

Hon. Mr. Wells—*Continued.*

Q.—Therefore, it was a question of politics again; a question of plain politics? A.—I would not say that altogether.

Q.—Political expediency? A.—No, I would not say anything of the kind.

Q.—Well, you did not urge upon Mr. Eberts that there remained anything to be done by the Columbia and Western Railway Company to earn the Crown grants? A.—I felt that the whole matter should be dropped.

Q.—But you did not say to Mr. Eberts that there was anything that remained on the part of the Columbia and Western Railway Company to earn the land subsidy? A.—No, I don't think so.

Q.—You did not put it on the ground, then, that they had not acceded to the additional terms that you asked of the Company? A.—Oh, no; I don't think so.

Q.—As a matter of fact, you could not then, because the Premier had absolved the Company virtually from anything like that; because he had asked you to deliver over the Crown grants? A.—Well, I don't know which took place first; I think that my interview with Mr. Eberts took place first; in fact, I know it did.

Q.—Well, as a matter of fact, anyhow, you could not have further contended for those further conditions, because the Premier had evidently waived them, hadn't he? A.—Well, not to my knowledge at that time.

Q.—But there was a time, anyhow? A.—It was after my interview with Mr. Eberts.

Q.—After your interview with Mr. Eberts? A.—Yes, that he came to me in the House.

Q.—And told you to deliver them, notwithstanding those concessions were not given? A.—Yes, to deliver them notwithstanding the concessions.

Q.—Well, did not Mr. Eberts ask you, after that, to deliver the Crown grants? A.—I don't think he did.

Q.—Did you make any reference to Mr. Brown about Mr. Taylor in Hamilton? A.—Yes, I did.

Q.—What did you say to him about Mr. Taylor? A.—I expressed my dissatisfaction in the way that Mr. Taylor—the argument that he advanced.

Q.—Those “ridiculous” arguments that you speak of? A.—Yes.

Q.—But did you tell Mr. Brown about the proposition Mr. Taylor had made to you? A.—No.

Q.—You simply dealt with what you considered his ridiculous arguments against delivering the Crown grants? A.—Yes; I made this remark, that Mr. Taylor was indulging in statements that he could not believe in himself; and I remember Mr. Brown's reply to that was: “He should not try anything of that sort on you.”

Q.—Now, reverting to that interview with Mr. Taylor in the Windsor Hotel; did Mr. Taylor seem to be familiar with the Columbia and Western Railway matters down there, or did you have to tell him all about the situation, and that you had the Crown grants; or would you say that he was familiar with the situation? A.—Oh, I think he was.

Q.—He did not need any enlightenment from you? A.—I don't think so.

Q.—When he spoke to you that you had better deliver those Crown grants over, and these other arguments— A.—(Interrupting.) I remember that he dwelt considerably on the fact that I was asking for further concessions.

Q.—But would you say that he was familiar with the situation as far as it had progressed, of the Columbia and Western Railway, or did you have to tell him of the facts? A.—I don't think so; I think he knew all about it.

Q.—You think he knew all about it? A.—I think so.

Q.—From your knowledge of him in the matter, it was unnecessary for you to explain anything? A.—I think so. I think he assumed to know more about it than I did, in the arguments that he made use of.

Q.—I asked Mr. Taylor how it was that he could request you to deliver over the Crown grants unless he was thoroughly familiar with all the facts? A.—Oh, he knew all about it.

Q.—I think his answer was something to the effect that he elicited those facts from you. You would not say that? A.—No, sir.

Q.—You say that he knew more about it than you did? A.—He assumed to.

Q.—He assumed to. And he assumed to be acting for whom? A.—For this proposed company. That is all I can tell you about that.

Hon. Mr. Wells—*Continued.*

Q.—The proposed—what company; land company? A.—Call it a land company if you will; but it was a company to take over these lands.

Q.—Did he ever say what the company's name was to be? A.—No, I don't think he did.

Q.—Was it to be a coal company or a land company? A.—I cannot tell you about that. It was a company composed of twenty shares.

Q.—Twenty shares. And did Sir Thomas Shaughnessy speak of the same company to you? A.—We discussed—yes—this company when I was in Montreal last November.

Q.—Did he say it was to be a company with twenty shares in it? A.—No, he didn't say anything of that kind; we didn't go into it at all. He spoke of it in this way, as I took it, in an apologetic manner, that all they had to do was to furnish the land and reserve so many shares; and he made use of the expression, that would suit them; I remember that;—"that would suit us well enough," something to that effect.

Q.—The thing must have appeared to you to be strange, that that matter was opened to you in that way? You would ordinarily expect that the Company would be the owner of all those lands, wouldn't you? A.—Oh, I think it is a common thing to form a subsidiary company.

Q.—Unless you sold the lands? A.—You would have to turn over the lands at a value.

Q.—Did it import to you that anybody was to be recognised instead of the Columbia and Western Railway Company in making a disposition of these lands? A.—Oh, there could be other people, if they choose to pay for their share.

Q.—Well, would it be in the ordinary course of business if people bought shares? A.—Certainly, it would be in the ordinary course of business if people bought shares.

Q.—But Sir Thomas Shaughnessy said, all they had to do was to turn over the land and reserve a number of shares? A.—Yes.

Q.—What did he convey to you on that? A.—I don't know that he conveyed anything in that respect.

Q.—Did that cause you to have some suspicion then that there was something wrong about it? A.—No, I don't think it did; I think the very contrary, so far as any connection that the Canadian Pacific Railway had with it.

Q.—Then it was not until Mr. Taylor broached the selfsame subject that you commenced to be suspicious? A.—That was before that.

Q.—Before that? A.—That was in 1901, and this conversation I am speaking of now was in 1902.

Q.—Mr. Taylor's conversation was before that; is that it? A.—Yes.

Q.—Then wouldn't that be the proper time to have broached this matter to Sir Thomas Shaughnessy? A.—Broached what?

Q.—That which had taken place between you and Mr. Taylor. A.—His proposition to me?

Q.—Yes. A.—I did not care to say anything about it.

Q.—You did not say anything to him about it; you did not care to say anything about it? A.—No.

Q.—And never did? A.—And never did, until I mentioned it to my own colleagues.

Mr. McCaul: Mr. McPhillips said to you that the memorandum which you submitted to Mr. Shaughnessy, and his letter in reply, were to be practically a résumé of your visit to Montreal; do you mean that exactly? A.—He said something about that.

Q.—Did you mean that exactly; did the memorandum and the letter cover everything which occurred between you and Mr. Shaughnessy in Montreal? A.—Oh, no; I don't mean that. Not by any means.

Q.—It was only in connection with the construction of that road, as you said before? A.—Oh, yes.

Mr. Helmcken: Look at that plan; that is what you gave us to-day (handing same to witness). A.—Yes, this is a copy.

Q.—That is only a copy, nothing binding. Here is a plan which was attached to the Order in Council of the 19th of December; you see (handing same to witness)? A.—Yes.

Q.—Comparing them together as to 4,593, what do you observe? A.—Well, the acreage is figured on here, and the numbering (indicating).

Q.—Will you also refer to lot 4,594? A.—There is the same.

Q.—How does it come about that in your copy those figures are there and in the one attached to the Order in Council they are absent? A.—I don't catch on to what you mean.

Q.—That is your copy kept in your office (indicating)? A.—Yes.

Hon. Mr. Wells—*Concluded.*

Q.—These are Mr. Brown's figures, evidently, on the other plan (indicating)? A.—Yes, sir.

Q.—Why is not 4,593 marked on this just the same as on the other, if one purports to be a copy of the other? A.—Oh, I cannot tell you.

Q.—This one belongs to the Order in Council (indicating); it is quite evident that "Lot 4,593," could not have been put on on the 19th of December, 1900? A.—That these numbers were not put on?

Q.—Yes; they could not have been? A.—Well, we may have designated them with a number, but not appearing upon that map possibly.

Q.—This is a lithograph map here; that is issued by the Railway Company? A.—Yes, and so is this (indicating).

Q.—They are the same? A.—They are the same map.

Q.—This is the original attached to the Order in Council of the 19th of December, 1900; but the block marks there are absent; but on the map which you have got there, they are on? A.—Yes.

Q.—Now, how does it come about that the Railway Company could do a thing of that kind, or that such a thing was done? A.—This was prepared in our own office.

Q.—Which? A.—This map (indicating).

Q.—When? A.—Well, I suppose, subsequent to the passing of this Order.

Q.—I think you better look into that, Mr. Wells; because those figures on that map are in print. A.—Yes, it is printed.

Q.—All the lot numbers are printed? A.—Well, I cannot give you any explanation of that, Mr. Helmcken.

Mr. Oliver: They probably have all been put on with a stamp.

Mr. McCaul: They look as though they have been stamped on. It is not part of the original lithographing. It is the same printing on both maps. A.—Oh, yes; it is put on after; the stamp is.

Mr. Duff: It could not be put on until some time in October, when the Crown grant was drawn. This lot number was not known at the time of the Order in Council. It could not have been printed when the map was originally printed.

The Witness: I would like to make an explanation as to that apparent discrepancy in my statement as to the two elections I said I had on hand. I may have had the vacancies in the Cabinet in view, as well as the election in Victoria. If there is anything more I wish to state, I can appear again?

The Chairman: You can appear whenever you like.

Witness stands aside.

The Committee here adjourned until to-morrow, May 14th, at 10 A.M.

THURSDAY, May 14th, 1903.

The Committee met at 10 a. m., pursuant to adjournment.

Present, the full Committee.

The minutes of last two previous sessions were read and adopted.

HON. D. M. EBERTS, being recalled, testifies as follows:—

Mr. Duff: What is your recollection about Bill 87 (handing same to witness)? You remember it being introduced in the Session of 1902? A.—It was introduced in the Session of 1902.

Q.—And brought down by a Message? You remember that? A.—Brought down by Message in the usual way.

Q.—Were you at the Cabinet meeting or the meeting of the Executive at which the Order was passed? Do you remember? A.—For the Message?

Q.—Yes. A.—I cannot speak as to that.

Q.—Your recollection does not serve you as to that? A.—No; but Cabinet meetings are not always called when Messages are brought down in that way.

Hon. Mr. Eberts—*Continued.*

Q.—In this particular instance there appears to be one; we have the Order in Council before us, I mean to say—or rather the recommendation for an Order in Council. A.—Well, that may be, and still there would not be a formal call of the Executive for that purpose.

Q.—Well, there would have to be an Executive meeting; the Bill would have to be before it, wouldn't it? A.—Well, the Bill would have to come before, I suppose, the members of the Executive, or a certain number of the members of the Government.

Q.—What I mean to say is, would the members of the Executive, in the ordinary course, send in a recommendation of that kind unless the Bill had actually been before it? A.—He probably would.

Q.—You think he might? A.—Yes.

Q.—In the usual course, do you mean, Mr. Eberts? A.—Oh, it is not the usual course; but, if you remember, some of these Bills come down during the sitting of the House.

Q.—Yes; this did come down during the sitting of the House. A.—And, as you know, Bills of that kind are generally not brought down at the earlier stages of the sitting. If a Bill of that kind were intended to be brought down, and all arranged before the sitting of the House commenced, then, probably, it would come before a meeting of the Executive at some time, because the Executive would be sitting probably from time to time.

Q.—That is not quite what I am asking you. I am directing your attention to the fact. A.—Do you wish me to say, do I remember this having come before the Executive?

Q.—No; I understood you to say you don't recall that? A.—No; I don't recall that.

Q.—I was rather pressing on the point as to how a recommendation of this kind could be made to the Lieutenant-Governor unless there had been a regular meeting of the Executive at which the Bill was considered? A.—Well, sometimes Bills are brought down, if my memory serves me rightly, immediately when the matter has been talked over by the Executive, and the Minister would want an Order brought down in the House, because, as you know, a Bill of that kind has got to be brought down by a Message. It is, to a certain extent, a formal thing, so far as the Minister is concerned, because, under our rules, under section 54 of the British North America Act, Bills of this kind must be brought down by a Message by His Honour, and go into Committee of the House.

