The Colonist.

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THE GOVERNMENT STEAMER.

We do not think that the Hon. Mr. Foster's explanation, relative to the purchase of a steamer to replace the Sir James Douglas, will be considered satisfactory by the people of British Columbia. There is no such urgent need of a new steamer that the province could not wait the few months necessary to have one built in British Columbia. It will be some time yet before the purchase of a suitable vessel can be effected, and after the purchase is made some months must elapse ere she reaches the shores of this province. By that time, if the vessel were to be built here, she would be well under way, and there would not be long to wait until she would be fit for sea. Those who are acquainted with the coast of this province, and who know what duties an exploring steamer will have to perform, are of opinion that a wooden ship would be much preferable to an iron one. The accident to the Amphion shows the dangers to which a ship steaming through the narrow and intricate channels of the coast is exposed. Had not the Amphion been a very strong ship, and had there not been aboard of her a large and well-disciplined crew commanded by brave and skilful officers she would have gone to the bottom within a very few minutes after the dreadful gash had been made in her side. The planks of a wooden vessel yield to severe pressure, and grazing a rock is not, therefore, attended with such danger when the vessel is made of that material as when she is composed of rigid, inelastic iron.

We understand, too, that the proposition to have the vessel built here was made to the authorities in Ottawa some time ago, and, consequently, the Government might, if it desired to have the vessel built here, have had matters in proper trim, so that the work could be commenced as soon as the money was at its disposal. But in this, as in many other instances, the interest of the province has been made to give way to comparatively unimportant considerations.

MUST FACE THE MUSIC.

There are no people in this Dominion who have such an impatience of taxation as the inhabitants of Prince Edward Island. With the exception of the two towns, Charlottetown and Summerside, they have hitherto been almost entirely free from local taxation. The Government that tried to establish a system of local assessment was speedily driven from power, and the Government which succeeded it has been forced into all sorts of shifts to avoid the imposition of direct taxes. The monies that were collected from the purchasers of lands were used as ordinary revenue and the Provincial Government on various pleas obtained relief from Ottawa. These resources appear now to be nearly, if not quite, exhausted. The Provincial Government has of late been running into debt, and finds itself compelled to resort to direct taxation. There was a deficit last year, and there will be one for the current year. The revenue—Dominion subsidy, land sales, and everything else—amounts to only $237,799. Out of this the expense of education, the maintenance of roads and bridges, the administration of justice and many other charges must be paid. There are no county municipalities on that Island, so the Legislature has to provide for all services. Yet the people want to have free education and good roads wharves and bridges without extra taxation. The thing cannot be done, and so the Prince Edward Island farmers, like their neighbors in the other provinces, will have to pay for the benefits they enjoy. We cannot say that we feel sorry for them. It will do them good to be placed on their own resources, they have been too long depending on the Dominion for what they should have paid for out of their own pockets. They are, as a people, well able to pay for everything that they need, and their leading men should tell them the wholesome truth, without reservation or qualification.

THE PUBLIC HEALTH.

The importance of good drainage is insisted upon with great force by the Toronto Mail. It gives a touching account of the sorrow and suffering which bad drainage caused in the household of a working woman on whom the family mainly depended for the means of existence. The courageous and dutiful bread-winner was cut down by typhoid fever. The mother was taken ill of the same disease, and the little ones were left destitute and unprotected because the city authorities neglected to have the part of the city in which they lived properly drained. These are some of the remarks which the Mail makes on this sad but altogether too common incident:

"One single case like this preaches a more powerful sermon than a hundred homilies about scientific sanitary measures. There is a superstitious phase of thought in regard to these subjects which relegates all that pertains to human life and death and to human health on a large scale to a special department of Divine Providence. We find no fault with a devout and pious trust in the decrees of the Supreme Being. But we know that in dealing with the material universe our work is to search out the sequences of cause and effect. We know that certain effects are always produced by certain causes. We know that if the air or water is polluted, though never so little, by decaying animal or vegetable matter, infallible consequences of disease or death must ensue. It is not possible for us in every instance to track the operation of laws which are of infinite complexity, yet we know many things already, and there is good hope that by-and bye we shall know still more. If there is anything we know with definiteness it is that imperfect drainage leads to disease. How about the street we have mentioned and others where our working population live? The instances we have recorded is, no doubt, one of many. Is our Health Department sufficiently alert with regard to these neighborhoods of humble dwellings?"

There is no need to ask this last question in Victoria. There is too much evidence on every street in the city that its Health Department are not alert. From the state of the city, and from the uncovered drains, which make themselves so unpleasantly conspicuous in so many parts of the town, one is driven to the conclusion that the civic authorities either do not know that bad drainage is detrimental to the health of the citizens, or they do not care what mischief is done by the poisonous gases which contaminate the air near the dwellings of the citizens, both rich and poor.

