PROVINCIAL LEGISLATURE.

Third Session of the Sixth Parliament.

FORTY-SIXTH DAY.

MONDAY, April 10, 1893.

The Speaker took the chair at 11 o'clock.

FRASER RIVER BRIDGE BILL.

The bill granting aid to the Fraser river bridge was read a third time and passed.

COMPANIES BILL.

The House went into committee on the Companies bill, Mr. Anderson in the chair. The bill was reported complete with amendments; report was adopted, bill read a third time and passed.

LAND SURVEYORS BILL.

HON. MR. VERNON moved the second reading of a bill amending the Land Surveyors Act. The intention of the bill was explained to be to more clearly define what a civil engineer was, so that those who were not properly qualified could not be admitted as Provincial land surveyors.

The bill was read a second time and committeed, with Mr. Booth in the chair. Bill was reported complete without amendment; report was adopted, bill read a third time and passed.

PUBLIC ACCOUNTS ABSTRACT.

HON. MR. TURNER presented the abstract of public accounts to the 31st of December, 1892.

CANADA WESTERN RAILWAY.

HON. MR. DAVIE in moving the second reading of a bill relating to the Canada Western Railway Co. desired to make some explanation of the objects of the measure. Last year an act had been passed by the Legislature extending the time for the commencement of the road on the understanding that certain securities would be given to the extent of $50,000. After this legislation had been had there was considerable correspondence and negotiations followed, the result of which was the taking of a bond by the Government for $50,000 as security that certain location surveys would be completed by the company by the 23rd of April of this year. Following that survey parties had been sent out, and an energetic attempt was made by the promoters of the enterprise for the purpose of getting financial aid, and although these efforts had not been completed, he still thought it was not going at all too far to say that things were at present in a most satisfactory state, so that there was every prospect that before the expiration of the time to which it was now proposed to extend the charter that such proposals would be made to the House as would result in the work being carried to a successful issue. As a motion had been passed asking for the correspondence in this matter, and as that correspondence, he hoped, would be down shortly, he presumed there would be no objection to his reading the following letter, which would explain to a great extent what had been done up to the present as between the company and the Government. He then read the letter:

"BE CANADIAN WESTERN RAILWAY CO.

"VICTORIA, B.C., April 5th, 1893.

"*To the Hon. the Attorney-General, James Bay, Victoria, B.C.*

"SIR:—We have the honor to lay before you the following facts with relation to this matter in addition to the communications which you have already received from us.

"We have since July last expended upon surveys and other expenses connected with this enterprise the sum of about $23,000.00.

"Since our last letter to you on this subject, negotiations have been constantly in progress with reference to completing a financial organization for the purpose of undertaking the construction of the railway.

"As you are no doubt aware, many difficulties have been encountered in this matter. They have arisen to a certain extent from the fact that this is an enterprise that contemplates the construction of a railroad through a comparatively unknown territory, in a new country, and about which a lack of reliable information at present exists. We have also had very serious opposition to contend with from certain persons whose interests were inimical to ours, and who have been constant in their endeavors to defeat our plans at every stage of the negotiations. It ought not, therefore, to be a matter of surprise that in the short time that has been allowed us we have found it difficult to complete a definite set of arrangements; but we are glad to be able to state that matters are now in such a shape that we hope to be able to deal upon a business basis with respect to the whole matter.

"We have made every possible effort to finance the undertaking on the basis of the land grant subsidies alone, and in order to accomplish this we have laid the enterprise before the leading financial houses of the United States and Europe, and although on many occasions we have apparently been on the eve of success, we have found at the last moment that those on whom we relied for financial aid had withdrawn, as they were not sufficiently satisfied with the security offered.

"The difficulty principally arises from this fact: that a road such as this, running through an entirely new country, will have no earning capacity during the period of construction, and after construction for a considerable period there will be, for the same reason, little hope of its being able to pay more than the operating expenses.

"While we have every confidence in the undeveloped resources of the country through which it is proposed to carry this line, yet it is a matter of common knowledge that these resources have to be proved by actual settlement and development before any tangible results will accrue. The settlement of the country in the beginning must necessarily be slow and the earnings of the road correspondingly light.

"There has, therefore, to be suggested some means by which a fund may be provided for the payment of the interest on the company's bonds during the first stages of the railway's existence; and while the capitalists with whom we have been in negotiation have not been dissatisfied with the security offered, they have been unwilling to tie up for so long a time the necessarily large amount of money which will have to be expended in the construction of the road.