Q.—And would not necessarily be preceded by any formal meeting of the Executive, although the Lieutenant Governor would not act in a matter of that kind without the advice— A.—He would not act without the advice of the Premier's signature.

Q.—Now, was this Bill before you for consideration before it went into the House? A.—I don't remember it being before me at all. I took the occasion the other day, before Mr. Maclean gave his evidence—I asked him if he ever had put that Bill before me, and he said he had not.

Q.—I quite understand Mr. Maclean stated here, as far as he recollects, he had not submitted it to you. A.—But I wish to state here that I do not want to relieve myself from any responsibility in connection with that Bill.

Q.—Of course, I understand that. A.—I don't want to hide behind the fact that I did not see it; because, if it came into the Attorney-General's office through Mr. Maclean, I would only be too glad to take my share of the responsibility in connection with the Bill.

Q.—Now, will you look at the first and second recitals of the Bill. It has been stated here that the facts upon which those recitals were founded were facts which came to the knowledge of the Government through your recollection of them; and I think there is a letter which you referred to in your own evidence before, which you wrote to Mr. Wells about the matter. A.—Yes; I wrote that letter. The reason of writing that letter was from the fact that the Bill had been introduced into the House.

Q.—The 9th of June, 1902, the Bill had been introduced into the House, and while the Bill was before the House— A.—While the Bill was in Committee—the Message was in Committee if I remember rightly; there was a debate on the Message in Committee, and, of course, the Government, desirous of getting the Bill out of Committee, I spoke on that question and gave my views, and afterwards I said that I would put those views in writing and give them to the Chief Commissioner and they could be laid before the House.

Q.—The letter was brought down before the Bill was withdrawn? A.—The letter was brought down, certainly. It shows for itself it was brought down before the Bill was withdrawn.

Hon. Mr. Eberts—*Continued.*

Q.—Now, I understand from that, that what happened was that in the year 1898—was it? A.—1898, yes, there was such a year.

Q.—But in the year 1898 you had an arrangement with Sir Thomas Shaughnessy and Mr. Mann? A.—Yes.

Q.—Between yourself and Mr. Turner on behalf of the Government, and Sir Thomas Shaughnessy on behalf of the Canadian Pacific Railway? A.—Yes.

Q.—Which is expressed in these two recitals? A.—Virtually expressed in those two recitals.

Q.—Intended so to be. And substantially the arrangement was that if the Company abandoned its right to construct a railway line between Penticton and Midway, in consideration of an agreement on the part of the Government that the Company should be entitled to the subsidy for the other section, notwithstanding failure to construct? A.—Well, that was virtually it, Mr. Duff. That was not quite the manner of it.

Q.—I mean as far as the mutual obligations— A.—There was no advantage to be taken of the Company because of their not constructing from Midway to Penticton, from the fact that they were willing, formally, to relinquish their right to build to Penticton, because the Government wanted to get the Coast-Kootenay line built through from English Bay to Midway, and the only way they could get it through to Midway was by entering then into a contract with Mackenzie & Mann for it. And Sir Thomas Shaughnessy said that he would not stand in the way. Under the Columbia and Western subsidy there was to be 20,000 acres a mile from Robson to Penticton, and on the other hand, under the V. V. & E. charter, there was \$4,000 a mile at that time standing from the Coast to Robson; if both companies got their subsidies we would be duplicating the line between Penticton and Midway, giving one 20,000 acres a mile and the other \$4,000 a mile; and that would be an unbusiness-like thing for the country.

Q.—And I think the letter also states that Mr. Mann himself objected to the arrangement continuing, by virtue of which there might be parallel lines there? A.—Mr. Mann objected to that arrangement, in this way; we wanted him first to build the first section, according to the Act, that is from the Coast to Penticton, and let the Columbia and Western build from Robson to Penticton; Mr. Mann refused positively.

Q.—He wanted it to go through to Midway? A.—He wanted to go through to Midway. I remember he said he did not want to be held up at Penticton by the C. P. R.; he absolutely refused that; and Sir Thomas Shaughnessy coincided with him in it.

Q.—Now, under the Columbia and Western charter, of course, the Columbia and Western Railway Company had the power to build from Midway to Penticton? A.—They had the power under the charter, yes.

Q.—And on their part the undertaking was that their right to build that line should be given up? A.—Not exactly that; they were going to give up their right to build there, but they would stand aside and allow Mackenzie and Mann to build from Penticton down to Midway.

Q.—Yes; but is this correct—I call your attention to the terms of your letter, Mr. Eberts, in the first place, “The Government intimated to Mr. Shaughnessy its desire to have a through line from the Coast to Robson, and that Messrs. Mackenzie and Mann were willing to enter into a contract for the construction of a line from the Coast to Midway, if the Columbia and Western Railway Company would give up its right to construct from Midway to Penticton.” Does that represent what— A. (Interrupting)—What I meant by that most probably was this, that if Mackenzie and Mann built from Penticton to Midway—from the Coast to Penticton and Midway, and got \$4,000 a mile, that the Government would be absolved from giving the Columbia and Western Railway 20,000 acres a mile if they built from Midway to Penticton.

Q.—Then you say your arrangement with Sir Thomas Shaughnessy at the time—A.——was a verbal arrangement, you remember, Mr. Duff—I am giving you the best evidence I can give after a lapse of years; that was five years ago.

Q.—I understand that, Mr. Eberts. I am trying to get precisely what your recollection was. What you think now is that the arrangement was not that they should give up their right to construct under the terms of the letter, but they would give up their right to the subsidy? A.—That the Government would not have to give them a subsidy if they went on to Penticton.

Hon. Mr. Eberts—*Continued*

Q.—Well, that is, that they would give up their right to the subsidy? A.—Virtually.

Q.—But that they were not giving up their right to construct? A.—Well, I did not take that into consideration, because it would have made no difference to the country whether they were constructed or not; it would have been a very good thing for the country at the time if they spent money there paralleling the line; I don't think the Government would have stopped them from doing it.

Q.—But what I really want to get at is whether or not the arrangement is actually expressed in this letter to Mr. Wells, and in the recital of the Bill. It occurred to me that the effect of it, as you put it in your letter and in the Bill, was that it was not the subsidy that Mackenzie and Mann were objecting to, but objecting to a line paralleling them from Midway to Penticton? A.—I cannot speak of that.

Q.—And that what they insisted upon was that the Columbia and Western charter, so far as it applied to the line between Midway and Penticton, should be abandoned. That is the natural construction one would put upon the language? A.—What we were looking out for was to get the line built through, and to save as much as we could in subsidies.

Q.—But the difficulty was really raised by Mr. Mann? A.—The difficulty was raised by Mr. Mann.

Q.—Mr. Mann refused to enter into the arrangement that the Government wanted to make with him? A.—That was the difficulty at the time.

Q.—I understood you to say that was your recollection at the present time, and that seems to be what the effect of your letter is too, that Mr. Mann wanted to go through to Midway? A.—He wanted to get to Midway; and he said he could not be held up there, because he could get down to the south—meaning that he could get down by the Kettle River, getting an outlet there, and he could not be held up.

Q.—Now, you think that this statement in your letter in regard to that arrangement is not an accurate one, Mr. Eberts? A.—Well, I wrote from memory at the time.

Q.—I know you did; but according to your present recollection that would not correctly represent what occurred at the time? A.—I don't know that it is very much out of the way.

Q.—Well, you see what you say there is that the Columbia and Western were abandoning their right to construct. What I am getting at is, what the Columbia and Western were giving up? A.—They were willing at that time to relinquish their right to construct to Penticton.

Q.—And they actually made that arrangement? A.—I thought they did at that time.

Q.—And this recital here is correct, "Whereas, at the request of the Government of British Columbia, in order to enable the Government to enter into an arrangement with Messrs. Mackenzie and Mann, railway contractors of Toronto, for the construction of a line of railway from Midway to Penticton, the said Company surrendered its right to construct said fifth and sixth sections?" A.—Yes.

Q.—Surrendered their right to construct. Now, virtually, of course, that meant—that was an arrangement that could not be carried out without legislative sanction? A.—It could not.

Q.—But still you regarded that as an arrangement which was entered into between the Government and the C. P. R., and that you were naturally bound to introduce legislation? A.—We felt that it was an honourable arrangement; or otherwise we could not have got the contract from Mackenzie and Mann.

Q.—Certainly; I quite understand. Now, in order to give legislative sanction to that arrangement, these two things would be required, would they not: In the first place, on the part of the Company there would be an abandonment of its right to construct; on the part of the Government there would be the abandonment of the right of the Government to insist upon the condition by which the subsidy for the fourth section would not be payable until the fifth section had been constructed? A.—Will you put that question again?

Q.—What I ask you is this; that in order to completely embody the arrangement in the form of a legislative enactment, two things would be required to be done by the Legislature; one would be to cancel the right of the Columbia and Western to construct from Midway to Penticton, so as to carry out the obligation of the Company; and the other would be to relieve the Company— A.——to relieve them of their obligation to build to Penticton.

Q.—Well, partly, of course, on the one hand to relieve them of the condition that they had to build from Midway to Penticton in order to get the subsidy for the fourth section? A.—Yes.

Hon. Mr. Eberts—*Continued.*

Q.—That would be the Government's part of the obligation? A.—In order to get the subsidy for the fourth section by the terms of the original Act, they had to build the fifth section.

Q.—And the Company were relieved from that arrangement. But, on the other hand, the Government also were entitled to have something from the Company under this arrangement? A.—Well, I suppose, if that were carried out the proposition would be that the Government would be relieved of its right under the Act itself to give 20,000 acres a mile between Midway and Penticton.

Q.—Not only that, but the Act would be amended so that the Columbia and Western Railway Company would lose its charter, its right to construct between Midway and Penticton? A.—Well, I don't know that we looked at it in that light at that time.

Q.—If the Company were abandoning its right to construct, if that were the consideration to the Government, surely, then, that is the only way it could have been expressed in a legislative enactment? A.—Probably it might have been.

Q.—They have the right under their charter? A.—Yes.

Q.—The only way it could be effectively abandoned would be by amending their charter? A.—Yes.

Q.—So that in order to carry out this legislative enactment, one thing is certain, the charter would have to be amended in such a way as to wipe out the right of the Company to construct from Midway to Penticton? A.—Yes, if you desired that to be done.

Q.—Now, in 1901, Mr. Eberts, there was an Act passed, to which I call your attention (showing same to witness), on the petition of the Company, by which the time during which the Company had power to construct from Midway to Penticton was extended, I think? A.—Yes, there was.

Q.—So that the obligation of the Company under that arrangement—or the consideration given by the Company under that arrangement, namely, the abandonment of its right to construct the fifth and sixth sections, was abrogated in the Session of 1901; isn't that so? A.—Well, let us just go into this historically. In 1898, you will remember, the Turner Government went out of power and had no opportunity of carrying out the arrangement made with Sir Thomas Shaughnessy and Mackenzie and Mann. In 1899, if I remember rightly, the agreement entered into by the Turner Government with Mackenzie and Mann to build from the Coast to Midway was declared null and void by the Legislature. In the Session of 1900, when the Semlin Government was in power—

Q. (Interrupting)—Was there any legislative enactment declaring that null and void? Wasn't it simply an Act of the Government under the provisions of the agreement by which they had power to declare that the Company was not proceeding with proper celerity? A.—No, it was not; what the Government of the day did in the year 1900 was to amend the Subsidy Act of 1897 and 1898 passed by the Turner Government, to this extent, to take away the subsidy from the Coast-Kootenay line, from English Bay to Midway, and to retain the subsidy of \$4,000 a mile between Midway and Robson.

Q.—Yes, I see. And in the meantime the agreement between Mackenzie and Mann and the Government had been cancelled? A.—In the meantime the agreement between Mackenzie and Mann and the Government virtually had been cancelled, because, virtually, they had taken away all that they were going to give to Mackenzie and Mann. There was no necessity for Mackenzie and Mann entering into an agreement with the Government or looking at the agreement at all after the Act of 1899 had been passed, because they had their charter and could build under the charter, but the money that they were going to get under the Act was taken away from them.

