



CHAPTER 70.

An Act to Aid the Construction of a Railway from Victoria to Yellowhead Pass.

[21st June, 1902.]

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:—

1. This Act may be cited as the “Victoria and Yellowhead Pass Short title. Railway Aid Act, 1902.”

2. The Lieutenant-Governor in Council is hereby authorised:—

(a.) To aid the construction of a railway from Yellowhead Pass to Bute Inlet by a grant to the “Edmonton, Yukon and Pacific Railway Company” of five thousand dollars for each mile of railway (not exceeding four hundred and eighty miles) constructed by said Company between Yellowhead Pass and Bute Inlet: Provided, however, that the Government shall not enter into any agreement for the construction of the railway from Yellowhead Pass to Bute Inlet unless and until they have completed an agreement for the simultaneous construction (or within the same time limit) of the railway from Victoria or Wellington to Seymour Narrows, *viâ* Alberni, it being the true meaning and intent of this Act to provide for the construction of a continuous line of transportation from the eastern boundary of British Columbia at or near Yellowhead Pass to a point on the seaboard at or near Bute Inlet; thence by ferry to Vancouver Island; thence by the Victoria and Seymour Narrows Railway or the Esquimalt and Nanaimo Railway to Victoria, *viâ* Alberni and Nanaimo. The said aid shall be paid in cash, or debentures or inscribed stock of the Province, as the Lieutenant-Governor in Council may elect, which the Lieutenant-Governor in Council is hereby empowered to pay or issue, which shall be accepted at par value, shall bear interest at three per cent. per

Aid to Edmonton,
Yukon and Pacific
Railway Co.

annum, payable half-yearly, and the principal shall be payable in fifty years from the date of issue.

Aid to Victoria and
Seymour Narrows
Railway Co.

(b.) To aid the construction of a railway from Victoria to Seymour Narrows, via Alberni, by a grant to "The Victoria and Seymour Narrows Railway Company" of five thousand dollars for each mile of railway (not exceeding one hundred and fifty miles), constructed by the last-mentioned Company between Wellington and Seymour Narrows. The said aid shall be paid in cash or debentures or inscribed stock of the Province, which the Lieutenant-Governor in Council is hereby empowered to pay or issue, which shall be accepted at par value, shall bear interest at three per cent., payable half-yearly, and the principal shall be payable in fifty years from the date of issue.

Agreement with
Edmonton, Yukon
and Pacific Railway
Co.

3. The Lieutenant-Governor in Council may enter into an agreement with the Edmonton, Yukon and Pacific Railway Company, which agreement shall, in addition to other matters therein provided for, contain the following provisions:—

Route.

(a.) The Company covenant with the Government that, upon the terms and conditions hereinafter expressed, they will lay out, construct, equip, fully complete, maintain and operate forever, or cause to be laid out, constructed, equipped, fully completed, maintained and operated forever, a line of railway, with all proper terminal facilities, from a point at or near Bute Inlet to the eastern boundary of British Columbia, in the vicinity of Yellowhead Pass, which said railway, when fully completed as aforesaid, shall be a standard gauge railway, and up to the general standard of the Canadian Pacific Railway as originally constructed, and which railway shall be the property of the Company.

Commencement and
prosecution of work.

(b.) The Company shall commence work on the construction of the railway within the time hereinafter fixed therefor, at a point at or near Bute Inlet, and shall duly and diligently prosecute the work of building the line easterly until the whole line is completed to the satisfaction of the Lieutenant-Governor in Council.

Security.

(c.) The Company shall, before the commencement of the said work, give security for the due performance of the work herein provided for in the sum of one hundred thousand dollars, not as a penalty, but as liquidated and ascertained damages due to His Majesty, in right of the Province of British Columbia, in case of default, conditioned that the railway shall be completed from a point at or near Bute Inlet to the eastern boundary of British Columbia within the time hereinafter fixed therefor; and upon completion of the railway the said security shall be returned to the Company or its nominees, and in the event of the security before mentioned being deposited by the Company in cash, the Lieutenant-Governor in Council will allow to the Company, for such time as the money security shall remain in the hands of the

Government, interest at the rate of three per centum per annum: Provided, however, that if the said security is not given on or before the first of September, 1903, this Agreement shall become null and void.

(*d.*) To aid the Company in the construction of such railway, the Subsidy.
Lieutenant-Governor in Council will grant and pay to the Company for each mile of said railway (not exceeding four hundred and eighty miles) the following sums, viz.:—Five thousand dollars in cash or in debentures or inscribed stock of the Province, as the Lieutenant-Governor in Council may elect, which shall be accepted by the Company at par value. The said debentures or inscribed stock shall bear interest at three per cent. per annum, payable half-yearly, and the principal shall be payable in fifty years from their date of issue.