"We have, however, been able to complete the organization of a financial company, which has been registered in London, with a capital of five millions of dollars, fully subscribed and subject to call; and we are informed by cable that a meeting of that company was held in London yesterday, at which meeting the first call was levied on the shareholders, which will result in the deposit on Thursday or Friday of this week, of a sum of at least $100,000 in the Bank of British Columbia at London, as a guarantee of the bona fides of the company.

"In organizing this company, for the purposes which we have stated, they have insisted, as a term of undertaking the responsibility which we have asked them to assume, that we should request some financial accommodation from the Province; and we believe we are authorized to say that if such an arrangement as that which follows can be arrived at, sufficient funds will be provided to complete the construction of at least one thousand miles of the railroad; operations to be commenced at a very early date.

"The plan which we have to suggest is the following: We propose to issue bonds from time to time covering various sections of the road as completed. In order to provide for the payments accruing on such bonds, or a portion of them at least, we propose that the Government should guarantee interest on these securities to an amount not exceeding $15,000 per mile of the road as constructed. The bonds are to bear interest at the rate of four per cent., and the Government guarantee is to be confined to the bonds which shall be issued upon the first four hundred miles of the road.

"It is expected, of course, under this guarantee that the Government will, for the first few years, be called upon to make certain payments in respect of interest, but, as before stated, we are in hopes, with the development of the country which will ensue upon the construction of the railroad, that the Company will at no very distant period be able to assume and take care of its own fixed charges.

"In order to secure the Government, however, for any deficiency in the payments of interest which it may be called upon to make good under its guarantee, we propose to give the following securities:

"(a) A floating security by way of second mortgage upon such portion of the company's undertaking as may be agreed upon;

"(b) To provide a sinking fund into which there shall be paid a certain percentage of the moneys arising from time to time from the sale of the lands which the company shall receive under its Land Subsidy Act.

"We think that the plan which we have to propose to your Government is one which will meet not only with the approval of the Executive but of the Legislature and the people of the Province generally, inasmuch as it appears, from our experience during the last year, to be the only feasible way of carrying to a successful issue this enterprise, in which the whole country is so very much interested.

"We shall be very glad if an appointment can be made with you or some other representative of the Government, in order that we may go fully into the details, and discuss in all its bearings the proposition which we have outlined here.

"If such an interview is granted we are prepared to lay before you every communication which we have had upon the subject, and all documents in our possession relating to the matters in question, in order that you may be fully convinced of the bona fides of the arrangements which have been carried on, and also of the fact that the people with whom we are now negotiating are perfectly competent, if a satisfactory arrangement can be completed with the Government, to furnish the capital required for the building of the railway.

"While we can hardly hope that the Government will be able at this late period of the session to formulate any definite legislation on this question, yet we venture to suggest that power should be taken by the Executive to deal with us in such a way as that work may be commenced as soon as we are able to meet your views upon the preliminary matters which will have to be arranged. We say this because we are satisfied that our principals are anxious to take up the work of actual construction without waiting for another meeting of the Legislature, if that delay can be avoided.

"We may say in closing that in laying these matters before the Government our clients have every confidence that their earnest efforts, their personal sacrifices, and the heavy outlay of money incurred by them will be duly and fairly considered, and that a reasonable opportunity will be given to them to carry to completion this very important undertaking, which is fraught with such immense advantage to the Northern, Middle and Eastern sections of British Columbia, and which will also develop to the utmost that once famous, but now isolated and remote, but nevertheless rich, section surrounding Cariboo, which our clients, in common with the great majority of our population, still believe to be rich in gold-carrying quartz ledges, which cannot now be rendered available and must continue to remain undeveloped until railway communication has been established with the coast.

"We have the honor to be, sir,

"Your obedient servants,

"(Signed) BODWELL & IRVING,

"Solicitors for the Canadian Western Central Railway Company."

This letter was dated April 5, and there was also another letter dated April 6, which covered a note from Mr. Ward, the manager of the Bank of B. C. in this city. The second letter and enclosure read as follows:

"VICTORIA, B.C., 6 April, 1893.

"*To the Hon. the Attorney-General, James Bay, Victoria:*

"SIR,—We have the honor to enclose for your information a note which we have just received from Mr. Ward, of the Bank of British Columbia, containing a copy of a cablegram telegraphed from their head office to-day from London.

"This, you will observe, is in verification of the statement which we had the honor to make in our last communication respecting the meeting of the Company in England and the receiving of the call upon the shares. It is probably necessary that certain notice should be given there and that a few days should elapse before the calls are payable in cash.

"We have wired for further information in respect to the matter through the Bank of British Columbia, and will enclose the communication to you as soon as it is received.