Q.—Yes. The point I am putting to you, Mr. Eberts, is that the recital in this Bill of 1902, Bill 87, states that the arrangement between yourself and Mr. Turner on the one hand and Sir Thomas Shaughnessy on the other hand was that the Columbia and Western surrendered their right to construct from Midway to Penticton? A.—And allowed Mackenzie and Mann to come in.

Q.—Surrendered to construct. But that in the Session of 1901 the Company petitioned the Legislature, and on that petition the Legislature passed an Act by which their right to construct from Penticton to Midway was extended in point of time. A.—Yes.

Q.—And that agreement having been made in 1898; that at the request of the Company and by an Act of the Legislature, that agreement was abrogated in the year 1901. A.—On

Hon. Mr. Eberts—*Continued.*

the face of the Statute it was. But you will remember—and I do not think that any person will come forward to say that the Semlin-Cotton Government ever insisted that the Columbia and Western Railway should be built between Midway and Pentiction. You have got to bring all these things together.

Q.—Of course, anything that is relevant I am quite willing that you should say. A.—And as an evidence of that, if you will refer to the Queen's Speech in the year 1900—I think it was 1900—brought down by the Semlin Government, you will see words something to this effect occur:—That the Columbia and Western Railway Company, having completed their line of railway between Trail and Midway, are entitled to a bonus of lands, approximately so many acres.

Q.—I quite understand that. All quite in line with—
A.— —what I have said.

Q.— —with what you have said, that the arrangement between yourself and Sir Thomas Shaughnessy was that the Company abandoned their right to build from Midway to Pentiction. A.—They abandoned their rights under the Subsidy Act to get anything if they did build there.

Q.—I know. But as I have been putting to you, your letter and the recital, you know, do not refer to the subsidy at all. What you referred to there was the right to construct. That right to construct was given in their charter. And that arrangement could not be carried out without an amendment to the charter, by which the right to construct between those two points would be wiped out. I think you agreed with me on that a moment ago; that is so? A.—I suppose legally, if you get down to the construction of it in the Courts. But that was not the intention of the Legislature—the Governments that were in power.

Q.—Well, in that way, then, Mr. Eberts, your letter and the recital in the Bill in that respect are not correct? A.—I don't know that.

Q.—Well, again, is not the plain statement in your letter this, that what they abandoned and surrendered was the right to construct? And is not the statement in the recital of the Bill that they surrendered their rights to construct the fifth and sixth sections? —not that they surrendered the subsidy, but they surrendered their right to construct? A.—Yes, that recital is in the Bill.

Q.—And it is in your letter, too, isn't it, Mr. Eberts? A.—Well, I think it is. Yes.

Q.—That is the way it is put in the letter and in the Bill, that what the Company was giving up was their right to construct, not the subsidy. That is correct, isn't it, Mr. Eberts? A.—Well, it is put in that way; I wrote the letter in that way. That is what I thought at the time; but what I—of course, there is no use of reiterating—it was talked over, the whole matter,—and shortly this: We wanted that railway built from the Coast to the Kootenay, from the Coast to the Columbia River; we could get it built under certain conditions; we could not get it built if the line was duplicated between Pentiction and Midway. Mr. Shaughnessy and Mr. Mann agreed and were quite willing that we should enter into a contract,—Mr. Shaughnessy was, on his part, quite willing that we should enter into a contract with Mackenzie & Mann as far as Midway; and, virtually, gave up their right to construct, because there was nothing for them to do; they could not get any money for it, because, I think, the Acts themselves show that any line building to Pentiction there should be no money subsidy and land subsidy both between Pentiction and Midway.

Q.—You might turn up the Act. A.—(Looking at Statutes). No, I don't see that in the Act; but I have a recollection of that; probably it is in the agreement; that they could not have both land and money subsidy.

Q.—Here are the agreements; is that what you refer to, Mr. Eberts? I think there is something of that kind? A.—I cannot state from memory now just exactly what caused that section five in this agreement to be put in, but it strikes me probably this, that was to guard against the possibility of Mackenzie & Mann building under the Columbia and Western from Pentiction to Midway. Section five says: "In case the contractors cause the said railway to be built under the charter of any railway company to whom the Government has heretofore granted, or been authorised to grant, any land subsidy, then, and in that case, the subsidy herein authorised shall only be paid to the contractors upon such company giving up its claim to the land grant for the railway herein contracted to be built." In other words, you see it might have been possible, although I do not think it was probable,—it might have been possible at that time, because Mackenzie & Mann spoke in that agreement of building under the V. V.

Hon. Mr. Eberts—*Continued.*

and E. Railway—they had secured the charter, or the right to build under that; and, as I said, there was a land grant from Robson to Penticton, and a money grant from Penticton to Midway.

Q.—I suppose the object of the Government was clear with regard to that? A.—Yes; only wanted to pay in one way; if they paid in land, they would take it in land.

Q.—And your recollection is there was something in the Act of 1896, or subsequently, that provided that the contractors under that Act becoming entitled to any land subsidy covering the same ground, that that land subsidy was to be given up? A.—Yes.

Q.—Applying not only to this, but to all the other roads that were constructed under the "Public Works Act" of that year; that is what you refer to? A.—Yes; I have only a hazy notion of it now, without looking up the Act.

Q.—You have not anything further to say, at all events, with regard to the statement in the letter and the statement in the preamble of the Bill, that what the Columbia and Western were then giving up was the right to construct? A.—Yes.

Q.—Now, certainly, it was clearly understood at that time that the right to the subsidy was abandoned? A.—That they had no right to the subsidy?

Q.—That the right to the subsidy was abandoned? A.—From Midway to Penticton?

Q.—Yes. A.—No doubt of that. I mean to say that they at that time, that is 1898, clearly intended that they would give up their right to the subsidy, so far as they were concerned.

Q.—Well, but they had absolutely and finally given up their right to the subsidy; that was the arrangement between them and the Government? A.—I don't know as to that. They were quite willing that if other people should build, that the other people should have the subsidy.

Q.—Is that the arrangement, then? Not an absolute arrangement by which they surrendered their right, but an arrangement by which they surrendered their right in the event of the other people building the line and getting the subsidy? A.—You will understand, when contractors like that come before the Government, and the Government is anxious to get the road through, one side will say, "I will give up this," and the other side will say, "I will do this."

Q.—I am not criticising at all, but I am trying to get an accurate statement of what the arrangement was; because there is no doubt an arrangement of that kind, although it was not committed to writing, is a clear one. There was no doubt in your mind at the time as to what the arrangement was between Mr. Shaughnessy— A.—And Mackenzie & Mann.

Q.—And the Government. You suggest that the arrangement was not an absolute abandonment of the right to construct, or an absolute abandonment of the right to a subsidy, but that the abandonment or surrender was made conditional upon the building of the road between Midway and Penticton by Mackenzie & Mann and their getting the bonus for it? A.—I would like you to put the question again; I did not catch it.

Q.—Do you understand the arrangement to be that the Columbia and Western at that time agreed with the Government that they there and then gave up all their rights with reference to the subsidy between Midway and Penticton? A.—What I mean by that is that the Columbia and Western Company said they would stand aside for Mackenzie & Mann.

Q.—That was all? A.—That was the real crux of the whole thing.

Q.—Then, as between them and the Government, if Mackenzie & Mann did not build between Midway and Penticton, the Columbia and Western gave up nothing? A.—Well, I don't know what they would have done if we had come to another Session, Mr. Duff. That thing did not get on any farther after that.

Q.—Pardon me for pressing it, but I really do want to get at what the arrangement was. Was it an absolute surrender on their part, or was it only just as you put it, a standing aside to allow Mackenzie and Mann to go ahead and get the subsidy? A.—Their arrangement was that they should stand aside and allow us to enter into an agreement with Mackenzie and Mann that Mackenzie and Mann were to build down to Midway—Penticton to Midway; and that the Government would protect them in their rights so far as the—

Q.—as the provisions with regard to the sections were concerned? A.—provisions with regard to the sections were concerned.

Q.—They were to be protected in their rights as to the third and fourth sections. I see that in 1901 a Bill was introduced, Bill 76, brought down by Message, by which the Subsidy

Hon. Mr. Eberts—*Continued.*

Act of the Columbia and Western was to be amended. A.—Have you got that Bill here? (Bill handed to witness.) I looked that up. There was no Message in connection with it.

Q.—I thought there was one. A.—I would just like to see. I remember the last time I was here, I think Mr Oliver said that the Bill had never been introduced.

Mr. Oliver: That was a different Bill. A.—Another one?

Mr. Duff: Yes. A.—I don't know of any other one.

Q.—I will tell you about that; there is a Bill No. 113 here. A.—113 in 1901?

Q.—Yes. A.—112 is the last one.

Q.—But it was a Bill that was going to be introduced at the last day of the Session? A.—I don't remember that Bill. I think that Bill was never introduced—I mean there was no Bill introduced at the last night of the Session as 113. The last Bill of the Session was Bill 112. In the Session of 1901 there was a Bill introduced as Bill No. 76. That Bill was introduced and afterwards withdrawn at the end of the Session.

Q.—I understand that, yes. A.—Well, of course, I have not got the—there is a draft of the Bill, and I see the writing in the draft is the writing of Mr. Maclean, my Deputy.

Q.—What we have is the recommendation and the Message from the Lieutenant-Governor, with regard to Bill 113. A.—Was that Bill introduced into the House?

Q.—Apparently never introduced. But this is the Bill I was referring to, and that is the one that was mentioned when you were here before, as a Message having come, and the Bill not having been introduced. Now, you notice that under Bill 76 the Subsidy Act of the Columbia and Western was to be amended in 1901? A.—Yes.

Q.—Could you say, Mr. Eberts, whether when that Bill was introduced you still considered that the Columbia and Western and the Government were under mutual obligations by which, on the part of the Company, all its rights between Midway and Penticton had been given up? A.—Well, I don't know what the Columbia and Western thought about it; probably they—

Q.—I was asking you what you thought about it? A.—I cannot say what I thought about it.

Q.—There is no doubt about this Bill having been introduced? A.—The Bill was introduced, yes.

Q.—It would be a Government measure? A.—The Bill was introduced by the Chief Commissioner of Lands and Works; it was not introduced by a Message.

Q.—Well, wouldn't that be introduced by Message, as a matter of fact; wouldn't a Bill of that kind, dealing with a subsidy which had lapsed, be introduced by Message? A.—I don't know whether it would or not, but it does not appear to have been here. The Journals of the House are supposed to be correct; and the Journals of the House say there is a first reading of Bill 76, and then after that it was withdrawn, and nothing more done to it.

Q.—And the Journal would refer to the Message if there were one? A.—Yes, it would show if there was a Message, when the Message went into Committee.

Q.—At all events, it would be a Government measure? A.—It was brought down by the Government. All measures brought down by the Government are Government measures.

Q.—I call your attention, Mr. Eberts, to the fact that you have said Bill 87 was introduced pursuant to an arrangement made in 1898 by which the Columbia and Western gave up all their rights between Midway and Penticton? A.—Pursuant to a letter, I think.

Q.—I beg your pardon? A.—Wasn't there a letter of the Premier?

Q.—No, Bill 87. A.—That is 87.

Q.—This last one (handing document to witness). A.—That attempted to carry out an arrangement, an agreement made with the Turner Government and the Semlin Government, as I consider.

Q.—But as far as your Government was concerned, the information that you had on that subject was obtained from yourself and Mr. Turner, as to what occurred in 1898? A.—Well, I don't think Mr. Turner was here at the time.

Q.—I thought you mentioned the fact that he was here. It does not matter. A.—This Bill is in 1902, Mr. Turner left the Government in 1901 on the 3rd of September. He was in England at the time that Bill came on.

Q.—The object of introducing Bill 87, I understood you to say, was to give Legislative effect to an honourable arrangement made between the Government of British Columbia, as represented by yourself, or yourself and Mr. Turner, in 1898? A.—And Col. Baker.