(*e.*) The said subsidy shall be payable to the Company when and Payment of subsidy.
from time to time as each twenty miles of said railway (or, in the case of the last section, the fraction of twenty miles, if such it be) have been built, of the standard and in accordance with the terms of this Agreement, and a certificate therefor has been given by the Engineer of the Government: Provided, however, that if the construction of the railway from Victoria or Wellington to Seymour Narrows, viâ Alberni, mentioned in sub-section (*b*) of section 2 hereof, shall not have been completed before the commencement of the last one hundred and fifty miles of the railway from Bute Inlet to Yellowhead Pass, then the subsidy for the said last one hundred and fifty miles shall only be paid in the manner following, that is to say:—

When the subsidy for the first 20-mile section shall have been earned, it shall not be paid over to the Company until satisfactory proof has been furnished to the Lieutenant-Governor in Council that the subsidy mentioned in sub-section (*b*) of section 2 hereof has been earned in respect of the construction of 20 miles of the railway from Victoria or Wellington to Seymour Narrows, viâ Alberni. The subsidy for the second 20-mile section shall be paid in the same manner, and so on, section by section, so that the subsidy for the last 150 miles of the railway from Bute Inlet to Yellowhead Pass shall not be paid over until the construction is completed of the railway from Victoria or Wellington to Seymour Narrows, viâ Alberni.

(*f.*) The Lieutenant-Governor in Council shall grant to the Company Right of way.
a right-of-way not exceeding two hundred feet in width along the line of railway, and such Crown lands as may be necessary for terminal purposes, sidings, stations, sheds, wharves, warehouses, embankments, cuts, bridges, culverts, drains and other works and approaches thereto. The Crown lands mentioned in this section shall be limited to such quantity as the Lieutenant-Governor in Council shall consider reasonable and necessary for the purposes of the Company. The said lands shall be granted subject to the provision or condition contained in paragraph (*i*) of this agreement: Provided, however, that a failure to

carry out or obey such provision or condition shall not be enforced against said lands except by proceedings in Court, during which an opportunity shall be given to the Company to comply with such provision or condition.

Taxation.

(g.) The Company's railways and branches and extensions in British Columbia, and equipment and stations and station grounds, workshops, buildings, yards, rolling stock, appurtenances and other property required or used for the construction, equipment and working thereof, and all personal property owned or possessed by the Company, and the capital stock and revenues of the Company, shall be free from Provincial and Municipal taxation until the lapse of ten years from the completion of the railway hereby contracted to be built, and in lieu of all Provincial taxation after the said ten years the Company shall pay to the Government each year two per cent. of the gross earnings of said railway and branches and extensions, and the same shall be a first charge on said gross earnings after the payment of maintenance and working expenses of the railway, and the Government shall have the same rights and remedies for collection as for the collection of taxes in the ordinary manner. Should any question arise between the Government and the Company as to the amount of gross earnings, the Government shall have access at reasonable times to the books of the Company to verify the correctness of all statements of gross earnings submitted by it. The Government may, however, at any time after the payment of said two per cent. on gross earnings comes into operation, cancel the same and bring the said railway under the operation of the general law of the Province governing the taxation of railways, and in which case the Company will be relieved for the future of the payment of said two per cent. on gross earnings, and the said road will be subject to taxation.

Ferry.

(h.) The Company agree that they will, after the completion of the first hundred miles of line, enter into an agreement satisfactory to the Lieutenant-Governor in Council, that they will maintain and operate a suitable ferry, of the requirements necessary for the transportation of cars, passengers and freight, between the terminus of their railway on the seashore of the Mainland of British Columbia and the most feasible point on Vancouver Island, to run in connection with the Victoria and Seymour Narrows Railway, it being the true intent and meaning of this agreement that the Company will, within the time for the completion of the railway contracted to be built under this agreement, operate, or cause to be operated, a line of transportation from the eastern boundary of British Columbia, at or near Yellowhead Pass, to a point on the seaboard at or near Bute Inlet; thence by ferry to Vancouver Island, to run in connection with said line of railway which will have its terminus at the City of Victoria, on Vancouver Island.

(i.) The Lieutenant-Governor in Council shall have the right by Order in Council to fix the maximum freight and passenger rates to be charged by the Company. Freight and passenger rates.

(j.) The said line of railway, from a point at or near Bute Inlet to the said eastern boundary of the Province, shall be commenced and completed by the Company within the time following, viz.:—Within three months after the Parliament and Government of Canada have granted to the Company aid satisfactory to the Company for the construction of said railway, the construction thereof shall be commenced, and the railway shall be completed within six years thereafter. Commencement and completion of work.

