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Dolly Varden Mines Railway Dis- pute.

A memorandum from the Dominion Minister of Justice at Ottawa is reported to have been laid before the British Columbia Government, April 12, respecting the Dolly Varden Mines Co.'s application for the disallowance by the Dominion Government of the act passed in 1919 by the B.C. Legislature, providing for a settlement of difference between the company and the Taylor Engineering Co., which carried out the contract for the construction of the railway, under which act the Taylor Engineering Co. acquired possession of the mines and the railway. The memorandum reviews the history of the case from its inception to date. The Dolly Varden Mines Co.'s application for disallowance of the act is refused on various grounds, among them being the fact that about a year was allowed to lapse before any application for disallowance was made; and that the company has a right to resort to the courts which could give a mandatory remedy against compulsory proceedings which have not legal sanction.

The Dolly Varden Mines Co. is reported to have issued two writs against the Taylor Engineering Co. and the Taylor Mining Co., one asking for a series of declarations setting aside the act of 1919 and all proceedings taken under it, and the second asks for damages for trespass and for payment to the Dolly Varden Mines Co. of all money realized from ores produced at the mines. In the first set of actions C. M. Rolston is named as a personal defendant, in addition to the two Taylor companies.

The British Columbia Legislature on April 17 passed an act confirming and validating the act of 1919 and all that had been done under it.

The history of the case may be shortly stated as follows:—The Dolly Varden Mines Co., a United States corporation, some years ago obtained a charter from the B.C. Legislature to build a light railway from its mines to tide water at Alice Arm, running for the main part of the distance along a public highway. The contract for building the railway was let to the Taylor Engineering Co., which financed the construction, about which there was some dispute, and finally had a claim of about \$500,000 against the Dolly Varden Mines Co. The time for the construction of the railway expired in 1918, and as the line was not completed, the company in 1919 made application to the B.C. Legislature for an extension of time. Prior to this application there had been some attempts to sell the property on terms which it is alleged did not protect the Taylor Engineering Co. for its outlay. This company, when the application came before the Legislature, asked to be protected, and following an investigation by a special committee an act was passed extending the time for the construction of the railway, providing that the Taylor Engineering Co. was to be paid for the work theretofore done, and making provision for other payments. The Dolly Varden Mining Co. was given time to make payment, and on its default, the Taylor Engineering Co. was given permission to take over the property and make sundry payments, including \$613,000, to the Dolly Varden Mines Co. for its investment in the mines. The property was taken over by the Taylor Engineering Co., and the Taylor Mining Co. was formed to finance the undertaking. The wages claims were at once

paid off; the railway was finished by Sept., 1919, and the property developed. By Dec. 1, the company had shipped \$600,000 worth of ore to the smelter, and had made provision for further development this year. The development plans for the year include the raising of \$1,000,000 of debentures for the purpose, among other things, of paying the \$613,000 to the Dolly Varden Co. under the provisions of the act of 1919.

The officers and directors are:—President, A. J. T. Taylor; Vice President, H. C. Cheine; Treasurer, C. M. Rolston; other directors:—R. P. Butcher, C. Spencer and W. Lees.

D. B. Hanna and the Canada Steamship Lines.

In the House of Commons on Apr. 26, during a discussion on the Minister of Railways refusal to answer a number of questions in connection with Canadian Government Merchant Marine Ltd., on the ground that the Railways Department had no returns in its records showing the information asked for, and that the transactions about which information were asked were carried on by Canadian Government Merchant Marine Ltd., as an incorporated company, Wm. Duff, M.P. for Lunenburg, said: "Is the Minister of Railways or the Government aware of the fact that Mr. Hanna, who is President of Canadian Government Merchant Marine Ltd., and practically General Manager, is also a director of Canada Steamships, Ltd.? We have been told tonight about not letting our competitors know what we are doing, but here is a man who is President of our Canadian Government Merchant Marine, who, if I am correctly informed, is also a director of the Canada Steamships, Ltd."

On Apr. 28, Mr. Duff said that, after making his statement in the House on Apr. 26, as quoted above, he had received many enquiries as to whether Mr. Hanna actually was connected with the company competing with Canadian Government Merchant Marine, Ltd. The Minister of Railways replied that Mr. Hanna was not in Toronto, but the question was of such great importance that he would make enquiries and answer the question the following day.

The matter came up again on Apr. 29, when the acting Premier, Sir Geo. Foster, said:—"Mr. Hanna was appointed a director of Canada Steamships, Ltd., some years ago to represent the Canadian Northern Ry. on the Canada Steamships Board, for the purpose of protecting the interests of the railway in connection with the interchange of traffic on the Great Lakes, and he has continued to be a director of the steamship company. He has no financial interest in the Canada Steamships and is there simply to protect the interests of the railway. Mr. Dalrymple, Vice President of the Grand Trunk Ry., is also a director of Canada Steamships for the same purpose. He has no financial interest in the company."

Lotbiniere & Megantic Ry.—We are officially advised that the Lotbiniere & Megantic Ry., extending from Lyster to Deschailons, Que., 30 miles, was taken over by the Canadian National Rys. April 1. For operating purposes the line has been attached to the Levis Division, under the supervision of E. L. Desjardins, Levis, Superintendent.