Hon. Mr. Eberts—*Continued.*

Q.—With Sir Thomas Shaughnessy, representing the Columbia and Western Railway Company, by which the Columbia and Western gave up all its rights between Midway and Penticton? A.—They would stand out of the way.

Q.—I am just calling your attention to what you said, Mr. Eberts, this morning, a little earlier in your examination. First, the letter says that they were to give up their right to construct; now you rather put it that the intention was to give up their right to the subsidy. Now, as I said before, I only want to get it quite clear. Do you wish to modify that by saying that, on recalling the circumstances, your recollection is that the understanding was not that they were absolutely giving up their right to the subsidy, but to stand aside so as to let Mackenzie & Mann build— A.— —and get the subsidy.

Q.—They were to stand out of the way and let Mackenzie & Mann build and get the subsidy? A.—Yes.

Q.—In the event of Mackenzie & Mann not building and not getting the subsidy, there was no abandonment of any rights whatever by them? A.—They might not have considered so.

Q.—Well, what would you consider, Mr. Eberts? A.—I would consider that if Mackenzie & Mann had had the opportunity to have built the line, I firmly believe they would have built the line; and if Mackenzie & Mann did not build the line, I don't see how you could take away the rights—force away any rights that the Columbia and Western had. You will remember at that time—I want to tell you something else—there were very large contracts to be given out at that time, and a very large amount of money to be invested,—something, so far as the Columbia and Western is concerned, of raising between five and seven million dollars to build as far as Midway—

Q.—Was that in 1898? A.—Yes.

Q.—Between Robson and Midway? A.—Yes.

Q.—That was a very difficult piece of road to build? A.—Well, I suppose it is in places.

Q.—Well, that was the general understanding? A.—Yes.

Q.—But what bearing has that on your recollection as to what the precise arrangement was? Was there an absolute abandonment of their rights, or was it an abandonment conditional on the road being built and the subsidy obtained by Mackenzie and Mann? A.—Those words were not used, because we expected, beyond all doubt, that Mackenzie and Mann would build the line.

Q.—I see. Then, in the event of Mackenzie and Mann not building the line, the intention was that the Company should give up nothing? A.—The Company could take such course as they saw fit, after that.

Q.—And, of course, that being the case, if that condition happened, nothing was given up by the Company? A.—Do you mean actually given up?

Q.—Yes. A.—Do you mean actually at the next Session, if Mr. Turner had been returned, that there was going to be an Act passed to take away from them the right to build between Midway and Penticton?

Q.—I am not suggesting that. A.—That is the tenor of your cross-examination.

Q.—No, I am not suggesting that for a moment. I am dealing with the understanding you had at the time; and I understand you to say that the effect of that was this, that if Mackenzie and Mann did not build and did not get a subsidy, that this was the intention, that the Columbia and Western had given up nothing? A.—I did not say that at all. That intention was not had at the time because we had every reason to believe that Mackenzie and Mann would build the line.

Q.—Then the intention was that the C. P. R. or the Columbia and Western absolutely abandoned their rights—finally abandoned their rights? A.—That they abandoned their rights?

Q.—It must have been one thing or the other, Mr. Eberts. As you stated in your previous evidence, there was a solemn arrangement between yourself and Sir Thomas Shaughnessy. A.—Not between myself and Sir Thomas Shaughnessy, by the Government of the day.

Q.—Well, really, isn't that quibbling a little; because you actually made the arrangement with Sir Thomas Shaughnessy? A.—How do you mean?

Q.—It was you, representing the Government, who made the arrangement. A.—Me?

Q.—Yes. A.—It was not, certainly.

Q.—I thought that was the effect of your letter, that you met Sir Thomas Shaughnessy here personally, and that the interview occurred between you and him? A.—No such a thing; it occurred between Sir Thomas Shaughnessy and the members of the Government.

Hon. Mr. Eberts—*Continued.*

Q.—All the members of the Government? A.—All the members of the Government.

Q.—I am mistaken about that, then? A.—It is not so, Mr. Duff. I never saw Sir Thomas Shaughnessy on the subject by myself. Sir Thomas Shaughnessy attended on the whole Government here, in Col. Baker's office. I remember the occurrence well.

Q.—I am not making any suggestion about it at all. The only notion I had was, there were only one or two members of the Government here at the time, and it was made in that way. However, that does not matter. Whatever the arrangement was it was certainly an arrangement which was intended to be binding on everybody, on both sides? A.—Well, we thought so at the time.

Q.—You intended that, didn't you? A.—Certainly, we thought so at the time.

Q.—And the arrangement was that the Columbia and Western should give up something; that is so, isn't it? A.—The arrangement was that the Columbia and Western were going to stand aside and allow us to enter into a contract for the Coast-Kootenay or the V. V. & E. Railway from the Coast to Midway.

Q.—But that was an arrangement that could have been put in the form of a Bill? A.—That arrangement certainly could have been put in the form of a Bill.

Q.—You use the words "stand aside." I must confess that that is a little indefinite to me. You see, the way you put it in this Bill is this,—not only in your letter but in the preamble,—that the Company surrendered its right; in both cases there was the word "surrendered." A.—The Columbia and Western were contemplating building to Penticton at that time.

Q.—Yes; and they surrendered their right to build. I am not now dealing with the question as between the building and subsidy. A.—There is no use quibbling on words. I tell you just exactly what happened.

Q.—I am not quibbling on words. They surrendered their rights to a subsidy between Midway and Penticton? A.—They surrendered their rights which they had—now, wait a minute—

Q.—Pardon me— A.—I am going to give it my way—

Q.—Pardon me; what I want is an answer to the question. I don't want to prevent any explanation, but let me put this question: Did they surrender that right absolutely, or did they surrender it conditionally upon Mackenzie & Mann carrying out their intended arrangements by building between Midway and Penticton? A.—The matter was never talked in that way between the members of the Government and Mackenzie & Mann and Sir Thomas Shaughnessy.

Q.—In other words, no condition was mentioned? A.—At that time a condition mentioned?

Q.—Yes. A.—No; at that time there was no condition mentioned; we did not anticipate a condition at that time, from the fact that Mackenzie & Mann immediately entered into the contract.

Q.—So that your letter and the preamble to the Bill correctly stated that there was an absolute abandonment of their rights? A.—No; I don't say that.

Q.—I beg your pardon? A.—I don't infer from that, from what our talk was with those people, that they absolutely abandoned their rights.

Q.—Would you infer that from your letter and this Bill? What do you infer if it was not an absolute abandonment of their rights? A.—Now, just let us talk in plain language in reference to this matter, and see what it means. On the one side, we have Mackenzie & Mann and an agreement from the Coast up to Midway; on the other hand, we have Sir Thomas Shaughnessy and the Columbia and Western from Robson to Penticton. Now, between Penticton and Midway, if both of those lines of railway were built, there would be a duplication—

Q.—That is all common ground; we understand that. A.—Yes; and the Columbia and Western at that time wanted to build to Penticton—

Q.—Yes, and all the parties came together. But what I want to get at, Mr. Eberts, is, what is the arrangement that was made? We know what the facts were. A.—The arrangement made was this—we made the arrangement during the course of these negotiations,—that Mackenzie & Mann would enter into a contract with the Government to build the Coast-Kootenay line as far as Midway—

Hon. Mr. Eberts—*Continued.*

Q.—Yes, and I am talking about— A.—and that they were to receive a bonus of \$4,000 a mile from Midway to Robson.

Q.—I call your attention to the way in which you stated it the other day: “Mr. Shaughnessy then entered into an arrangement with Mackenzie & Mann and Mr. Turner”—I see that you say the Premier— A.—He was the Premier of the day.

Q.—I got the idea that it was between a single member of the Government from the reading of that. A.—Oh, no, it was not.

Q.—But that is immaterial—“that he would give up that portion of his line between Midway and Penticton.” A.—I don’t think it is properly taken down.

Q.—I don’t want to pin you down to any particular word, but I call your attention to this, Mr. Eberts, that in your letter, in the preamble to the Bill of 1902, and in your evidence the other day, there does not seem to be any suggestion that the arrangement was in any way contingent upon Mackenzie & Mann building the road, or that there was any other than an absolute and final surrender of their right between Midway and Penticton. I call your attention, Mr. Eberts, to the fact that it seems now that that does not appear to have been suggested before. A.—Suggested before?

Q.—Yes, that there was anything but an absolute and final surrender of their rights between Midway and Penticton. A.—I don’t think that that question was talked at the time. I have no recollection of that being positively spoken of at the time.

Q.—But what you have said now is also correct, that you would not infer that the Columbia and Western had abandoned, or intended to abandon, their rights either to build or to the subsidy, in the event of Mackenzie & Mann not carrying out their contract? A.—What Sir Thomas Shaughnessy did expect, though, from the Turner Government, was that when they were in a position to do so they would relieve him from the responsibility to build between Midway and Penticton, in order that he might receive his bonus. Because, the Land Act standing as it did, if he did not build to Penticton he would not be entitled to any land at all for section four.

Q.—Now, that obligation was quite clear on your part; but that was in consideration of an obligation on the part of the Columbia and Western that they were giving up something? A.—Well, they were giving up something; they were giving up this, that they had the right to go to Penticton—

Q.—I don’t know that they were giving up that. A.—And in doing that they would connect their line with the Shuswap and Okanagan; and the Turner Government was very anxious to have that Coast-Kootenay line built, and they got the opportunity of having it built, and the only way they could have it built was to get a contract with Mackenzie & Mann through to Midway.

Q.—I quite understand that. But what I am trying to get at, again, if you will pardon me for saying I do not think it is answered yet; while the obligation on the part of the Government to the Columbia and Western was a clear one, namely, legislation would be passed by which the Columbia and Western would be relieved from the building of the fifth and sixth sections before getting the subsidy for the fourth section, that obligation was in consideration of an obligation that the Company had entered into and which you have stated in your letter and in the preamble to this Bill as being an absolute abandonment by them of their right to construct. A.—You say I have stated in the preamble to this Bill.

Q.—Well, in your letter, and it is repeated in the preamble of the Bill; and the letter was brought down to the Legislature as being a statement of facts upon which the Legislature was asked to support this Bill; and the statements contained in both are that there was an abandonment of the right to construct. A.—Which would couple with it an abandonment of the right to get any subsidy.

Q.—It would carry an abandonment of the right to get a subsidy; but there was not only an abandonment of the right to a subsidy, but an abandonment of the right to construct. A.—I don’t know whether the Government would have made them abandon the right to construct.

Q.—Well, does that correctly express the agreement? A.—Well, I am giving you, to the best of my recollection, what took place at the time. If you are going into a critical discussion of the agreement, I don’t purpose to enter into that.

Q.—I don’t want to get into an argument. But I would presume that that letter would correctly express the substance and intention of the agreement. Coming back to the other

Hon. Mr. Eberts—*Continued.*

point; assuming that the intention was simply an abandonment of the subsidy, I would like to know whether you are able to say or not able to say now—or to repeat what you have just said a moment ago as I understood you, that from what occurred you would not infer that in the event of Mackenzie & Mann failing to construct between Midway and Penticton, that the Columbia and Western had lost any of its rights? A.—Well, I don't suppose they would have lost any of their rights if they had carried out their Act, the Act of 1896; because they could not lose their rights except by an Act of the Legislature.

Q.—But I am talking now about the agreement which all parties intended should be embodied in a Legislative Act. A.—I have told you to the best of my knowledge exactly what the tenor of that agreement was.

Q.—But you have not answered this question; would you have inferred from what occurred that the intention of both parties was that the Columbia and Western lost their rights if Mackenzie & Mann did not build between Midway and Penticton? A.—I could not say that; that would be for them to decide whether they had lost their rights, because we—

Q.—(Interrupting.) Surely that would not be for them to decide. There was a bargain between two parties, and it meant something. It was not a question for Sir Thomas Shaughnessy, one of the parties to the bargain, to say what it meant, surely. A.—Well, it meant this, that they were prepared at that time, and we were talking about the fact, that it would be a very, very important thing, if my memory serves me correctly, with reference to raising a loan, to complete the railway all the way to Penticton; and if they were placed in any different position afterwards by Mackenzie & Mann not building, why, of course, they would be placed in a very difficult position.

