

The railway will open up the very important district of the Skeena river as well and also give communication with the great district of Omineca, one of the richest mineral districts on the continent. Consequently, this great work will recoup the province in a very few years for the outlay. British Columbia has been the boldest of any province of the Dominion in undertaking development works and in its railway policy and this means that by its progressiveness and enterprise over 1,000 miles of railway in British Columbia are due. I will now read the terms which Mackenzie & Mann are prepared to accept.

#### THE TERMS.

Victoria, B. C., April 30, 1898.

The Hon. J. H. Turner, Premier:

Dear Sir:—Referring to my communication to you of the 18th inst. re Teslin railway. My understanding of the matter is that on April 20th the terms therein set out were discussed and amended to further meet the government's demands, and that the proposition verbally accepted by the government now stands as follows:

The railway to be a through narrow gauge line from Teslin Lake to an ocean port in British Columbia.

The port to be selected jointly by the Provincial and Dominion governments.

The railway to be divided into two sections.

The northern section from the Stikine River to Teslin Lake.

The southern section from the Stikine to the ocean port.

Work to be commenced simultaneously on both sections at the Stikine before June 1st next.

Northern section to be finished by August 31st, 1898.

Southern section to be finished within two and a half years after selection of ocean port.

Government to grant cash subsidy of \$4,000 per mile for both sections.

Payable upon completion of each section.

The railway to be assessed at \$2,000 per mile when completed.

The government to receive 4 per cent. of the gross receipts of the railway.

The railway company to have the option of repaying at any time the total subsidy.

We to immediately construct, for the purposes of the railway (a wagon road over the northern section along the located line of railway).

The wagon road to be free to the public for transportation purposes during the construction of the railway.

We to take over and assume all expenditure in respect of any such wagon road under construction by the government at date of contract with us.

Security for the due performance of the whole work to be given to the satisfaction of the Lieutenant-Governor in Council in the sum of \$75,000 for each section forthwith upon the execution of the contract.

With reference to the modifications of the

above terms suggested verbally by the government to-day, I may say that I am willing to accede to the following:

1st. The subsidy to be \$4,000 per mile from Teslin Lake to an ocean port in British Columbia, to be nominated by the Lieutenant-Governor in Council and the Governor-General in Council, such subsidy not to exceed the aggregate sum of \$1,500,000.

2nd. The Lieutenant-Governor in Council to have supervision of the construction of the wagon road, also of the railway rates, which two matters shall be mutually adjusted and agreed upon before the execution of the contract.

I beg to say that my firm are prepared forthwith, upon the granting to them of the said subsidy, to execute a contract upon the above terms, so modified, with provision therein for the full and satisfactory equipment and operation of the railway.

I beg to remain,

Yours faithfully,

LEWIS LUKES,

For Mackenzie, Mann & Co.

#### AN OCEAN TERMINUS.

Mr. Cotton asked why the ocean port had to be designated by the Dominion as well as the Province.

Hon. Mr. Turner—it is important that the terminus of the railway on salt water be declared a port and it is only the Dominion who have the right to say where a port of entry shall be. Consequently it would have to be a place accessible to steamers. Some people have imagined that a northern port would injure the southern ports of British Columbia. This was evidently said without much thought, for I think the southern part of British Columbia is quite capable of taking care of itself. If we only had one or two ports on the Coast we would never amount to much. These other roads mentioned in the bill were in the bill last year. The Vancouver, Victoria and Eastern is already under subsidy and there is reason to believe that the Chilliwack section will be built this year. I have not had time to prepare a speech on this important bill as my time has been so fully occupied; but so large and important a subject is worthy of greater effort and greater than I could bring to bear on it. It does not, I am proud to say, require great eloquence. It speaks for itself. The advantages of the bill and the arrangements to which it gives effect are so evident that they may be readily understood, and plainly stated as sufficiently convincing without the aid of oratory. However, if gentlemen so desire I am quite willing that the debate be adjourned till Monday.

Mr. Semlin moved the adjournment of the debate, which was agreed to.