse to allow any sales to be made of lands on False Creek and English Bay. Sales of course could be made of lands there, subject to the lease, but the Company for two years could refuse possession, and few sales would be made if possession could not be had. It may reasonably be expected that during the two years considerable development will take place, and to have valuable property locked up in the immediate vicinity of the terminus could not but be productive of injury in retarding the building up of a terminal town.

The right acquired under the arrangement to deal at once with all the land which will really be