Q.—Well, I gather, then, that your view of it is— A. (Interrupting)—I don't think that we ought to place—I never thought that we ought to place them in any worse position—

Q.—I gather that your view of it is this, that they lost none of their rights if Mackenzie & Mann did not build between Midway and Penticton? A.—They lost none of their rights?

Q.—Yes. A.—And that was understood at the time of the agreement? I don't think that was taken up. The particular rights that they were to be protected in, they were to be paid all their subsidy rights.

Q.—There is no doubt about what you were to do on the part of the Government. But what was the obligation on the part of the Columbia and Western? And you are not able to say, then, what the effect, so far as that arrangement is concerned—what the effect was with reference to circumstances that did occur, namely, that Mackenzie & Mann did not construct between Midway and Penticton? A.—No, I could not say.

Q.—Now, Mr. Eberts, when this Bill 76 was introduced in 1901, by which they were confirmed in their subsidy rights, or would be confirmed in their subsidy rights between Midway and Penticton, I suppose that was not regarded as inconsistent with the arrangement that was made in 1898? A.—(Reading section 10.) Well, I understand by the tenor of that that their Act would probably run out in a very short time; that is, their right to a subsidy, if they did not build to Penticton, would be gone altogether.

Q.—I understand that. But what I mean is, when that Bill was introduced you could not have thought that the Columbia and Western had absolutely abandoned their rights in 1898 to their subsidy? A.—Abandoned their rights in 1898? I don't know what view the Columbia and Western had; I suppose they would take every opportunity they had to protect themselves.

Q.—But that is not the Columbia and Western Railway Company's Bill, it is the Government's Bill. A.—Well, probably, a Bill of that kind, the Chief Commissioner would be able to probably tell you—

Q. (Interrupting)—A Bill of that kind would not be introduced by the Chief Commissioner on his own responsibility, would it? A.—I cannot speak for the Bill, Mr. Duff. I cannot speak for the Bill.

Q.—You cannot say anything about that at all. At all events, Mr. Eberts, the sum and substance of your evidence this morning is that you now think that the statement contained in your letter and in the preamble, that the Company had surrendered its right to construct, ought to be modified by saying that what they surrendered was their right to the subsidy—that is the first effect of your evidence, I think, isn't it? A.—They virtually said they would

Hon. Mr. Eberts—*Continued.*

not construct; that is what they said, they would not construct: "If you give the contract to Mackenzie & Mann we will stand aside and not build the line."

Q.—Then they did abandon their subsidy? A.—I don't know whether it is an abandonment or not.

Q.—But you said, "If you give the contract to Mackenzie & Mann we will stand aside and not build the line." A.—"If you give the contract to Mackenzie & Mann we will stand aside and we will not construct," at that time, because they were just about entering into a contract to construct.

Q.—Now, that was their obligation which was to be embodied in a legislative Act; because, as you say, the matter would have to be sanctioned by the Legislature? A.—I don't say that the agreement was made especially that it had to go into a legislative enactment, but that would be the proper way to do it, to give them clearly legal rights.

Q.—But what you were doing was, you were entering into an arrangement which was intended to be made effectual and binding on all the parties; and that is the only way in which it could be made binding? A.—We never considered that afterwards; we didn't have any chance; we were let out in August, 1898, and we never had anything to say on that.

Q.—Then there is no doubt in the world that that arrangement was abrogated in the Session of 1901, by the Act that I have placed before you there. The Company in 1901 petitioned the Legislature, and the Legislature passed an Act by which their right to construct was confirmed and the time extended; so that that arrangement was certainly abrogated in 1901? A.—They probably did.

Q.—And then, Mr. Eberts, this agreement upon which this Bill 87 was founded, having been made in 1898, had been wiped out in 1901. A.—Well, this was a Bill of the Columbia and Western Company, don't you see?

Q.—Yes. A.—This Bill (indicating).

Q.—I am not referring to that. A.—It was a private Bill introduced by the Company; I suppose introduced by them with a view of preserving any rights they had.

Q.—The Railway Company came to the Legislature and they said, "We want our time within which we are to construct, under our Act, between Midway and Penticton, extended"; and the Legislature said, "Yes, we will do it"; and they did extend it by that Act. The Company got their right, in other words, to construct from Midway to Penticton confirmed incidentally. A.—Well, that would not do away with the promise of the Government that they would carry out something that they had said before.

Q.—Wouldn't it, Mr. Eberts? A.—I don't think so, morally.

Q.—The arrangement that the Government had made with the Columbia and Western was that the Columbia and Western absolutely abandoned their right to construct, and in consideration of that the Government gave them something else? A.—When I use the words abandoned—wait a moment—

Q. (Interrupting)—When the Company came before the Legislature in 1901, and the Legislature, with the consent of the Company, abrogated that surrender, surely that was an abrogation of the agreement? A.—I don't think that it was an abrogation of the moral agreement and the contract that should be carried out by any Government. The Semlin Government was not under any obligations to the Columbia and Western except under the obligation that the Turner Government had made.

Q.—Yes, but what was the consideration for the obligation made by the Turner Government? It was the surrender? A.—The consideration on whose part?

Q.—The consideration on the part of the Company? A.—The consideration on the part of the Company flowing towards the Government at the time was that they would not stand in their way, because the Government wanted to build the line to Midway.

Q.—Isn't it a fact, and isn't it stated both in your letter and your evidence, that what happened was, on the one hand the Company gave up its right to construct, as you put it, and on the other hand the Government said "We will relieve you of the duty to construct," and each obligation was a consideration for the other? Isn't that so? A.—There was no change made in the following year with reference to—when another Government had power—

Q.—I am not talking about that, but I am talking about this agreement to which you were giving legislative sanction by Bill 87, which is an agreement that was made orally between Sir Thomas Shaughnessy and members of the Government in 1898. It was not a one-sided agreement altogether? A.—We got nothing from them.

Hon. Mr. Eberts—*Continued.*

Q.—Surely you did, didn't you; you got an abandonment of their right to construct?

A.—What consideration is that to a Government, the abandonment of a right to construct a railway?

Q.—If it was nothing, why did you so carefully recite it in this Bill? A.—Mr. Duff, if you will read over that, you will see the abandonment was to this extent: they had the right to construct from Midway to Penticton, and if they did they would get 20,000 acres a mile; we did not want to have a duplication of the line, and they said, "We will stand aside."

Q.—Am I correct in saying that this agreement consisted of mutual obligations upon the Company on the one side and the Government on the other? "At the request of the Government of British Columbia, in order to enable the Government to enter into an arrangement with Messrs. Mackenzie & Mann, railway contractors of Toronto, for the construction of a line of railway from Midway to Penticton, the said Company surrendered its right to construct said fifth and sixth sections." A.—Well, perhaps I have used those words there.

Q.—"And whereas, as a consideration for the Company's undertaking as aforesaid, it was agreed that the said Company should obtain grants of land in the Districts of Yale and Kootenay in respect of the said fourth section, after the Company had constructed said fourth section:" A.—Well, that means—that would be this, that at the same time there was a promise made by the Government of the day that the Columbia and Western would get their land grants up to and including the fourth section.

Q.—Exactly; in consideration of the surrender of their right to build the fifth and sixth sections? A.—Well, I don't know whether it was in consideration of that at all. That was a mutual arrangement made between all parties.

Q.—At all events, it included that surrender, didn't it? A.—Included a surrender?

Q.—Yes. A.—I can't say whether the term "surrender" is a proper term to use there.

Q.—It included a surrender. A.—There was nothing to surrender, Mr. Duff. I will tell you why there was nothing to surrender; because, if they had built the line between Midway and Penticton, and Mackenzie & Mann had built the line from the Coast to Midway, the Columbia and Western would not have got an acre of land from Midway to Penticton.

Q.—Why? A.—Because the Government had entered into a contract with Mackenzie & Mann.

Q.—But did that abrogate the rights of the Columbia and Western under their Act?

A.—It did not abrogate their rights; but you know perfectly well they would not have got those lands, the Government was not bound to give them those lands.

Q.—Do you mean to suggest this, Mr. Eberts, that if the Columbia and Western had been prepared to go on and build the fifth and sixth sections as well as the fourth section, that because the Government had entered into an arrangement with Mackenzie & Mann, that they would, without the consent of the Columbia and Western, refuse to give them the subsidy? You would not be a party to such a transaction as that? A.—If the Columbia and Western and Mackenzie & Mann and the Government had come together?

Q.—You say that the Columbia and Western had nothing to surrender; now, I point out that the Columbia and Western had the right, under their Act, to build from Midway to Penticton, and if they did so they were entitled to 20,000 acres a mile; is that nothing? You did not quite mean that, when you said that they had nothing to surrender? A.—You don't put that fairly. You said they had a railway charter. I said the mere fact of having a right to build a line of railway from Midway to Penticton—to give that up would not be a consideration.

Q.—I am trying to put it fairly. A.—I don't attribute that you are not.

Q.—You don't really mean to say that, prior to the arrangement between Mackenzie & Mann, the Columbia and Western and the Government, that the Columbia and Western really had not anything to surrender with reference to building between Midway and Penticton? They had the right to build, and they had the right to the subsidy if they built? A.—Yes, they had the right to have the subsidy given them by the Government if they had a right to it.

Q.—Do you mean you would have taken part in a transaction by which you would have refused to give them a subsidy if they built? A.—If they insisted upon building that line anyway, at the same time in which we were entering into contracts to build it right over the same ground; if the Columbia and Western had said, "We are going to build to Penticton,"

Hon. Mr. Eberts—*Continued.*

I don't know what we would have done ; I don't know whether we would have entered into the contract with Mackenzie & Mann at all.

Q.—Is not the whole tenor of your statement this, that you could not enter into a contract with Mackenzie & Mann satisfactorily because of the existence of the Columbia and Western charter between Midway and Penticton? A.—Yes.

Q.—And what the Columbia and Western had to surrender between Midway and Penticton was this charter and its right to the subsidy, in order to make way for the Mackenzie & Mann arrangement? A.—In other words, "We will stand aside."

Q.—You come back, then, to this, that they had something to surrender, and they did surrender something, namely, their right to construct from Midway to Penticton, and the subsidy for building? A.—They said they would not make their contract between Midway and Penticton ; virtually, it was intended that they would not build to Penticton, but if we entered into a contract with Mackenzie & Mann.

Q.—And that was their agreement on their part? That is so because you say it was a solemn agreement ; it was an agreement between the Canadian Pacific Railway Company and the Government of British Columbia, and the obligation of the Company is clear enough? A.—If we had not had something of that kind we would have been placed at the time in a very peculiar position with reference to these companies, because we would have to pay one 20,000 acres and pay the other \$4,000 a mile. It was an absolute necessity to go on with the railway construction, and the arrangement was made.

Q.—Now, I come back to this question, Mr. Eberts—so far as the abandonment of that right is concerned, so far as the consideration given by the Company is concerned, was the agreement not abrogated in the year 1901? A.—You mean to say, was the agreement not abrogated in the year 1901—

Q.—Yes, by this Act which was introduced on behalf of the Compny, extending the time? A.—That agreement, so far as the 1898 was concerned, could not be carried out—in so far as the Company was concerned, could not be carried out ; it was not in writing, and it was not under legislative sanction.

Q.—But you regarded it just as binding as if it had been in writing, and if it had been under legislative sanction? A.—I thought so, yes. Because I believed at the time, and still believe, that they were of great service to the Province at that time.

Q.—I have no doubt about that at all. A.—And I state positively that I believe that was the best and the only chance that this country ever has had of building the V. V. & E. line of railway.

Q.—That may very well be. But taking that all to be the case, Mr. Eberts, this undertaking on their part not to build to Penticton, which was referred to in this preamble, undoubtedly disappeared, whatever its original force may have been, when the Act of 1901 was passed? A.—You might construe it that way.

Q.—Isn't that the way? A.—You might construe it that way ; they were keeping their rights going under that Act.

Q.—But what rights had they if they were all abandoned? A.—When do you mean, abandoned?