"We have the honor to be, sir,

"Your obedient servants,

"(Signed) BODWELL & IRVING,

"Solicitors for the Canadian Western Central Railway Company."

ENCLOSURE.

"VICTORIA, B.C., April 6, 1893.

"*R. P. Rithet, Esq., Victoria:*

DEAR SIR—Mr. Ward wishes me to let you know that we have just received the following wire from London:

"'We (Bank of B.C., London) have been requested by Lord Thurlow to inform you that we have received applications for 2,250 shares of £10 in the British Columbia Railway Land Finance Corporation.'

"Yours faithfully,

"(Sgd.) R. S. KER."

He (Mr. Davie) had read these letters for the purpose of showing hon. members of the House that the promoters of the company were endeavoring to get the concerns of the company on a satisfactory financial basis. Mention was made in the first letter of the financial aid that was expected to come from the Province; but, as he had said on a previous occasion, until such time as the company was in a position to make a definite proposition to the Government in the matter, it would be premature to discuss this phase of the question. When that time came, the Government and the House would be in a position to consider if the Government should give any aid or not, and if so, how much and in what manner; but as present matters were not in that advanced condition when it was competent to discuss this question. In the meantime, however, it was advisable that the House should place the Government in a position to deal with the company so that the charter should not be permitted to die a natural death while there was any substantial reason for believing that the efforts to get the necessary capital would be successful. Therefore this bill was brought down to the House to enable the Government to extend the time so as to save the land subsidies, and also in this bill it was proposed to give the Government power to change the name of the company, as the promoters were of opinion that they could perhaps work better under another name. He did not know that the other communications which would be brought down to the House would give much more information than the one he had just read. It would be observed by the bond that security to that extend had been given that $50,000 would be spent in location and other surveys before the 28th day of April, 1893. At the time the bond was given in compliance with the act, he had thought himself that it was quite unlikely that the full amount of money would be spent, as the summer was at that time far advanced, but, no doubt, as the company had spent $23,000, as stated in the letter, they had acted with good faith in the matter. The course which the Government would in future take upon the bond would be wholly governed by the nature of the proposal to be made as indicated by the company which was now being formed in London. The object was to help along the construction of the road and not to make a cast-iron agreement or restriction or demand the pound of flesh which might be demanded if the entire agreement had not been carried out. If the company was formed as stated and the road was to be built, these people should receive the consideration of the House. (Applause.)

HON. MR. BEAVEN said that this was one of those questions which, if it was to be dealt with at all, should have been dealt with at an earlier stage of the session. The present bill should have been brought down before the end of the first month of the session, at any rate. All hon. members of the House, he was sure, were anxious to see railway construction go ahead in the country. But at the same time all were anxious to prevent people coming to this House and getting charters for no other purpose than to speculate with them. If such people could make any money by selling their charter, why all right; and if not, why they dropped and it did not do the country any good. This policy in the matter of railroads had retarded the progress of the Province, and he would be glad to see the day when it would be put an end to. Reviewing the history of the Canada Western Railway he pointed out that the road was chartered in 1889, work was to commence within three years and was to be completed within eight. During the period of construction there was to be an annual expenditure of not less than $200,000, and it was provided that if these conditions were not carried out the charter should become null and void. Not a single condition imposed by the charter had been carried out. This fact was brought to the attention of the House in 1892; yet, although the charter was to all intents and purposes dead, the House passed the act which renewed the privileges and revived the charter under certain conditions. He had his doubts as to whether in point of law the charter which was dead could be revived or not, but it had been done, or attempted to be done, and this matter was not now under discussion. One of the conditions on which the charter was to be revived was that the sum of $50,000 was to be spent on preliminary surveys and so forth. The hon. Premier has just read a letter, in which it was stated that $23,000 had been spent upon surveys and for the purpose of advancing the work of the company. He would have placed the amount at less than $5,000, but, to do justice to all parties, would perhaps place it as high as $10,000, although he would think that this latter sum was overdrawing the thing. But, if the sum stated, $23,000, had been spent by the company—and he presumed the statement would not be made if it was not correct—then a great deal of injustice was being done to the company in the public mind, for certainly it was a new feature of the case altogether that any considerable amount of money had been spent. The country wanted railways, it wanted railways to develop it, and every one who had the interests of the country at heart could not but be anxious to see railways built; but about this particular matter there had been so many statements made that he thought, if necessary, there should be a Royal Commission appointed to make an inquiry to prove or disprove some of these ugly rumors that had been flying around, and if they were not true let the public know it and deal with the people that were making them. (Hear, hear.) There were some very ugly things said in reference to this charter. They militated against the enterprise of the company which held the charter, and if they were not investigated to see if there was anything in them or not it would be a public misfortune. He would like to have seen this matter brought up at an earlier day in the session so that there might have been a full inquiry into the matter, when witnesses could have been examined under oath and the evidence taken down, so that the people might know and understand whether these things were as they were stated to be or not. He was in favor of every genuine enterprise being assisted and encouraged, but he did not want anyone to get any privilege from this House and then go round and compel someone to pay $1,000 or $1,000,000 or $500,000 before anyone else would be allowed to take it up. If any man was going to put any money into this enterprise he ought to have the full benefit of the result of his money, and not have to pay to anyone anything for the privilege of investing his money. If the proposition was shown to be genuine and right he would hold up both hands for it. This simple statement that $23,000 had been expended for surveys ought to be proved or disproved. All he knew about the matter was what was currently reported—that a small survey party was out for three or four months and his own opinion was that so much money could not have been spent with so small a party in that time; and, in fact, if the truth were known, he did not think that these men were paid until a few days ago. The House ought to know if the company was bona fide before it was asked to deal with it. All the members of this House were too old to waste time in allowing people to get a charter for the simple purpose of holding it till they should get their price so as to prevent other people going into the enterprise. If there was anything of this kind in connection with the present charter it ought to be investigated before anything was done, and if there was nothing of the kind and everything was square and above board, it ought to be encouraged. (Applause.)