REDISTRIBUTION.

Whatever fault the Redistribution Bill had it could not be said, with any approach to truth, to be sectional or calculated to engender sectional feeling. It was as conservative as a measure of that nature could possibly be. It preserved the "status quo" as nearly intact as was consistent with giving two representatives to Vancouver city and an additional one to the Kootenay district. It was not claimed that it was a final measure, or that it distributed the representation with mathematical exactitude. The reason for this was very simple, and so plain that all those who are not wilfully blind must comprehend it perfectly. The Government had not within its reach and could not possibly obtain the data necessary to make an exact or in any respect a scientific re-arrangement of the constituencies. No one knew what the population of the province is. There is no means of ascertaining what the increase of the different districts has been, or how the population is divided between Island and Mainland. It is all very well for people who are not responsible for the conclusions at which they arrive to sit down and guess at the population of the different parts of the province. If they either wilfully or ignorantly miscalculate they do no one an injustice. There may be some fun for them in magnifying one particular district at the expense of all the others, and no great harm comes of their indulging in that diversion. But it is very different with the men who had the serious business of redistribution in hand. The conclusions to which they came would affect, more or less seriously, the different districts for some time to come, and might, in the interval, cause any amount of disturbance. It behoved them, therefore, to act with caution and prudence. When they found, at the very outset of their enquiry, that they did not possess the information necessary to enable them to settle the representation in accordance with what they regarded the right principle, it is unjust and stupid to blame them for doing the best they could under the circumstances.

Although it is admitted on all sides that the representation of a new country like British Columbia cannot be apportioned strictly according to population, every one knows that population is a very important factor—indeed, the most important factor—in all calculations made by those to whom its adjustment is entrusted. There were the voters' lists to be sure, but, no doubt, some members of the majority protested, and very properly, against making the voters' lists the basis of readjustment. Without the means of obtaining anything like reliable information with regard to the population of the several districts, it is not surprising that the Government decided upon framing what is confessedly an "ad interim" measure. And when its members concluded to disturb the representation, as it then stood, as little as possible, every reasonable man must see that the course which they determined to take was the wisest one open to them.

To say, as the organ of the Opposition does, that the measure was designed to stir up strife and discord is to talk the veriest nonsense. The province had got along peaceably and prosperously under the old system. No section complained that it was unfairly treated on account of inadequate representation. In fact, when it came to the test, all the representatives admitted that each district had been well looked after by the Government and the Legislature. In the debate on the Redistribution Bill no complaint was made of partiality or ill-usage. No member attempted to show that under the system then existing injustice had been done to the weakest and most poorly represented of the districts. That being the case the Government had no reason to believe that a continuation of what is substantially the old system would create much discontent or would be followed by any ill effects. And the result has proved that the framers of the Redistribution Bill were right. The measure, now that it has become law, has given general satisfaction. The inhabitants of the Island are satisfied with it, and the inland districts of the Mainland have received it as as good a measure as, under the circumstances, could be devised. The only part of the province in which there is an outcry against it is the Lower Fraser section, and even there the discontent is far from being universal. If our information is anything like correct, there is a large proportion of the electors of the Lower Fraser who accept the Redistribution Act as it has been represented by the Leader of the Government—a temporary measure to be continued until the Government is in possession of information that will enable them to frame one that will be in the minds of all reasonable men just to every section of the province. These electors have considered the situation reasonably and calmly, and they have been able to make allowance for the difficulties which the Government had to meet, and they admit that, after all, it is hard to see how the Government could do better than it did. These reasonable and reflecting men are more numerous than many of the noisy agitators suppose. We would not be at all surprised to find that it will be proved on election day that they form a majority of the electorate of the Lower Fraser.

The wisdom of the course pursued by the Government will appear when the reader tries to realize what would have been the result if it had done what its opponents declare it ought to have done. If Mr. Robson and his colleagues in the Government, aided by their supporters in the Legislature, had gone to work with the information at their disposal, and redistributed the seats or rearranged the representation with the view of making their adjustment radical and permanent, if they had cut and carved the districts according to the principles held by those who are loudest in finding fault with them, what would have followed? The province would have been deeply disturbed from one end to the other. There would have been hardly a district on the Island or the Mainland that would not have been loud in its complaints of the injustice with which it had been treated. The Government would be accused of having gerrymandered the constituencies. Its members would have to face a perfect ballastorm of accusations. And what would they say in justification of what they had done? It could be proved that they had made radical changes without having the information in their possession that would justify what they had taken upon themselves to do. They would be convicted of recklessness and presumption. It could be shown that they had taken a leap in the dark and had done grievous injustice to many without having the slightest idea as to whether there were grounds for their action or not. They could then, with perfect justice, be accused of wantonly sowing the seeds of discord in the province. But Mr. Robson and his colleagues and supporters have, by the prudent and conscientious course they have pursued, avoided all this, and their wisdom and discretion are becoming more and more apparent every day.