Q.—By that agreement between the Government and Sir Thomas Shaughnessy. A.—In other words, they were to stand out of the way and let Mackenzie & Mann build between Penticton and Midway.

Q.—And they had no rights left then? A.—If Mackenzie & Mann had built between there, they would not have any rights, certainly.

Q.—But Mackenzie & Mann not having built, they did have rights? A.—If you carried out the arrangements made, I think—

Q.—You think that would be the way to carry out the arrangement made. I see. So that if Mackenzie & Mann did not build, then the Columbia and Western gave up nothing? A.—That really was not discussed at the time.

Q.—When I put to you the Act of 1901 you say nothing was abrogated there, because their rights revived on the failure of Mackenzie & Mann to build. That is quite clear ; that if that was the arrangement, then Mackenzie & Mann not having built, the Columbia and Western gave up nothing? Isn't that so? A.—You might construe it nothing, if you have the occasion.

Hon. Mr. Eberts—*Continued.*

Q.—And if that is this case, the abandonment of rights recited in Bill 87 did not exist at all? A.—I don't know what you call the abandonment of rights—of course, there was no abandonment of rights that they could prosecute against the Government, because it was only an arrangement orally between the parties at the time.

Q.—But, so far as that is concerned, the Government from that time down to the present were quite prepared to give legislative sanction to the arrangement between Mr. Turner and Sir Thomas Shaughnessy which was made in 1898? A.—And so were the subsequent Government.

Q.—So that there is very little use of referring to the fact that they hadn't any right, because there was no legislation sanctioning it. You made that agreement the basis of this Bill 87. But it now appears, after all, doesn't it, that, really, either the arrangement was abrogated in the year 1901 absolutely, or that there really was no abandonment of any kind whatever in the circumstances that occurred? A.—I only believed and intended, under the whole thing, as far as I was personally concerned, and, I know, the Turner Government, and I was led to believe that the subsequent Government did, that they wanted to carry out that agreement.

Q.—I won't press you any further with regard to that. You remember what occurred in the year 1900 with regard to these blocks 4,593 and 4,594? Can you explain, Mr. Eberts, why it was that the arrangement embodied in the Order in Council of the 10th of September, 1900, was changed on the 19th of December, 1900? A.—I cannot. I remember, generally, the circumstances in connection with the transaction; I remember counsel appeared before us, I think, in the month of September.

Q.—Counsel appeared before you in the month of September, on the application of the Company, then, for these two blocks, which was refused? A.—Well, the Order in Council would show. I have not got it before me.

Q.—Mr. Brown told us that he was very insistent, pressing not only the Government but every member of the Government, between September and November, 1900,—yourself he mentioned particularly—for the alteration of that arrangement by which those two blocks were substituted for the northerly block. Do you remember, Mr. Eberts, what grounds Mr. Brown urged upon you at that time for that change, or what reasons? A.—I don't remember. I can tell you this, although I cannot speak from exact memory at the time, I have made a search there and I was not present on the 19th of December at all. I was not there when that change was made on the 19th of December.

Q.—Did you know of the determination of the Government to make a change? A.—I did not.

Q.—You recollect the fact that Mr. Brown was pressing for the change? A.—Yes; I know.

Q.—Had you expressed your willingness to accede to it, do you know? A.—I don't remember, Mr. Duff.

Q.—Did you have any mind on the subject at all? A.—I don't remember, particularly, in the year 1900.

Q.—You cannot remember? A.—I cannot.

Q.—Leave out the year 1900; I am not referring so much to that as to the application in regard to the settlement of the B. C. Southern subsidy matter. A.—In 1901?

Q.—1900. A.—The British Columbia Southern subsidy. That is with reference to what section?

Q.—With reference to the change that took place between the 10th of September and the 19th of December, by which the Company received the two blocks, 4,593 and 4,594, in substitution for deficiency block "B" in the map attached to the Order in Council of the 10th of September? A.—I think in that year they were not marked out by numbers; I don't think they were. When you speak of blocks 4,593 and 4,594 in 1900, I don't think there were any such blocks then.

Q.—We have been using those numbers in discussing it. I refer to the substitution of deficiency blocks A and B, as shown on the map attached to the Order in Council of the 19th of December, for deficiency block B as shown on the map attached to the Order in Council of the 10th of September. A.—These are the two blocks given on the 19th of December to the British Columbia Southern (indicating on map).

Q.—Yes; in lieu of that (indicating on map).

Hon. Mr. Eberts—*Continued.*

The Chairman: With a gain of 167,000 acres. A.—In which way?

Q.—For the Government. A.—You mean to say, there were 167,000 acres more in this block than in these two.

Mr. Duff: Now, I call your attention to the change made on the date mentioned; and also recall to your mind the fact that Mr. Brown, between those two dates, was pressing very incessantly for that change; and I ask you if your recollection enables you to say anything about the reasons urged by Mr. Brown why that change should be made? A.—Well, I don't recollect why it should be made; but I know that these lands, I think, were set aside in the year 1891 for the British Columbia Southern Railway Company or the Crow's Nest Railway Company.

Q.—Do you think that that was one of the grounds that was urged? A.—I don't know that it was; but that ground might have been urged before the Executive; I don't know.

Q.—I call your attention to the fact that the Company abandoned that position in 1899, when they fixed upon lot 4,589 as their initial block. A.—I don't remember of that Order in Council of 1899. It was in the time of the Semlin Government. Let me see the Order in Council of 1899; I have never seen it. (Document handed to witness.) Well, this Order in Council does not state what you say, Mr. Duff. I have never seen it before. You said this was the initial block of the Company, but by Order in Council of 1901 that south-easterly block was the initial block of the Company.

Q.—Do you state that I stated anything incorrectly? A.—4,589 was the block conveyed by the Semlin Government in the year 1899, by virtue of that Order in Council. That is this block—the description in the Order in Council.

Q.—You referred to an Order in Council of 1891, which is apparently the Order in Council of the 6th of May, 1891, which commences: "The initial block under the British Columbia Southern Railway grant." A.—Yes.

Q.—Now, that initial block is described here as (reading description). Now, I call your attention to the recital of this Order in Council of the 10th of September, 1900. These are the recitals: "On the 18th of August, 1899, a Crown grant was made to the Company for their initial block, comprising 611,533 acres, and situated at the eastern end of the first section of the road." Now, that initial block is lot 4,589, isn't it? A.—Well, I think probably it would be, from that description.

Q.—Then it goes on to say (reading recitals and description, Order in Council 18th August, 1899). So that the alternate blocks along the line of railway to which the Company were entitled, the position being fixed by the Crown grant of the initial block, are set out in that way in this map attached to the Order in Council of the 10th of September? A.—Yes.

Q.—Then, if, as you suggest, deficiency block A, that is lot 4,593—if, as you suggest, the Company acquired a right to that block as their initial block as far back as 1891, then they obviously lost that right subsequently. A.—I can only say what the Order in Council sets up in 1891, that that was the initial block.

Q.—But you see that the Company accepted the Crown grant for another block as their initial block in 1899? A.—Well, I don't understand that to read that way.

Q.—But the Order in Council reads that way clearly. How would they get it, then, if they did not get it as their initial block? A.—Well, let us just read these; I have never seen these here before. (Reads documents.) There is nothing in that Order in Council of the 17th day of August, 1899, to say that that block is the initial block at all.

Q.—Do I understand you to state, Mr. Eberts— A.—I don't want to argue at all with regard to it, but you said that block was the initial block in 1899.

Q.—I said so, and I say so still; and I refer to the Order in Council of the 10th of September, 1900, "That on the 18th of August, 1899, a Crown grant was made to the Company of their initial block comprising 611,533 acres and situated at the eastern end of the first section of the road." After that initial block, the alternate blocks are selected along the line of railway. Do I understand you to say, Mr. Eberts, that that recital is incorrect? A.—That this is the initial block which is indicated by the blue margin on the map?

Q.—Yes. A.—I don't say that is incorrect; I say that that is in the Order in Council and there it is. There is the recommendation that came down from the Chief Commissioner of Lands and Works.

Q.—That is the only point I am making. A.—You spoke of that Order in Council of August, 1899, and said that was the initial block; and I say it is not the initial block.

Hon. Mr. Eberts—*Continued.*

Q.—I did not refer to the Order in Council of 1899; it was you that referred to it. I referred to the Crown grants. The Order in Council I was referring to is the one you have in your hand now. A.—I couldn't explain that; I don't know what the terms are.

Q.—How is that? A.—I cannot explain the terms of them now. If you ask me that now, I don't know the terms of it. These acreages are made up in the Lands and Works Department; I don't know anything about it. The matters came down by a recommendation in the usual way by the Lands and Works Department and signed.

Q.—I understand, Mr. Eberts; but pardon me for requesting that my question be answered. It is a fact, isn't it, that that Order in Council does recite that the initial block of the British Columbia Southern land grant is the block outlined in blue on the map of the Order in Council of the 10th of September, 1900? A.—I think that is the same description; as far as I can make out, it seems to me to be the same description.

Q.—Yes, and that the other alternate blocks are fixed by that initial block—which would be the case, of course, wouldn't it? A.—Well, I suppose it would, if they were going to give them alternate blocks.

Q.—That is sufficiently exhibited by the terms of the recommendation for the Order. A.—The Act says they are to take the lands in alternate blocks.

Q.—And, therefore, if they took the lands in alternate blocks, the position of the other blocks would necessarily be fixed by the position of the initial block? A.—I suppose to a certain extent they would.

Q.—They get a belt of 20 miles along the railway, so that the location of one block would fix the location of another. A.—Then, if there were not enough lands there, you might deal with some of these lands as deficiency blocks.

Q.—That may be. But I am not dealing with deficiency blocks now. A.—That Order in Council shows for itself exactly.

Q.—Now, you will remember, Mr. Eberts, that the question I was asking when you went to the Order in Council of 1901 was this: What were the reasons urged by Mr. Brown upon you for the change between the 10th of September and the 19th of December, 1900, with reference to this grant? A.—I don't remember. I don't remember the circumstances in connection with the granting of it.

Q.—I call your attention to one or two things about it, that possibly may recall to your mind something about it. In the first place, under the Order in Council of the 19th of December, deficiency block B and deficiency block A went to the Company. A.—In lieu of what?

Q.—In lieu of deficiency block B referred to in this Order (indicating). Now, the Company had already lots 4,588 and 4,589? A.—Yes; it seems they got those in August, 1899.

Q.—The effect of the Order in Council of December, 1900, would be that the British Columbia Southern Company would own the whole of the lands for a distance of a good many miles on each side of the railway, through which the railway runs from Crow's Nest down to Elko, a distance of forty or fifty miles? A.—Forty miles.

Q.—That is so, isn't it? A.—Under the Order in Council of the 19th of December, 1900; if they had got grants to them.

Q.—Yes. A.—They would have lands on both sides of the line.

Q.—They would have lands on both sides of the line, and they would have had all the lands on both sides over that stretch of railway? A.—Probably they would; except such as had been taken away.

Q.—Well, covering Michel, Hosmer, Fernie and Morrissey stations. A.—I don't know who those lands belong to; those I don't think belong to the Railway Company, at least, I never knew they did; those belong to the Crow's Nest Coal Company, I think.

Q.—Which? A.—Those towns, Fernie and —

Q.—I mean, subject to alienations.

Mr. McPhillips: They would be British Columbia Southern lands originally.

Mr. Duff: Subject to their agreement, whatever it might be, with the Crow's Nest Coal Company; subject to whatever rights the Crow's Nest Coal Company might have to those lands. A.—Yes, under that.

Q.—You will observe that in the Order in Council of the 10th of September, deficiency block B, which they got, had an area of forty miles square, and at the nearest point it appears to be situate about forty miles from the line of railway, and apparently remote from the coal

Hon. Mr. Eberts—*Continued.*

district. Now, do you think, Mr. Eberts, that you would have concurred in that change without having some pretty strong ground—strong reason? A.—That I would have concurred in that change?

Q.—Yes. A.—Does it only deal with that?

Q.—How do you mean? A.—You mean to say that the giving of these two is in exchange for this one (indicating)?