HON. MR. POOLEY said that it did not appear to him that there was so much importance attached to be present bill as hon. members on the opposite side of the House would strive to make out. The present bill was simply to extend the charter now held by this company. These men had got the charter in good faith and had gone to a great deal of expense in connection with it, and all that they now asked the House to do was to extend the time and not close them out until they had a chance to make the necessary arrangements. The hon. leader of the Opposition had made some statements with regard to certain rumors that were going around. The hon. gentleman had said that he wished to have a full inquiry into those statements. If this bill was not passed this year there would be no opportunity of having that inquiry; but if the bill was passed, and there were any such rumors afloat, he was one of those who hoped that there would be a full inquiry and a complete investigation into them under such conditions that the evidence would be heard on oath, so that the House and the country could see if there was anything in them or not. This was one reason, and to him it appeared the strongest reason, which presented itself at the time for urging the passage of the bill, and next session any hon. member of the House could move for a committee of inquiry, and he (Mr. Pooley) would be the first man, as the hon. member of the Opposition had said, to hold up both hands for it. (Applause.)

HON. MR. DAVIE wished that the hon. leader of the Opposition would tell the House some of these ugly rumors that had been circulating. Although he had moved around a good deal, he had heard nothing of the kind, and he thought if there had been anything like that he would have heard it. He would like to know what they were.

HON. MR. BEAVEN did not think the hon. Premier was as innocent as he would have the House believe. He assured the House that there were rumors.

MR. SEMLIN thought the bill was a very innocent looking measure, but was worthy of much attention, as it was a matter of greater importance than appeared on the face of it. Of course it was said that the bill was only to extend the time. What was the necessity of extending the time in which construction should commence? What was the difficulty? Nothing but financial difficulty, and how did the company propose to get over this? They simply said that they wanted to get the Province to guarantee their bonds.

HON. MR. POOLEY—That proposition is not before us now.

MR. SEMLIN continued that it was not directly before the House, but indirectly it was. There was no getting over it. Hon. members who voted for this bill could know exactly what their votes were being cast for, and that next year the company would come to the House and ask for the guarantee and would advance as one of their arguments the fact that the extension was granted on the distinct understanding that it would be granted. The House by passing the bill would be simply encouraging the company to come after a guarantee. One of the objects of the charter was to get railway connection for the mines of Cariboo. He was sure if this was the object that the scheme was not so good a one as was a proposition to build a 300 mile line from Ashcroft, which at much less expense would give all the advantages.

HON. MR. VERNON was sorry to see some hon. members of the House so greatly agitated over something that was not before the House at all. The hon. member who had just spoken seemed to think there was something in the present bill which would involve the House in guaranteeing the bonds of the company—but he could assure him there was nothing of the kind, and it would be time enough to touch upon that proposition when it came up. In the meantime such a reference was entirely out of place. The hon. leader of the Opposition tried to convey the impression that he was not clear about the scheme, and therefore he would critisise it in his carping way, and complain because this road had not already been built. This was a proposition which involved the expenditure of millions of dollars. Look what a time it took to arrange for the capital and negotiate for the building of the C. P. R. or any other road of a like magnitude. Did the hon. gentleman want the road to built in a moment?

HON. MR. BEAVEN—I did not say that.