SECTIONALISM GONE MAD.

The Columbian of the 12th inst., shows only too clearly the spirit of those who in New Westminster and in the section which it calls the Lower Mainland oppose the Government on account of its Redistribution policy.

After having announced the date on which the elections are to be held, it says:

"This will give just about three weeks to accomplish the most important work of selecting a 'solid' ticket of six independent men for the Lower Mainland, pledged to secure, at the earliest possible date, a fair and just redistribution for the whole province and to oppose sectionalism, one of the great curses of the province—wherever it shows its head."

This passage is only to be paralleled by the letter of the enthusiastic Grit to his friend and political co-worker, inviting him to come along, for there were lots of money to put down bribery and corruption. It is rich to see the Columbian demanding a "solid six" to put down sectionalism. To show how little of a sectionalist it is, the Columbian goes on to say with reference to electing the "solid six:"

"This, too, will be no slight task; but it can be done if the people of the Lower Mainland are true to themselves—if they appreciate the true nature and significance of the crisis that is upon them and the principles that are at stake—if they remember that that is to themselves and to themselves only, that they must look for the securing of their simple rights, which they are at present denied, and which will be forever withheld from them unless they cast off all shackles and arise in their independence and might and demand them. We would emphasize the fact that the approaching provincial elections constitute a most momentous crisis in the affairs of the people as a whole of the Mainland, and especially of that portion of the province which for convenience may be termed the Lower Mainland."

Our New Westminster contemporary sees many dangers ahead, but there is one enemy which it is bound to contend against to the very last gasp. It sees a horrible monster before it which it feels it its duty to kill or die in the attempt. This is how it describes the struggle upon which it has entered and the enemy which the people of that part of the Mainland must slay if they desire to be free:

"Upon the stand," it says, "which the people of this portion of the Province take . . . . depends almost entirely whether we are to continue to be the victims and the slaves of the powerful octopus of sectionalism, having its heart and its home on the island, or whether we shall slay this avaricious monster in its den, and not only secure our rights as free men, but confer an inestimable and lasting boon upon the Province as a whole."

In another article we learn what this enemy is which is mentioned under the figure of the "octopus," what it has been doing and what it intends to do. The enemy which has kept the Lower Mainland from getting its rights and which must be fought and slain before the inhabitants of that part of the Province are free, is thus described:

"For eight and twenty years," says our bellicose contemporary, "Victoria has controlled the legislation of the province, and Victoria will continue to control it just as long as she is allowed to do so. It is folly to talk of justice being done by some bill to be passed after the census. The power which refused us justice in the last House will do the same again, and will continue to do it, as long as the people of the Lower Mainland can be fooled or flattered into allowing the wrong. Ask the pioneers how it has been in every year since '62? Ask candid men, who know what Victoria sentiment really is, and they will tell you that the balance of power will be maintained to the last gasp."

This is the Columbian's declaration of war against Victoria and the Island of Vancouver.

JUST CONVERTED.

The Times finds it convenient now to put on an air of virtuous indignation, and to rebuke us for trying "to create sectional jealousy between the Island and Mainland sections of the province." How long is it since the organ of the Opposition has been convinced of the wickedness of setting one portion of the province against another? It was only a few days ago that it did what it could to confirm the most intensely sectional journal on the Mainland in the opinion that it was right in its efforts to prove that the Lower Fraser alone was entitled to very nearly as many members in the Legislative Assembly as the whole Island of Vancouver. It patted the Columbian on the back in its very disingenuous effort to magnify the region of the Lower Fraser at the expense not only of the Island of Vancouver, but all other parts of the Mainland. It said triumphantly that the figures which this very sectional journal quoted to prove that it was entitled to nearly as many members as the whole of the Island of Vancouver and to almost the whole of the representation of the Mainland would "stick in the Inland Sentinel's craw." The Sentinel, which counsels moderation and regard for the rights of other parts of the province than the Lower Fraser, no doubt found those figures difficult of digestion, and so will the electors of Victoria.