Q.—Yes, that is the effect of it; you may take that. A.—Yes.

Q.—I put it in this way, rather, Mr. Eberts, that the Order in Council of the 10th of September allotted A and B, referred to in this map of the 10th of September as deficiency lands, and on the 19th of December this Order in Council was rescinded of the 10th of September, and the other Order in Council was passed in lieu of it. A.—Was passed in lieu of it.

Q.—I say, do you think you would have concurred in that change without having some pretty substantial reason for it? A.—I don't know as to that; it was an Executive action at the time; I don't want to shirk any responsibility; I was not there when the Order in Council of the 19th of December was passed.

Q.—But we have had from Mr. Brown the fact that he was most insistent, not only before the Executive, but before individual members, mentioning, as I said, you and Mr. Dunsmuir and others, on this subject. Mr. Brown gave no inkling of the reasons which he urged upon you for making that change to the advantage of the Railway Company? A.—You mean to say, what is that?

Q.—He gave us no inkling of the reasons which he urged for the making of that change for the advantage of the Railway Company; and I rather press you whether or not that important change was one which would take place without some consideration and some substantial reason for it? A.—I cannot give you any reason for it, Mr. Duff, and I cannot say why it was done.

Q.—Well, can you say Mr. Eberts, what reason Mr. Brown put before you for making that change? A.—No, I cannot.

Q.—You recollect the fact that he was pressing? A.—Well, Mr. Brown was here a good deal in the summer and the fall of 1900, I think.

Q.—Yes; I think he said he was practically living here in the Legislative Buildings. A.—And he was here during the whole of the year, a good part of the year 1899; I remember then he was pressing for a settlement of the British Columbia Southern Railway grant.

Q.—But, so far as this particular change is concerned, that did not come up until September, 1900. A.—Particular change?

Q.—Yes; as far as those two particular pieces of land. A.—It did not come up until December 19th, 1900.

Q.—Well, it came up before that, I suppose? A.—I have no particular recollection of it.

Q.—Do you really mean, Mr. Eberts, that you cannot remember anything at all about Mr. Brown discussing the subject with you? A.—Probably Mr. Brown could tell you.

Q.—But have you any recollection of it? A.—I have no exact recollection of it. The fact of the matter is, I did not know what the terms of the Order of Council of December 19th, 1900, were; I had never seen them.

Q.—The fact is, Mr. Eberts, we are to take it that although you do not disclaim political responsibility for what the Government did of which you were a member, as you said, yet at the same time, as far as you were personally concerned, the matter went through without any knowledge on your part of exactly what was being done? A.—I never saw the Order in Council, Mr. Duff, until—

Q. (Interrupting)—I want an answer to that question; are we to take it that the matter went through without any personal knowledge on your part of what was actually being done? A.—Well, I would not like to say that; I have no particular knowledge of what was done.

Q.—Well, do you mean that you are unable now to recollect whether you knew at that time that the change was being made and had been made? A.—That that change was made or was to be made?

Q.—Yes. A.—I cannot charge my memory to say that I remember that there was any agreement made with reference to that.

Hon. Mr. Eberts—*Continued.*

Q.—I didn't quite ask you that. You knew that the change was being asked for, didn't you? A.—Well, you say so, and Mr. Brown says so, and I think that, perhaps, may be true. You say from evidence that had been given here.

Q.—I say that Mr. Brown has stated that he was pressing. But I am not asking you to infer anything from what Mr. Brown said, I am simply asking you that to recall your own recollection. I would like your own recollection on the subject. Have you any recollection with reference to that change being pressed upon you by Mr. Brown? A.—Well, I have no doubt that he spoke about that, but I have no particular recollection of the occurrence. The most recollection I have of the occurrence, which comes to my memory, was when the matter was brought up in the Executive and counsel appeared before the Executive asking for a settlement of the—

Q. (Interrupting)—Who was the counsel? A.—I think Mr. McPhillips appeared before us.

Q.—But that occurred before the 10th of September? A.—That occurred on or before the 10th of September.

Mr. Helmcken: The 5th of September. A.—Was it the 5th of September?

Mr. McPhillips: Yes.

Mr. Duff: The Executive disposed on the 10th of September of the question. You remember that, anyway. You remember after that that the Company were asking for these blocks deficiency A and deficiency B? A.—I think they were pressing for those blocks as far back as the 10th of September. I think Mr. McPhillips pressed for those blocks.

Q.—Yes, and you will remember that the Government disposed of that matter and refused those blocks on the 10th of September? A.—I know that an Order in Council was drawn which did not give them those blocks.

Q.—Which gave them other blocks? A.—Yes.

Q.—And you know that Mr. Brown continued after that decision of the Government to insist upon that decision being altered? A.—Well, you say that Mr. Brown says that he spoke to me about the matter—and I suppose Mr. Brown did.

Q.—Well, I would like to ask you if you yourself, now, at this moment, have any recollection relative to Mr. Brown pressing that change on you? A.—Specific recollection, I have not.

Q.—Well, have you any recollection at all? A.—No, I have no recollection; I have no note of that either.

Q.—I beg your pardon? A.—I have no note of that either. I have no specific recollection of that; I have got just a general recollection of it.

Q.—You have a general recollection in a general way that was being pressed on the Government; is that it? A.—Yes.

Q.—But no recollection of your own in connection with the matter? A.—I think now, when I recollect, I think that it was brought before the Government that that which is now known as 4,593 was at one time ear-marked for the British Columbia Southern.

Q.—By the way of Order in Council of 1891? A.—By the Order in Council which was brought down—well, it was brought down to the House; I remember seeing it in the House.

Q.—You mean the Order in Council that we looked at this morning? A.—I suppose that is the Order in Council; I have not seen the Order in Council before, although I have seen the Return made to the House embodying that Order in Council.

Q.—You think that was one of the grounds which was urged, Mr. Eberts? A.—I could not swear to that; I would not like to swear to that.

Q.—I call your attention to this, in regard to the Order in Council of 1891, to the blocks having been ear-marked to the British Columbia Southern; you remember the Act requires that the blocks selected by the Company should have a frontage of twenty miles along the railway. Now, if you remember that description, you will see that instead of having a frontage of twenty miles on the railway, the frontage along the railway is only from a mathematical point of view; because it commences at that point and goes to that point (indicating). That, certainly, could not be meant in the Act? A.—You mean to say that in order to comply with it the railway should have gone farther over, so that it would have a frontage on the railway then?

Q.—No, I mean the original block in the Order in Council of 1891, if you look at it, really gives no frontage on the line of railway at all. It swings around in a peculiar way. It may

Hon. Mr. Eberts—*Continued.*

have been a mistake in description of the boundary. A.—The railway was not built in 1891; how could they say it was on the line of railway?

Q.—It had been projected? A.—It had not been surveyed in 1891.

Q.—Could they select their initial block, then, Mr. Eberts, before the plan had been filed?

A.—Well, that is evidently what the Government of the day thought they could do.

The Committee here adjourned until 2:30 this afternoon.

THURSDAY, May 14th, 1903.

Committee met at 2:30 p. m., pursuant to adjournment from the morning session to-day.

HON. D. M. EBERTS in the witness-box, further examined by Mr. Duff:—

Q.—What is the practice, Mr. Eberts, with regard to Orders in Council on departmental matters, with reference to the recommendation of Ministers? A.—Well, the recommendation comes down from the Minister of the Department.

Q.—And the Council acts on that? A.—The Council acts upon that.

Q.—Is there any minute made of the decision when once it is come to? A.—Well, there have been in some Governments I have been in, and some there has not.

Q.—I am not referring particularly to minutes of all the proceedings that take place.

A.—But the effect of what took place there?

Q.—The effect of the decision, I mean. A.—Yes.

Q.—I am not referring to minutes of the sessions; but when a decision is arrived at in any particular matter on the recommendation of a Minister, is it the practice to make a minute of it in any way? A.—There is, to a certain extent, a private minute of it; because you then know what is going on in the Executive. There was at one time, I remember, during the Turner Government, that we had minutes of that kind, and they were read over at the next meeting of the Executive, and they were signed.

Q.—Yes, I see. A.—They were kept by a certain Minister who kept the minutes, generally the Provincial Secretary; in fact, it has always been the Provincial Secretary, as well as I remember. And the minutes that were taken in rough, against the next meeting would be copied fairly into a book; and they are read over and then signed.

Q.—Now, in the case of a matter which the Executive is dealing with, deciding and acting in such a way as to make a recommendation to the Lieutenant-Governor, is any memorandum made on the Minister's recommendation at the time? A.—On the Minister's recommendation at the time?

Q.—Yes. A.—Yes, the presiding Minister signs it when it is agreed to. Below the signature of the Minister who recommends, the presiding Minister signs. That is generally the Premier.

Q.—And supposing a decision was come to at a particular time with regard to a particular matter which was before the Government and on which there had been discussions,—a final decision was arrived at, and the matter was really dealt with on the recommendation of a Minister; what is the record of that? Is that record in the shape of a minute, or is it simply in the Minister's recommendation? A.—It would be in the Minister's recommendation and the Order in Council following that.

Q.—But that is not exactly what I mean. I mean, take a matter which has been before the Executive and before the Ministers, on which there has been a good deal of discussion, and, finally, a decision is arrived at and an Order is made—I mean to say, so far as it can be made by the Ministers without the Lieutenant-Governor—what is done in order to make a record of that? A.—You mean to say, is there a book kept in the Executive to keep a record of that?

Q.—Either that, or is the record simply the Minister's recommendation with the signature of the presiding officer? A.—The Minister's recommendation with the signature of the presiding officer, who is always the Premier if he is there and, if not, generally the senior Minister.

Q.—When I say record, I mean any formal note, which, of course, would be privileged from any communication to the outside world, such as notes in this book you speak of would

Hon. Mr. Eberts—*Continued.*

be. You say the recommendation and that memorandum would be the record? A.—Would be the record, yes. In addition to that, there might be something leading up to the recommendation of the Minister; there might be letters attached.

Q.—Oh yes; but that would be rather matters connected with the negotiation and discussion? A.—Yes,

Q.—(Taking Mr. Gore's book of Orders in Council). Now, do you remember, Mr. Eberts, the matter which was disposed of on the 10th of August by which the blocks which had gone to the British Columbia Southern in December were transferred to the Columbia and Western; do you remember the meetings of Council which were to be held on the 31st of July and the 2nd of August? And for the purpose of identifying those, I refresh your recollection by referring to the fact that on the 31st of July a letter from Mr. Brown to Mr. Wells was handed into the Executive pressing for a settlement of the Columbia and Western subsidy, and on the 2nd of August Mr. Turner replied to that, Mr. Wells being absent, saying that the matter had been referred to Mr. Wells for recommendation. Those letters are here if you like to look at them. A.—I would like to see them. (Letters handed to witness).

Q.—You remember that matter being before the Executive? A.—Well, I have refreshed my memory since with reference to that letter—with reference to that particular letter.

Q.—Well, what is your recollection with regard to it, Mr. Eberts? A.—That a letter of that nature did come before the Council.

Q.—Was Mr. Dunsmuir present, do you remember? A.—I would say Mr. Dunsmuir was present; I remember Mr. Dunsmuir being present on the 30th and 31st of July; I remember that because those were very particular days, there was a talk of change in the Cabinet at that time; and I remember that; that was about all that was talked of on the 30th and 31st of July.

Q.—The evidence is that this letter was handed in on the day of its date by Mr. McNeill at the request of Mr. Brown. A.—Yes.

Q.—Have you any recollection of the circumstance of the letter being handed in? A.—I refreshed my memory—as I tell you, I have refreshed my memory by looking at the notes of what took place at the meeting on that day; I cannot say what day, but a day.

Q.—A day about that time? A.—A day about that time. The reason why I say it was a day about that time—I don't think Mr. Wells was here then; I think Mr. Wells was on the Mainland.

Mr. Helmcken: What notes have you been refreshing your memory from? A.—By the notes of the Executive.

Mr. Duff: I understood you to refer to the Executive minutes? A.—Yes. Mr. Wells, I think, was on the Mainland.