HON. MR. VERNON replied, No; but the hon. gentleman had gone into a long history of the thing, and tried to show or to insinuate that it was bogus and no good. It must be remembered that it took a long time to negotiate a scheme like this, and all the Government could do was to assist the movement as far as possible. The Government could not guarantee the bonds themselves.

HON. MR. BEAVEN—No; I am sure of that.

HON. MR. VERNON, continuing, said he could not see the object of all this discussion. Next year, if the Government brought down an aid bill it would be time enough to have all this talking; but in the meantime what object could be gained by it? The hon. leader of the Opposition was all the time trying to throw doubts on the bona fides of the Canada Western Company, and told about ugly rumors that he had heard. He had said something last year about the Shuswap & Okanagan railway in the same way. He was threatening the House with all sorts of select committees and inquiries and the like, and what did it all amount to? Nothing at all. The hon. gentleman had only thrown out insinuations which did not amount to anything, and would not amount to anything until such times as he was ready to follow up his statements and bring some proof of them. If there was any charge to be made, let it be made in an outspoken, manly way, and the House would be quick to take it up and look into it. The hon. leader of the Opposition would have the House believe that he stood there alone as the champion of the morality of the whole House, and that other hon. members did not feel as he did about matters of the kind. (Laughter.) There was no occasion for insinuendoes to be thrown out. Next session, if the matter came up—and whether it did or not—there would be an ample opportunity afforded to move for a select committee, and not a single member of the House, Government or Opposition, would raise his voice against it, and then the hon. gentleman could have all the ugly things he liked looked into. As to the remark which had been made as to the Ashcrofs and Cariboo Railway, there would beyond all question of a doubt be a large section of the country benefited by the building of such a line, and he hoped it would be built; but the present road was one of an entirely different character and would open up a much larger stretch of territory. He hoped all hon. members of the House would join in voting for the second reading. (Applause.)

MR. FORSTER was glad of the wide scope of the debate, which would allow him to discuss the bill in all its phases. He was opposed to granting the extension on general principles, chief of which was that he thought all railways should be under Government ownership. Another thing, he thought the route was not a good one and that the building, or attempt at building, a line over such a route would swamp any company in the world. Another thing, he did not like the no-taxation clause in the land grant, and for these reasons would vote against the second reading.

DR. WATT hoped that nothing whatever would be allowed to stand in the way of the company which was proposing to build a railway that would do so much for the country. He believed in the general principle that the construction of each and every railway in the Province was of general good to the Province, but, in addition to this, he was sure the railway now proposed would be of enormous value in the development of Cariboo. While there was nothing before the House now as to the guarantee of the bonds of the company, he wanted to point out to the hon. member who had advocated the Government ownership of railways that if the Government could afford to own the railway it could certainly afford to give a reasonable guarantee to assist in the building of the road. As to the route proposed, he did not think there was any question as to its feasibility, for there was no doubt whatever that the C. P. R. ought to have been built there, not where it was. He would like to see the Ashcroft and Cariboo railway built; but while that road would be a great benefit, it would not do nearly as much good as the Canada Western as proposed. He did not see any opposition to the C.P.R. in the building of the Canada Western, which, he thought, would be rather beneficial to the present Canadian route than otherwise.

The Speaker left the chair at 12:10 o'clock.

AFTERNOON SESSION.

The Speaker took the chair at 2:30 o'clock.

PUBLIC ACCOUNTS COMMITTEE.

MR. MARTIN presented the report of the Public Accounts committee, which was received and ordered printed.

BILLS OF SALE ACT.

HON. MR. DAVIE introduced a bill to amend the Bills of Sale Act. Bill read a first time, second reading to-morrow.

CANADA WESTERN RAILWAY.