When the Times knew that the Island of Vancouver is, according to population, entitled to very nearly as many members in the Legislature as the whole of the Mainland, was it doing its duty by Victoria and the Island generally, to try to convince the people of the province that the Lower Fraser alone has a right to to as large a representation as the whole Island of Vancouver? It did its best to increase the jealousy of Victoria and the Island supposed to be felt by the inhabitants of New Westminster and Vancouver City, by encouraging them to believe that they were unjustly treated by the Government. It endorsed what it must have known to be an unsound argument in favor of the Lower Fraser section in order to injure the Government and to lower Mr. Robson in the esteem of his constituents. That it might have a slap at the Government, it gave Victoria and the Island completely away. And this is the paper that prates about the wickedness of THE COLONIST, because it tries to put the electors of Victoria on their guard against the designs of its enemies, among whom the Times and Mr. John Grant have taken a foremost place.

As soon as the sectionalists of the Mainland had opened fire on Mr. Robson and his Government, because they had rearranged the representation with as little disturbance as possible to the existing state of things, Mr. Grant and the Times lost no time in ranging themselves on the sectional side, and Mr. Beaven gave them what aid and comfort he could in a quiet and what, he no doubt considered, a safe way.

UNCLE SAM'S FARM.

The people of Great Britain have been taken by surprise to find that nearly all the public land in the United States is taken up. It is now known that the United States has at its disposal only 100,000 square miles of territory. This will soon be all occupied, and Uncle Sam will no longer have a farm for any one, citizen or foreigner. It was supposed that the public domain of the United States was practically inexhaustible. Any one who, twenty years ago, would be so venturesome as to foretell that before the year 2000 the wilderness land of the United States would be all in private hands would be looked upon as a lunatic. Canada is now a far more promising field for emigration than the United States. There is an almost unlimited area of cultivatable land in the Northwest Territories. It is calculated that Canada has yet some 400,000 square miles of public land awaiting settlement. There is, too, in South America an immense extent of good land, of which no use has yet been made. The time is at hand when the stream of emigration from Europe must of necessity take new directions. The United States cannot much longer afford a home for the land-hungry people of the Old World. There are people in the United States who view with alarm the immigration of millions who do not speak the language of the country and who do not understand what freedom means.

EDITORIAL COMMENT.

THE handsome offer made through ex-Mayor Hendry to the Hon. Mr. Robson is the very best comment that could be made on the baldersash of the Times and the Columbian about that gentleman's unpopularity in the Lower Fraser section. Thinking men in that section know that they could not find a better man to represent them in the Legislature than the Hon. John Robson. Mr. Robson's determination not to leave his old constituency gives the lie to the rubbish that has appeared in the Opposition papers about his deserting his constituency.

THE problem only the other day in the United States was how are we to get rid of the surplus? If Congress goes on as it has been doing of late, the difficulty will be how to make up the deficit. The revenue under the existing tariff and excise laws is $385,000,000. This with a generous expenditure for all necessary service would leave a surplus of somewhere about $100,000,000. It is proposed by the McKinley Bill to reduce the taxation by some $71,000,000. This will leave a revenue of $314,000,000. When the permanent annual appropriations are made there will be $116,000,000 left for what may be called extraordinary expenditure. But Congress has passed bills for pensions, public buildings, and goodness knows what besides, which makes the expenditure mount up to $239,000,000, so that, instead of having a surplus of $100,000,000, the prospect is that the Harrison Administration will have to face a deficit of $123,000,000. With this spending Congress, Mr. Harrison need not have bothered his head about the surplus. They could spend the whole revenue without taking off a dollar of taxes, and have a nice little deficit left. We hardly think that the citizens of the United States will be delighted when they find their surplus transformed into a deficit.

CORONER'S INQUEST

At Clinton on the Body of Mr. Michael Veasey, who was Killed by Being Thrown from a Buggy.

An inquest was held by F. W. Foster, Esq., district coroner, on the body of the late Michael Veasey, a farmer of the Bonsparte valley, who died on the 10th instant at his homestead. From evidence it was ascertained that Mr. John Wilson, junior, was driving a pair of horses belonging to the deceased, in his light express wagon. One of the horses was a colt, not thoroughly broken, and is pushed the steady horse over the road cut in a side hill leading to the farm house. The descent had been made within a rod of the bottom of the hill where the wagon capsized among some loose rocks. Both men were stunned, and after a few minutes came to and walked to hay. Shortly after he was carried into his house, only a few yards distant, and expired. Deceased was a native of Sligo, Ireland, sixty-six years of age, and leaves a wife and family.

A Murderer Reprieved.

OLYMPIA, WN., May 13.—The governor to-day granted a reprieve to Richard Anderson, sentenced to be hanged for murder on May 13rd. The reprieve was granted in order that the case may have a hearing in the supreme court.

Fell from a Bridge.

OROVILLE, Cala., May 13. — Angus McIntyre, a miner 50 years of age, fell from the bridge into Feather river this morning and was drowned.

Children Cry for Pitcher's Castoria.

NINTH ANNUAL REPORT

Of the Directors of the Canadian Pacific Railway.