(k.) The subsidy under this Agreement shall be subject to the condition that the workmen, labourers or servants employed in or about the construction and operation of the railway in aid of which such subsidy is granted shall be paid such rate of wages as may be currently payable to workmen, labourers and servants engaged in similar occupations in the district in which such railway is constructed and operated, and upon breach of such condition by the Company there may be deducted and retained from any moneys payable in respect of such unearned subsidy such amount as the Lieutenant-Governor in Council may think proper, and in case the subsidy shall have been paid before such breach, such part thereof as may be determined by Order in Council may be recovered back from the Company, with full costs of action, at the suit of the Attorney-General of the Province in any Court of competent jurisdiction. The workmen, labourers or servants employed in or about the construction of the said railway, and each of them, shall be charged fair and reasonable prices for any board, provisions, clothing and other necessities of life and reasonable comfort supplied by the company, their agents, or any person or persons authorised by the said company to supply such goods and accommodation; and upon the breach of any of the provisions of this section, or in the event of exorbitant charges being made by the railway company, their agents, or other person or persons authorised by the railway company, there may be deducted and retained from moneys payable in respect of such unearned subsidy, or hereafter to be granted subsidy, such amount as the Lieutenant-Governor in Council may think proper. Rate of wages.

(l.) The Lieutenant-Governor in Council shall be entitled to retain the subsidy on each section when the same becomes due until the Company produce satisfactory evidence that the wages of all workmen employed on said section have been paid. Payment of wages.

(m.) Whenever in this Agreement the Government or the Company is mentioned or referred to, such mention or reference shall extend to and include and be binding upon the successors of the Government and the successors and assigns of the Company, as the case may be. Interpretation.

Head office for Pacific Division.

(n.) The head office of the Company for the management of their business for the Pacific Division therefor shall be at the City of Victoria. And the Company further agree that they will not at any time discriminate in through rates from Atlantic to Pacific ports against the City of Victoria, or any other port on Vancouver Island, or the City of Vancouver, reached by their line of railway, in favour of any port on the Mainland at the end of any extension of their system.

Discrimination in rates.

Work must be commenced before 1st September, 1903, or Agreement void.

(o.) Notwithstanding anything contained in this Agreement, if the said Company have not begun the construction of said railway on or before the first day of September, 1903, and do not diligently prosecute the work of building the line to the satisfaction of the Lieutenant-Governor in Council, this Agreement shall become null and void.

Western terminus to be at the City of Victoria.

(p.) The company covenant that, as a condition of receiving aid under the provisions of this Act, the western terminus of the main line of railway to be constructed under the provisions of this Act shall be at the City of Victoria, and shall not be removed therefrom.

Plans and profiles to be approved of by Lieut.-Governor in Council.

(q.) The plans and profiles for the construction of the railway hereinbefore mentioned shall be subject to the approval of the Lieutenant-Governor in Council.

Company not to amalgamate with C. P. R.

(r.) The company shall not, nor shall any branch lines thereof or any lines of railway leased by the company, or under its control, be at any time amalgamated with the Canadian Pacific Railway, or any of its branch lines, or with any branch lines leased by the Canadian Pacific, or under its control. Any such attempted amalgamation with any arrangement for making a common fund or pooling the earnings or receipts of the said two companies' railways, or any of their branch lines or any railway lines or parts thereof leased by the said companies, or either of them, shall be absolutely void. This provision, however, shall not extend to traffic or running arrangements made with the assent of the Governor-General in Council or Lieutenant-Governor in Council.

Lieut.-Governor may provide for running powers, etc., of other companies.

(s.) The subsidy granted under this agreement and the receipt thereof shall be subject to the condition that the Lieutenant-Governor in Council may at all times provide and secure to other companies such running powers, traffic arrangements, and other rights as will afford to all railways connecting therewith reasonable and proper facilities in exercising such running powers, fair and reasonable traffic arrangements with connecting companies, and equal mileage rates between all such connecting railways.

Company to produce books, accounts, etc., to Minister of Finance.

(t.) The company shall, when required, produce and exhibit to the Minister of Finance, or any person appointed by him, all books, accounts and vouchers showing the cost of constructing the railway, the cost of operating it, and the earnings thereof.