MR. BROWN resumed the debate on the Canada Western Railway bill. He said that the manner in which the bill had been introduced left no other course open than to carry the discussion wide of the mark. The hon. member for Yale (Mr. Semlin) had intimated that a vote on the present bill would be a vote for a Provincial guarantee, and while some hon. members had cried out, "No! no!" he did not see how they could justify such an expression. He considered the letter which had been read by the hon. Premier, as being part and parcel of the bill itself (laughter), for the company simply said: "We want our charter extended, but if you are not prepared to guarantee our bonds, you need not extend the charter." (Laughter.) This was the way he looked at it anyway. While the charter itself was not a remarkable one, the Land Subsidy bill gave some curious and unusual powers as to building of branch lines. If this railway ever should be built it must seek its terminus at Fort Simpson or at either of the two harbors on the West coast of Vancouver Island. The railway could never be made a success with its terminus at Victoria. With regard to the land subsidy, he pointed out that the land would not have to be taxed except when it was taken up by settlers. The company could always prevent the Province getting revenue by working the best portions of the land itself. He sincerely hoped the scheme would fall through, as in this event the best interests of the Province would be served. He was sure, however, if the bargain did go through that the time would come when it would be shown that it was a bad bargain. Continuing, he wished particularly and forcibly to emphasize the fact that casting a vote for the extension of the charter was simply casting a vote for the guarantee of the bonds. If the Government did not propose to guarantee the bonds why let the promoters go ahead and spend more money? It would be misleading them to do so, and hon. members who now voted for the bill and came back next year to vote against a guarantee would find themselves in a peculiar position. He wanted to see all the railways built that could possibly be had without injuring the Province. He admitted that the railway would develop the land all along the line, but money would be needed to continue the settlement by building roads, trails, etc., and where was the money for these improvements to come from? Not from that section of the country itself, for the greater part would be given away to the railway company free of taxation. The money would, therefore, have to come from the pockets of the people of the other sections of the Province, which would be bad policy. Anxious as he was to see a railway built to Cariboo, he would rather wait and do without it than see the country involved in a ruinous expenditure, but he believed there was another way of affording Cariboo railway accommodation—a cheaper way, too. He gave the railway promoters credit for honesty and fair dealing in stating its case so plainly. They said that the Province would not only have to guarantee the bonds, but would have to pay the interest, and this the Province could not afford to do. He did not wish to add to the ugly things which had been said about the company; but he would say that he looked upon it as little better than a land booming speculation.

HON. COL. BAKER could not see the reason of the introduction, in connection with the bill before the House, of all the extraneous matter that had been brought in by hon. members opposite. What was the meaning of the puerile argument advanced by the junior member for Yale (Mr. Semlin)? What did he want the House to believe? Why, nothing else than that the members in voting for the bill would be voting for something that was not at all in the bill. This was truly an extraordinary statement, which he was sure would be seen by all members of the House to be nothing more or less than an attempt to draw a red herring across the track. If the company had only spent $5,000 or $10,000, as the hon. leader of the Opposition had said, it still had done the country some benefit and had shown good faith. There was no other company coming before the House in competition with this Canada Western Co., and whether the latter failed or succeeded they were entitled to credit for their efforts. He proposed to vote for the second reading of the bill and would ask hon. members of the House to vote for it, and in doing so would point out that the bill did not touch a guarantee at all and had nothing to do with it. (Applause.)

MR. BOOTH could not see what objection could be taken to such a simple proposition as to extend the time of the company that was handling such an enterprise as this. What injury could be done by extending the time, one or two or three years? How would the country suffer? Not one hon. member who had opposed the bill had attempted to show. He was one of those who believed the company should have a free hand to come to the coast at any point they could, instead of restricting them to coming to Victoria—then they could probably finance the scheme better.

DR. MILNE announced that he had made up his mind to vote for the second reading of the bill, but he regretted the tendency of the different railway companies to play part and loose with the Legislature. He thought the 20,000 acres of land per mile was enough to enable the road to be built. If the company wanted to build up to Fort Simpson, as they announced in the Gazette, it would be breaking faith with the people of the Province and of Victoria. The company was worthy of censure also on account of stories published in various newspapers from time to time, as to what was going to be done, when people knew that what was promised had not been done. He would, however, vote for the extension of the charter in the hope that the road would be built next year.

HON. MR. BEAVEN inquired "What about the Canada Northern?"

HON. MR. DAVIE replied that there were some propositions made by the Canada Northern company, but the Government considered that the best offer was from the Canada Western.

MR. ROGERS said he was very much in favor of the extension of the time, although he would have been glad to have seen more done. Taking the most strained view of the subject advanced by anyone who had opposed the bill, he did not consider that the Province would be any worse off or receive any injury in the construction of the road. The line proposed was free of engineering difficulties, and would be kept in repair with little expense, thus making the Canada Western the best of the transcontinental lines. Speaking from experience, he knew what the country was through which the proposed railway would pass, and could assure the House that it would open up a section second to none in the Province and unequalled in the Dominion. (Applause.)

MR SWORD agreed that a railway to open up the Cariboo country and to compete with the C.P.R. would be a great benefit. But he, with other hon. members, was afraid this Canada Western company could not do very much in this direction. He objected to the no-taxation clause in the land grant bill, and if on no other ground would feel justified on this account in opposing the present bill.

MR. GRANT regretted with other members of the House that the Canada Western company had been unable to do more to advance the construction of the road. But it must be remembered that since the company had had their charter there was a financial depression all over the world. Starting with the failure of Baring Bros. the shock had been felt universally, and there was no doubt a proposition of the magnitude of the present one, which would at one time have been eagerly taken up, could not now meet with the same ready approval.