A Prosperous Season. Confirming Last Year's Anticipations.

The Improvements Contemplated for the Present Year—The New Oriental Steamers—The Mission Branch.

MONTREAL, May 14.—The 9th annual report of the directors of the Canadian Pacific Railway Co. was submitted at the annual meeting of the shareholders held in Montreal this 14th day of May. The balance sheet of the affairs of the company to 31st December last, together with the usual statements relating to the business of the past year, was submitted. The gross earnings for the year were, $15,030,660.33; working expenses were $9,024,601.04, and the net earnings were $6,006,059.34. Deducting the fixed charges accruing during the year, $3,779,132.94, the surplus was $2,226,926.40. From this a supplementary dividend of one per cent. was made and paid on February 17th, 1890, of $650,000, leaving a surplus carried forward of $1,576,926.90. The surplus of the previous year was $352,423.92. The total surplus carried forward was therefore $1,903,350.32. The working expenses for the year amounted to 60.40 per cent. of the gross earnings, and the net earnings were 39.96 per cent.; as compared with 70.96 and 29.94 per cent. respectively in 1888.

THE SOUTHEASTERN RAILWAY

was worked by your company during the year for the account of the trustees, but the results are not included in this report.

The earnings per passenger per mile for the past year were $1.78, and per ton of freight per mile, $0.15; as compared with $1.79 and $1.02 respectively for 1888. Your directors are happy in being able to report a prosperous season, and to submit results fully confirming their anticipations of a year ago. The results are especially gratifying since they were secured under somewhat adverse circumstances. For the first half of the year traffic was fairly good, but the unfavorable weather about midsummer caused great damage to the crops of Manitoba and the other northwestern provinces, and resulted in the lightest yield in the experience of the company; and in Ontario the yield at the same time was below the average. The earnings for the last half of the year were seriously affected in consequence, and the earnings for the first half of the present year will likewise suffer to some extent from the same cause. The effect of the bad harvest on

GRAIN FREIGHTS,

which offered comparatively little profits, are not nearly so serious as its effect on the vastly more profitable and generally local traffic, with freight and passenger both to offset a loss in which no material saving can be made in working expenses. In order to make good the loss in local traffic resulting from bad crops, a large amount of freight of a leaner description than is usually sought by the company has to be moved, and this considerably relieved the average earnings per ton per mile as compared with the year before, and made the proportion of working expenses to gross earnings more than it otherwise would have been. While the results of harvests will always be a matter of great importance as affecting the earnings of the railway, the past year has shown that it is already comparatively independent of the crops of any one province of any one season. This is in part due to the vast extent and great diversity in character of the territory covered by the lines of the company, as a general crop failure over the whole of the Dominion is highly improbable. In the

DEVELOPMENT OF MINING

and other industries not affected by local causes and in part to the establishment of far-reaching connections whereby traffic may be gathered in case of need, all the property of the company has been well maintained, and the remarkable freedom from accident during the year is evidence of its excellent condition. The various works for the protection of the mountain section of the line against snowslides have answered their purposes admirably, and your railway was the only one of the transcontinental lines that enjoyed immunity from blockades during the past winter. A statement, in detail, of the expenditures during the year for improvements and equipment is appended to this report. The results of the past year's working in reduced expenses and increased earnings clearly show the wisdom of the expenditures that were made during the preceding years for improvements and increased facilities. The rapid growth of the business of the company will require continued expenditures for additional facilities, and much remains to be done in the way of improvements to secure

THE CHEAPEST POSSIBLE WORKING.

It is the intention of your directors to carry out these improvements in the order of their importance, and as rapidly as economy will permit. They confidently believe that this policy will result in a few years in bringing the position of working expenses down to a point that will bear comparison with the most favorably situated railway in America, and they do not hesitate to record the opinion that the proportion of working expenses to the gross earnings will be brought down to 55 per cent., and even less. The Canada Central Railway which now forms a part of your main line, was originally built with little expectation that it would become a section of the Trunk line with a heavy through traffic. That part of it between Carleton place and Callander, 195 miles, has now to carry the traffic of the main line, and on the

SAULT STE MARIE BRANCH

as well, and has become difficult as well as expensive to work, owing to its numerous grades and curves. It is the intention of the directors to reduce the gradients and straighten the line to such an extent as will secure the greatest economy and efficiency, and it is believed that the entire expenditure necessary can be saved in the cost of two or three years' working. Among other improvements contemplated for the present year are additional workshops and a terminal yard at Montreal, workshops at Toronto Junction and at Fort William, additional wharves and terminal facilities at Owen Sound, the completion of the terminal facilities in Toronto, filling the timber trestles on the Lake Superior section, replacing the timber bridges and trestles on the government section between Winnipeg and Port Arthur with masonry and iron and earth embankments, and the substitution of 72 pounds per yard for 56 pounds per yard rails in the main line and