4. The Lieutenant-Governor in Council may enter into an agree- Agreement with
ment with the Victoria and Seymour Narrows Railway Company for Victoria and Sey-
the construction of a railway from Victoria to Seymour Narrows, mour Narrows Rail-
viâ Alberni. The said agreement, in addition to other matters therein way Co.
provided for, shall contain the following provisions:—

(a.) The Company covenant with the Government that, upon the Route.
terms and conditions hereinafter expressed, they will lay out, con-
struct, equip, fully complete, maintain and operate forever, or cause to
be laid out, constructed, equipped, fully completed, maintained and
operated forever, a line of railway, with all proper terminal facilities,
from a point at or near the Town of Wellington to Seymour Narrows,
viâ Alberni, which said railway, when fully completed as aforesaid,
shall be a standard gauge railway, and up to the general standard of
the Canadian Pacific Railway as originally constructed, and which
railway shall be the property of the Company.

(b.) The Company shall commence work on the construction of the Commencement and
railway within the time hereinafter fixed therefor, and shall duly and prosecution of work.
diligently prosecute the work of building the line until the whole line
is completed to the satisfaction of the Lieutenant-Governor in Council.

(c.) The Company shall, before the commencement of the said work, Security.
give security for the due performance of the work herein provided
for in the sum of fifty thousand dollars, not as a penalty, but
as liquidated and ascertained damages due to His Majesty, in right of
the Province of British Columbia, in case of default, conditioned that
the railway shall be completed within the time hereinafter fixed
therefor; and upon completion of the railway the said security shall
be returned to the Company or their nominees, and in the event of the
security before mentioned being deposited by the Company in cash,
the Government will allow to the Company, for such time as the
money security shall remain in the hands of the Government, interest
at the rate of three per centum per annum: Provided, however, that
if the said security is not given on or before the first of September,
1903, this Agreement shall become null and void.

(d), (e.), (f.), (g.) The same provisions as in paragraphs (d), (e), (f) (d) Subsidy.
and (g) of section 3, except that in paragraph (d) of this section it (e) Payment of
shall be provided that the subsidy shall not be for mileage in excess of subsidy.
one hundred and fifty miles. (f) Right of way.
(g) Taxation.

(h.) The said line of railway shall be commenced and completed by Commencement and
the Company within the time following, viz:—Within three months completion of work.
after the Parliament and Government of Canada have granted to the
Company aid satisfactory to the Company for the construction of said
railway, the construction thereof shall be commenced, and the railway
shall be completed within six years thereafter.

(i.) The same provision as in paragraph (i) of section 3. (i) Freight and
passenger rates.

- (j) Rate of wages. (j.) The same provision as in paragraph (k) of section 3.
- (k) Payment of wages. (k.) The same provision as in paragraph (l) of section 3.
- (l) Interpretation. (l.) The same provision as in paragraph (m) of section 3.
- Head office. (m.) The head office of the Company shall be at the City of Victoria; and the Company further agree that they will not at any time discriminate in through rates from Atlantic to Pacific ports against the City of Victoria, or any other port on Vancouver Island, or the City of Vancouver, reached by their line of railway, in favour of any port on the Mainland at the end of any extension of their system.
- Discrimination in rates.
- (n) Work must be commenced before 1st September, 1903, or Agreement void. (n.) The same provision as in paragraph (o) of section 3.
- Plans and profiles. (o.) The same provision as in paragraph (q) of section 3.
- Company not to amalgamate with C. P. R. (p.) The company shall not, nor shall any branch lines thereof or any lines of railway leased by the company, or under its control, be at any time amalgamated with the Canadian Pacific Railway, or any of its branch lines, or with any branch lines leased by the Canadian Pacific, or under its control. Any such attempted amalgamation with any arrangement for making a common fund or pooling the earnings or receipts of the said two companies' railways, or any of their branch lines or any railway lines or parts thereof leased by the said companies, or either of them, shall be absolutely void. This provision, however, shall not extend to traffic or running arrangements made with the assent of the Governor-General in Council or Lieutenant-Governor in Council.
- Lieut.-Governor may provide for running powers, etc., of other companies. (q.) The subsidy granted under this agreement and the receipt thereof shall be subject to the condition that the Lieutenant-Governor in Council may at all times provide and secure to other companies such running powers, traffic arrangements, and other rights as will afford to all railways connecting therewith reasonable and proper facilities in exercising such running powers, fair and reasonable traffic arrangements with connecting companies, and equal mileage rates between all such connecting railways.
- Company to produce books, accounts, etc., to Minister of Finance. (r.) The company shall, when required, produce and exhibit to the Minister of Finance, or any person appointed by him, all books, accounts and vouchers showing the cost of constructing the railway, the cost of operating it, and the earnings thereof.
- Line constructed under sec. 4 to form part of main line. **5.** The line of railway to be constructed under section 4 of this Act shall be deemed to be and form part of the main line of the railway to be constructed under the provisions of this Act.

VICTORIA, B.C.:

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