MR. KITCHEN characterized the railway proposition as a "wild-cat scheme," and in continuing the debate based his opposition on the argument that if the present bill passed it would be an assurance to the promoters of the railway that a guarantee would be given next year. He also objected to the route, which he did not consider feasible, and to the road being obliged to come to Victoria, as he thought this was a hardship to the company.

MR. KEITH had doubts as to whether the company was a bona fide one or not. He thought if the company gave any kind of a good guarantee that they were going to build the road, the time ought to be extended. While he opposed land grants to local roads, he had considered the transcontinental nature of this railway and did not oppose it now as something had been done. If the present charter lapsed the country would be in the same position as if there had never been any charter at all, and it would probably take three years more to get another company advanced to the same condition in which this one now was.

MR. COTTON rose to make a formal protest against the bill, to which he had many objections besides that to a year's extension. He thought the company should have proceeded by way of a private bill, with proper notice, instead of having the Government bring down this bill at the end of the session. He claimed that the Canadian Western charter was revived last year on the strength of the assurance given by the then Premier that there would be no further assistance granted to the company in the way of guarantee or otherwise. The present Premier had the other day said that if a substantial company came to the Government with a feasible proposition, the matter of a guarantee would receive consideration. This, he claimed, showed that the Government were working round to a guarantee, against which he strongly protested, more especially as during the past few months he had heard very ugly rumors.

HON. MR. DAVIE—"What are they?"

MR. COTTON—"I won't tell them."

HON. MR. DAVIE—"I don't think you have heard them."

MR. COTTON—"What was reported in the New York papers should give you some idea." He proceeded to say that he had heard mentioned in connection with these rumors the names of "men in high positions in political life in this Province."

HON. COL. BAKER rose to a question of privilege and demanded that Mr. Cotton should state these rumors. He appealed for a ruling from Mr. Speaker, if a member having made quotation of such rumors, or what was equivalent to a quotation, was not bound by a rule of the House to state their substance. At least as a man he should; otherwise it would be given out to the world that he had made an insinuation without having the manliness or courage to substantiate it. (Applause.)

MR. COTTON—I did not say that the name of any member of the Government had been mentioned" (derisive laughter), "and I am surprised that any member of it should suppose that I had done so." He proceeded to quote from a document which he said was the prospectus of the British Pacific Construction Company, and read a list of names of directors (surnames only), including Baker, Vernon and several others.

HON. MR. VERNON—"When you have done with that document I would like to see it."

MR. COTTON said it was a private document which he did not intend should leave his possession.

HON. MR. VERNON contended that the House had a right to see the document. He had heard the name Vernon read, and he wished to see if his name was mentioned, or if it was some one else similarly named.

MR. COTTON—I did not say it was the hon. member. He need not be so sensitive.

HON. COL. BAKER asked for a ruling by Mr. Speaker. He thought Mr. Cotton should be compelled to submit the document.

MR. SPEAKER ruled in the negative. He took occasion, however, to read from May's Parliamentary Procedure a warning against the use of hasty and unguarded expressions, and imputations of bad motives on the part of opponents in debate. He read this, he said, for the benefit not only of Mr. Cotton, but of gentlemen on both sides who showed an inclination to be out of temper.

MR. COTTON proceeded to quote passages from the "prospectus," and read one statement that of the 50,000 shares of the company, 28,750 were to be issued to the public, and the remaining 21,250 were to be retained "for the purposes of promotion." He asked who were to benefit by the upwards of two million dollars represented by these "promotion" shares, and intimated that the answer to this question would throw some light on the rumors he had mentioned. He dwelt upon the allegation that the promoters of this company had for months been acting upon the assumption that they would receive a guarantee from the Province and from Victoria city, and quoted from the "prospectus" to prove this.

HON. MR. DAVIE, when Mr. Cotton had finished, rose to a question of privilege. That gentleman, he said, had taken care to defer his remarks until almost every one on the Government side had spoken and when there seemed to be no one left to reply to him. In view, however, of the extraordinary statements made, he deemed it his privilege to demand from Mr. Cotton the names of those "men occupying high positions in political life," and also what those rumors are which he had mentioned.

MR. COTTON—"I shall certainly decline to mention names." (Derisive laughter.) He did not claim, he said, to possess the brains of the Attorney-General, and that gentleman was too shrewd to suppose that he (Mr. Cotton) would make in public a statement of the kind involved in mentioning the names. He believed, however, that the facts justified the rumors.