THE CREDIT VALLEY SECTION

to the extent that the lighter rails can be be utilized in branch lines or otherwise. The Atlantic and Northwestern railway, the company's leased line between Montreal and the maritime provinces, was opened for traffic on the third of June. The local traffic along that line has increased rapidly, but through traffic has suffered from want of due co-operation on the part of the Intercolonial railway Government line over which connection is made with Halifax and other points in Nova Scotia and Eastern New Brunswick. Your directors, however, have assurance that a satisfactory settlement of this difficulty will be reached immediately. On the same date a through train service was established by way of Sault Ste Marie to St. Paul and Minneapolis in connection with the Minneapolis, St. Paul & Sault Ste Marie railway, and the Duluth, South Shore & Atlantic railway. The other American line connecting at Sault Ste Marie was fully

OPENED FOR THROUGH BUSINESS

a few weeks later. The traffic interchanged with these lines has already assumed large proportions, and your directors are now satisfied that their expectations in this regard, stated in former reports, will be more than realised. The value of the connection with these two Atlantic lines is so great that your directors will at the present meeting propose such measures as will, if carried out, make your interests in that direction permanently secure. The extension of the Ontario and Quebec system from London, Ont., to Windsor and Detroit, is now practically completed, and will be fully opened for traffic about the end of the present month. This line has been made with the greatest care, and is in every practical sense, one of the best in America. One large steel ferry steamer for the ferrying of trains across the Detroit river is completed, and a second is under construction. Your company has joined the Wabash, the Flint and Pere Marquette, and the Detroit, Lansing and Northern railways, and the building of

A FINE TERMINAL STATION

in the most commanding position in the city of Detroit. The great system of the Wabash Railway company will afford a long-needed independent connection with Chicago, St. Louis and other western and southwestern points, and the connection with the two important Michigan railways above-named, which, together, embrace 950 miles, will be of very great value. During the year the construction of the branch line extending from a point near Brandon, Manitoba, in a south-westerly direction along the Souris river was commenced, and about 40 miles grading was done, and the rails were laid for 17 miles to the village of Souris. This branch passes through a fine and well settled district, which has long suffered from lack of railway facilities. It is the intention of your directors to complete this line, at least so far as the grading has been done, during the present season. A land grant of 6,400 acres per mile appertains to 185 miles of this branch. The Barnsley branch of the

MANITOBA SOUTHWESTERN RAILWAY

(leased to your company in perpetuity) was completed to Carlan, six miles. No securities have as yet, been issued in respect to either of these new branch lines, as their costs have been covered by a temporary advance from the general funds of the company. The Qu'Appelle, Long Lake and Saskatchewan Railway and St. Albert company extended its line during the year to a point 150 miles north-westerly from Regina, and will continue it to Prince Albert on the North Saskatchewan river during the present year, a total distance of 250 miles. This line passes through a fertile country, and connects with the navigable waters of both the South and North Saskatchewan rivers, and reaches important settlements near the confluence of these rivers. It is expected to develop a valuable traffic, and must soon become

AN IMPORTANT FEEDER

of your railway. We, your directors, have agreed to a lease of this line for a term of six years without rental, and they have at the same time secured the option to purchase it at the end of that period, all of which you will be asked to confirm. You will also be asked to authorize the lease of the Calgary and Edmonton Railway for a similar period and on similar terms. It is expected that about one hundred miles of this line will be completed during the year, and that it will not only reach Edmonton next year, but will be extended a considerable distance south of Calgary through to the Ranche country. Both railways are of especial importance to your company, from the fact that they will make easily accessible a large number of acres of your land, now too far away from the railways to be available. To prevent invasion by foreign lines of the Kootenay district, in British Columbia, a district

RICH IN PRECIOUS METALS

and other natural resources, your directors have secured control of the charter of the Columbia and Kootenay Railway Co., and have agreed with the provincial government that the railway shall be built about thirty miles in length during the present season to connect the navigable waters of Kootenay lake with those of the Columbia river, thus opening a line of steamers and railway communication of more than 250 miles. A grant of 200,000 acres of land has been secured from the provincial government in aid of the construction of this line. Your directors have agreed to a lease of the Shuswap and Okanagan railway, a line about to be made from Sicamous Narrows on your main line to the head of Okanagan lake in British Columbia, a distance of 51 miles, and to pay as rental therefor 40 per cent. of the gross earnings of the leased line. This line in connection with the steamboats on

THE OKANAGON LAKE

will afford communication for more than 100 miles through a mineral and agricultural district. The two last named railways will make all parts of British Columbia south of the main line of the Canadian Pacific readily accessible, and their construction will doubtless result in great activity in the development of that part of the country and in a large addition to the traffic of your railway. Your approval will be asked. A line is being made from St. Jerome in the province of Quebec in a westerly direction, through a district rich in minerals and timber and containing much good agricultural land. This new line promises to bring valuable traffic to your railway, and as it can be worked very conveniently by your company, your directors have agreed to a lease of it and to pay as rental 40 per cent. of its gross earnings. They have also secured an option for a term of years to purchase it on most favorable terms. It is important to your company that the construction of

THE SOUTHWESTERN RAILWAY,

extending from your St. Lawrence bridge near Montreal to a junction with the Rome-Watertown & Ogdensburg Railway, at or near Dundee, as described in the last annual report, be proceeded with, and you will be asked to authorize your directors to take the necessary steps to secure their object through a lease of the proposed line or otherwise. You have already by resolution passed at the annual meeting held on the 11th May, 1887, sanctioned the sale of the Aylmer branch, extending from Hull to Aylmer, 9 miles, and an act was passed permitting such sale to be made from the encumbrance created by the company's mortgage deed dated 25th July, 1885. That resolution provided that the proceeds of the sale should be applied to the

IMPROVEMENT OF THE PROPERTY

covered by that mortgage. Since the passage of that resolution it has been considered more expedient to apply the proceeds towards the satisfaction of an encumbrance prior to the said mortgage, and an act has been passed permitting them to be so applied. You will, therefore, be asked for authority to carry out the said sale and to have the proceeds applied as last above mentioned. A contract with the Imperial Government was concluded in July providing for a mail subsidy of £90,000 sterling per annum for the company's proposed line of steamships between Vancouver, B.C., and China and Japan. Three twin-screw steamships of the highest class are being built for this line at the yards of the Naval Construction and Army company (limited), of Barrow-in-Furness, and it is expected that they will be in service early next year. Your authority will be asked for the creation and issue of necessary securities to provide for their cost.

THE MATTERS IN ARBITRATION

between the Dominion government and the company respective of the section of the railway made by the government in British Columbia, have not yet been decided, but a decision as to the liability of the government is expected very soon. A first issue of £903,375 of the 4 per cent. consolidated debenture stock of the company was made in June last for the purpose of acquiring the 5 per cent. guaranteed preferred stock of the Atlantic & Northwest Railway, and for the construction of the Mission (British Columbia) branch. The high standing of these and all other securities of the company is gratifying evidence of the fact that the property and policy of the company, and strength of its position, are known and understood abroad, as well as at home. At the close of the year your directors feel warranted in increasing the dividends on the shares of the company to 5 per cent. per annum, 3 per cent. being payable from the guarantee fund deposited with the Dominion government and represented from surplus earnings. Your directors had at that time not the remotest idea that through trains would be regularly running between

MONTREAL AND THE PACIFIC COAST

by the month of June, 1886, five years before the date stipulated in the contract, and up to a much later time, but very few of even the best informed and most steadfast friends of the enterprise foresaw or believed that the year 1889 would see the company with over 5,000 miles of railway, its earnings, under anything but favorable circumstances, being more than $15,000,000, with profits exceeding $6,000,000, and having at the same time the highest possible reputation, based on the prompt discharge of all its obligations from the beginning, and having attained a financial standing hardly second to that of any railway company on the continent, and occupying furthermore the unique position of having made a reasonable return to its shareholders from the outset, and of having repaid with interest, and long before it became due, every dollar borrowed from the government. Reviewing the history of the enterprise and keeping in mind what has been accomplished, often under the most discouraging and adverse circumstances, the shareholders can hardly fail to join with the directors in taking an encouraging view of the future that certainly awaits the company during the second ten years of its existence.

(Signed) For the Directors.

W. C. VAN HORNE, President.

THE PRAIRIE PROVINCE.

Its Financial and Commercial Condition and Prospects.

Mr. D. W. Buchanan, editor of the Winnipeg Commercial, who, with his wife, is at present in town, reports a fair condition of affairs in the prairie province and its capital. He is of opinion that trade has been materially overdone by the Winnipeg and eastern houses, which, during the dullness, had been disposed to get rid of goods in a rather irregular manner, and some of them being unable to deal with houses directly in their own line, had done business in the nature of supply accounts. This had, of course, been most injurious to the retail houses regularly engaged in the particular business, who, in consequence, had not been able to make their payments as they had undertaken to do. Moreover, the farmers, because of their being compelled to made remittances on account of the agricultural implements that they had purchased, had not been as prompt as they should have been. These things, added to the comparative shortness of the crops had rendered the financial situation rather close. Notwithstanding the close seasons, the condition of the country is steadily improving, development is progressing, especially in the matter of railway construction, which, in an agricultural country, is the first thing necessary. Though hard up for ready cash, the farmers are really in better condition than ever before, as recent heavy crops have relieved them of "boom" liabilities. They have their farms in good shape, and are well supplied with all the stock and implements they require.