HON. MR. DAVIE said as Mr. Cotton had refused either to state the nature of the rumors or the names of the men alleged to be concerned, the House could come to no other conclusion than that that gentleman had deliberately made insinuations which he had not the ability to substantiate and plainly had not the manliness to retract. He had simply rendered himself contemptible in the eyes of any respectable man. (Hear, hear.) This attack made by an hon. member who had until the last day or two supported the Government was, in fact, merely the utterance of a man with a raw spot on his body which had been rubbed over. (Laughter.)

MR. COTTON rose to a question of privilege, claiming that the Attorney-General was out of order in speaking now.

MR. SPEAKER—"The hon. gentleman's words should have been taken down at the time in order to be debated now."

HON. MR. BEAVEN rose to speak in support of the ruling of Mr. Speaker; and held that the words not having been taken down at the time, it was not proper to discuss them now.

HON. MR. VERNON expressed surprise that the leader of the Opposition should attempt to shield Mr. Cotton by a flimsy excuse of that character. Everyone in the House had heard the remarks to which exception was taken, and the insinuation was the most contemptible, cowardly thing he had ever heard in the Legislature. Mr. Cotton had waited until almost everyone had spoken and then made these charges with the view to unsettle the public mind, when he thought there was no opportunity for a reply. He did not dare to take up the challenge of the Premier to substantiate his statements.

HON. MR. BEAVEN defended the course taken by Mr. Cotton, who he claimed had a right to choose his own time and opportunity to make his statements in the House.

HON. MR DAVIE said the position was simply this, that the leaders of the two parties, the Opposition and the Independents, had made certain ambiguous statements, which ought either to be substantiated or withdrawn. The leader of the Opposition did get up early in the debate, and his remarks being replied to by the hon. Chief Commissioner of Lands and Works, he had contented himself by sitting down. His conduct was manly in comparison with that of the leader of the so-called "Independents." One had stated a vague rumor; the other had made a base insinuation, but neither had the manliness to back up his statement. Mr. Cotton had quoted the names "Baker" and "Vernon"—without anything further—as if he meant two hon. members of this House. If he believed what he insinuated he should be the first man—not to say honorable member of this House—to demand an investigation, instead of acting as he had done, and shielding himself behind a question of privilege. The political life of this "Independent" party was dependent upon the false impressions it could create throughout the country. He would like to ask the leader of the Independents what prompted him to make his allegations. He would like to ask that gentleman whether he was at one time a promoter himself, whether he had come here from Denver, and why he left there at his time of life?

MR. BROWN rose to the defence of Mr. Cotton, and said he had heard mentioned the rumors spoken of. Mr. Cotton in deferring his speech until the last, was merely copying the expedient often used by the Government, and it was not fair to endeavor to make him responsible for the rumors he mentioned.

HON. COL. BAKER said no one attempted to make Mr. Cotton responsible. The Government asked him to state what the rumors are, and who the men are. He knew very well the rumors were false. Such, however, was the dirty, miserable, contemptible character of the tactics of those who opposed the Government. If they like them they are welcome to them, and when they go to the country the people will know how to estimate such tactics at their true value. (Applause.)

The second reading carried on the following division:

AYES—Messrs. Baker, Davie, Vernon, Eberts, Booth, Stoddart, Nason, Turner, Pooley, Martin, Croft, Hunter, Rogers, Fletcher, Anderson, Watt, Horne, Beaven, Milne, McKenzie, Punch, Keith and Grant—23.

NAYS—Messrs. Brown, Forster, Cotton, Sword, Kitchen and Semlin—6.

AID TO RAILWAYS.

HON. MR. DAVIE presented a message from His Honor the Lieutenant-Governor transmitting a bill to provide aid to certain railways.

Ordered that the bill be committeed this evening.

It being 6 o'clock the Speaker left the chair.

EVENING SESSION.

The Speaker took the chair at 7:50 o'clock.

AID TO RAILWAYS.

The House went into committee of the whole on the message of His Honor the Lieutenant-Governor, transmitting a bill to grant aid to certain railways, Mr. Martin in the chair.

The committee reported the bill, which was read a first time and put down for second reading to-morrow.

CANADA WESTERN BILL.

The House went into committee of the whole on the Canada Western bill, Mr. Martin in the chair.

In course of the discussion which arose on several clauses,

HON. MR. DAVIE took occasion to assure the House that the Government would not countenance any trafficking in railway or other charters such as had been hinted at by some hon. members of the House.

The bill was reported complete without amendment.

Ordered, that the report be considered to-morrow.

CONSUMERS WATER WORKS CO.

HON. MR. DAVIE moved the second read-