It is not at so long since the province had to import such articles as fresh and cured meats, butter, cheese, eggs, poultry and other produce. Now all these articles are produced at home in sufficient quantity to supply the local demand and leave a surplus for export. The sale of these articles enabled the farmers to tide over a poor crop year without experiencing any real hardship. It is estimated that fully 500 miles of railway will be constructed this year in the prairie country, and work is now progressing on fully six or eight lines. The cattle business has developed wonderfully in Manitoba, as connected with mixed farming, train load after train load of beeves having been shipped eastward last Fall; also a few lots of hogs; but this industry was not growing so rapidly as that of cattle. There was room for a material extension of the business of hog raising, coarse grains and roots being easily and cheaply grown, which could be more easily sold, and at much better profits, than those grains usually brought in the markets. Hogs, being good mashers, were well able to take care of themselves during the summer. Cattle ranching was also extending in the Territories, and a number of train loads of fine steers were sent to Montreal and Liverpool in addition to those which went on from Manitoba. The city of Winnipeg was slowly but steadily growing, the census for last year showing an increase of about 1,500 in the population, making the actual number of inhabitants some 26,000 at the beginning of the year. Building was not on the "boom," but a few fine blocks were in course of construction, including a mammoth hotel building seven storyes high and basement, which would be equal to any hotel in Canada. The sales of real estate had been larger this spring, but at considerably under "boom" prices. Several new Loan companies were establishing agencies in the city and putting out their money freely upon both farm and city property. This showed that there was confidence in the future of the country, and was in marked contrast to the action of the Loan companies a few years ago, when after the boom some of them withdrew their agencies. Values of real estate had been very irregular since the boom; but the tendency was to improve, and they were now becoming established. Farm lands are worth from $1 to $20 per acre, according to location and quality. The rates of interest run from 6 to 8 per cent. on good security, funds being readily obtainable. Competition in financial circles is keen, and in banking circles it is almost overdone. The real estate mortgage loan companies had plenty of business, with ample openings for further investment.

It was hoped the Northwest Central or some other road would become a transcontinental — in fact, a second Pacific—line, north of the C. P. R., the country between Winnipeg and the Mountains, through which such a road would run, being a most valuable territory for mixed farming, being well supplied with wood, water and coal. The climate, too, was equally as favorable as that of Manitoba for agriculture. The quantity of goods brought into Manitoba from British Columbia is increasing, and considerable lumber, and shingles from this province are now consumed there, the Winnipeg market being well supplied with the luscious fish of the Pacific waters. The people of the province were looking forward to the time when they would be able to supply themselves with fruit from British Columbia, and in return would be prepared to furnish its inhabitants with meats, dairy and the general produce of the farm. The increasing population in the prairie region, especially in the western portion, should be of great value to British Columbia in affording a market for her products and widening the field for her wholesale merchants. Mr. Buchanan remarked that the present was his third trip to British Columbia, and he noted great improvement in Victoria since his last visit here, with every indication that it would continue. The city had the wealth and the enterprise and all it had to do was for its people to pull together to maintain their proud position as the first city in the province. Mr. Buchanan observed that he had been the first paper man to enter British Columbia by the present route of the C. P. R., in order to accomplish which he had footed it through a considerable portion of the mountain district, following the route then being surveyed.

CAPITAL NOTES.

Prorogation of Parliament Takes Place To-morrow.

Satisfactory Progress of Behring's Sea Negotiations.

Mr. Earle Enters a Strong Protest Against the Purchase of the New Dominion Steamer in England.

(From Our Own Correspondent.)

OTTAWA, Ont., May 14.—Mr. Earle has entered a strong protest against the government purchasing a steamer for coast service in British Columbia in Great Britain instead of building one in the province. He pointed out that this is a direct violation of the policy laid down in the budget speech, and also contrary to the principles of the national policy. He said that experienced mariners claim that wooden vessels are best suited to the rocky coasts of British Columbia, especially as the facilities for repairing iron vessels are limited. He urges that if tenders are called for promptly, the vessel can be built in British Columbia before a steamer purchased in England can reach the province via Cape Horn. The timber in British Columbia is well suited for such ships, and the machine shops in Victoria are turning out machinery for the largest class of coasting steamers. Mr. Gordon unites in the protest.

Prorogation takes place Friday. The Commons finished all the business to-night. The government is dropping the Territories bill, thereby shutting off a long discussion on the dual language.

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