Q.—Are you able to say, Mr. Eberts, as to why— A. (Interrupting)—While I speak of it, I remember the circumstances in connection with Mr. Dunsmuir going away to Alaska, and Mr. Dunsmuir was being spoken to by Mr. Brown with a view of getting a settlement of this matter; and I think that Mr. Dunsmuir spoke to Mr. Turner and told Mr. Turner to take the matter in hand. That probably was after the receipt of this letter, do you see. Mr. Dunsmuir left for the north on the 5th day of August, 1901.

Q.—There is Mr. Turner's reply; I don't know whether you have looked at that? A.—Well, I have never seen that until I see it now. Well, I imagine that was perfectly correct. I will read you a memorandum, showing the reason why it must have been that particular date; I have looked at the dates, and Mr. Prentice was not here on the 10th of August; I think he was hurriedly called away to Rossland for the settlement of some school matter; but I got a memorandum about that date, and prior to his leaving, between that and the receipt of this letter, a memorandum appears there—

Q.—Can you give the date? A.—I cannot give the date, because there is no date on it—“Columbia and Western land grant; letter to the Chief Commissioner, dated the 31st of July, from George McL. Brown, read; matter to be referred to Mr. Wells for report, who will report to an Executive with a view of an early decision.”

Q.—Now, that would be between what dates? A.—Some time between the 31st of July—

Q.—And the 10th of August? A.—Well, Mr. Prentice went away on the 8th of August.

Q.—It would be, then, between the 31st of July and the 8th of August? A.—Yes; and these minutes were in Mr. Prentice's handwriting.

Hon. Mr. Eberts—*Continued.*

Q.—That memorandum is in Mr. Prentice's handwriting? A.—Yes, and with no date attached to it.

Q.—So that that could not be the minute of the 10th. Can you say whether there was a meeting on the 2nd? A.—I think there was a meeting on the 2nd, but I don't think there was anything—

Q. (Interrupting)—What occurs to me, Mr. Eberts, is that this letter of Mr. Turner's, in substance, was in pursuance of that action. A.—There was a memorandum of the 2nd of August and there was a deputation before the Executive with reference to the purchase of gold; it was probably the Board of Trade of Victoria, and a deputation here to get the Government to enter into an arrangement to make purchase of gold here.

Q.—“In the meantime your letter has been referred to the Hon. Mr. Wells, the Chief Commissioner, to arrange and report to the Executive at an early date.” It would appear that they determined to refer the matter to Mr. Wells to report at an early date; and Mr. Turner's letter is almost identically in the very language of that memorandum; Mr. Turner's letter dated the 2nd of August. A.—That letter seems to convey to one that probably that meeting was on the 2nd of August.

Q.—That the letter followed the meeting? A.—Probably followed the meeting of that day.

Q.—I am not asking you to recollect that. A.—I cannot tell, of course.

Q.—Now, do you recollect the matter coming up at all, Mr. Eberts? A.—In the Executive?

Q.—Yes. A.—I do.

Q.—Now, of course, I don't want you to disclose any particulars with regard to what occurred in the meeting of the Executive at all; but can you say whether anything had been decided upon, before Mr. Wells' return, with regard to the matter? A.—I don't think there had.

Q.—That memorandum and the letter certainly point to a decision being based upon a report by Mr. Wells? A.—The memorandum and the letter both seem to point that way. I don't see how the Executive could have taken it up without they were conversant with all the matters connected with the Land Office. How could they, any more than in my department, expect one of them to go in there and take up a matter in the Attorney-General's Department.

Q.—The contemporaneous records, consisting of the letter and the memorandum which you have disclosed, absolutely show that the matter was not disposed of at that time; that is so, isn't it? A.—Oh I don't think for a moment the matter was disposed of on the 2nd day of August.

Q.—Or that it had been disposed of before that? A.—Or that it had been disposed of before that. And the reason I am firmly of that opinion was this: Some time just about the time of Mr. Dunsmuir going away, he told Mr. Turner, if my memory serves me correctly, to take this matter up. Mr. Dunsmuir had spoken about the matter, that these people wanted to get their affairs straightened up.

Q.—And to confer with Mr. Wells with regard to it? A.—I don't know about that; I cannot say that Mr. Dunsmuir told him to confer with Mr. Wells. I am just refreshing my memory with the memorandum, as I have said.

Q.—There is evidence here to the effect that Mr. Dunsmuir left word that Mr. Turner would give Mr. Wells instructions. But what I rather want to get at with regard to that, Mr. Eberts, is this: Mr. McNeill's evidence rather conveyed the idea that the matter had been decided and that Mr. Turner was to instruct Mr. Wells in the matter; I mean, that was his recollection of Mr. Dunsmuir's statement to him, that Mr. Turner was to give instructions to Mr. Wells. And I gather from you that the scope of the thing must have been that Mr. Wells was to be asked to make a recommendation and the matter was to be dealt with in the Executive. Now, then, it was disposed of on the 10th of August, by an Order in Council? A.—Well, I believe there is an Order in Council there; I cannot just remember the—

Q.—(Interrupting) Well, do you recall the meeting at which it was disposed of? A.—I don't recall it except by refreshing my memory, of that particular date.

Q.—In what way do you mean? A.—I mean by the Order in Council itself; I have heard it spoken of here.

Q.—Here is the Order in Council (handed to witness). That map has since been pinned on. That map is referred to apparently in the Order in Council; but they were detached when they came in here. A.—Well, it appears to have been recommended on the 10th day of August; the recommendation is signed on the 10th day of August and approved on the 10th day of August.

Hon. Mr. Eberts—*Continued.*

Q.—Now, I say, had you, prior to the receipt of that letter, any communication with Mr. Brown, or any other person acting on behalf of the Company—prior to the 31st of July, 1901?
A.—Well, I cannot remember that.

Q.—What I mean, Mr. Eberts, is this; when that letter came in, does your recollection enable you to say that it came to you as a new subject? A.—Well, I cannot remember the wording of that letter at all; I cannot remember that letter at all. I just remember at the time there was a letter in to the Executive, and I refreshed my memory, as I have told you.

Q.—However, you are quite clear that the matter had not been disposed of before that date; I mean to say, the Government had not agreed with Mr. Brown that it was to be done?
A.—That is my memory of the matter.

Q.—Mr. Brown told us that he had distinctly arranged with Mr. Wells for this transfer before that letter was written. A.—I don't know that.

Q.—Did you get any communication from Mr. Brown that would indicate that to you?
A.—I did not.

Q.—When was the first time, as near as you can recollect, that the subject of this transfer came before your attention? It would be after that letter was written, I suppose, wouldn't it? A.—Well, it is very hard for me to tell that; it is very hard indeed, because I am refreshing my memory from data of that kind. As to when the first time that I had any knowledge they wanted to make this change from one to the other?

Q.—Yes. A.—I could not tell you.

Q.—You could not tell me anything about that? A.—I could not.

Q.—Did you ever know that the Government suggested to the Company that that change should be made? A.—No, I never heard a suggestion made by the Government that that change should be made; at least, it did not come through me.

Q.—Did you ever hear of it being suggested by the Government to the Company that that change should be made? A.—I cannot remember that.

Q.—You can tell us, though, whether or not, when you dealt with it, you dealt with it as a matter which the Company desired to put through? I will put it this way: you can say whether you dealt with it as a proposal which came from the Company or a proposal which went from the Government? A.—Well, I cannot say whether it was a proposal that came from the Company or a proposal that came from the Government.

Q.—You cannot say that? A.—I cannot. The best of my recollection is that I got my great knowledge of the whole thing from the recommendations that were brought down.

Q.—That you got your knowledge from the recommendations that were brought down?
A.—And, besides, the matter was talked over in the Cabinet.

Q.—Talked over at that time on the 31st of July and the 2nd of August? A.—Well, I don't just remember whether it was talked over at that time. I remember there were a lot of plans produced; and whether it was on the 2nd day of August or not I cannot say; there were a lot of plans produced of the different sections.

Q.—And you think you got your knowledge of the things from the recommendation of of the Minister and from the plans? A.—I think I got my knowledge of the thing from generally talking over the matter, you see—

Q.—You mean in the Executive or out of the Executive? A.—I think the matter was talked over in the Executive.

Q.—You think that is where you got your information? A.—It is. I have a recollection of one meeting of the Executive when I was ill with rheumatism, and I was lying ill in my room, and the members of the Executive came up there and brought a lot of plans.

Q.—About what time would that be? A.—I cannot say when it was.

Q.—I mean to say, would it be about this time? A.—I would not like to say that. I want to be absolutely correct, if I can.

Q.—You mean dealing with the subject? A.—Dealing with the subject generally?

Q.—Dealing generally with the subject of the transfer from the British Columbia Southern to the Columbia and Western? A.—Yes. I know that it was brought up in the Executive before the matter was entirely arranged; that if a change of that kind were made it would be a large saving in acreage

Q.—And that was the ground on which you went largely? A.—That was the matter on which it was largely spoken of.

Q.—That was the point that was put forward in favour of it? A.—That was a strong point put forward in favour of it.

Hon. Mr. Eberts—*Continued.*

Q.—Yes, that was a strong point put forward in favour of it. A.—And understood. I was in no position to correct that; but I understood there was to be about 300,000 acres saved.

Q.—About 300,000 acres to be saved? Now, as far as you were concerned, did you concern yourself to see that any investigation was made on the question of the value of the lands? A.—I did not.

Q.—You left that entirely to the Minister in whose Department the matter was; is that the position? A.—Well, I think that it was probably that.

Q.—What I mean to say is this, was the matter dealt with in this way— A.—Did I seek to investigate? Do you mean to say, did I make suggestions that the Government should send some person in there to investigate before they gave it, or what?

Q.—No, I don't mean that at all, but did you make inquiries in regard to the nature of departmental information on the subject as to the comparative value of the lands which were being exchanged? A.—No, I did not.

Q.—I mean to say, the question of acreage was raised; but wouldn't you naturally at once inquire, is the saving in acreage a real saving in value? Did the thing present itself to you? A.—Well, it may have presented itself to me also, and it may have presented itself to other members of the Cabinet, that virtually these lands were British Columbia Southern lands.

Q.—You mean to say that formerly they were British Columbia Southern lands? A.—British Columbia Southern lands.

Q.—You were changing them to Columbia and Western lands? A.—Everybody knew it was the same people owned the whole thing.

Q.—The Canadian Pacific Railway Company, then. I was quite correct in making that suggestion, wasn't I? A.—It is common knowledge; because the Government had dealings with them; they knew exactly what they were.

Q.—And it was perfectly understood? A.—If any matter came up in respect to the Columbia and Western it would be Mr. Shaughnessy and somebody else, and if it came up with respect to the British Columbia Southern, it was Mr. Shaughnessy and somebody else.

Q.—But there was a strong point in that there would be a saving in acreage of 300,000 acres? A.—Yes, that did come up.

Q.—A strong point; I think you said in your evidence the other day that that was the point that influenced you. A.—I don't remember saying those words.

Q.—Do you remember saying substantially that? A.—Read me the words I did say, and then I will tell you whether I said them or not.

Q.—Do you remember saying that in your evidence? A.—Give me the time and place.

Q.—I want your recollection. A.—I want to answer the question; I want to try and tell what is right. Where did I say it?

Q.—You must not question me. A.—Well, perhaps I did not say it, and then your question would be wrong.

Q.—I am asking you whether your recollection enables you to say whether the other day you said that the reason that influenced you at that time was that you understood there was to be a large saving in acreage, of about 300,000 acres?

Mr. Helmcken: Page 78 of the evidence.

A.—(Reading from page 78). But I did not say here that I was actuated in doing what I did by the fact that there was a saving of 300,000 acres.

Q.—Well, didn't you intend to convey that? A.—I said that, and there is no doubt that reason did prompt me.

Q.—Yes, you undoubtedly intended to convey to the Committee the other day that that was a strong reason that influenced you? A.—That is the reason I wanted to look at the testimony; because I did not say it in the way you said I did.

Q.—I don't think, when you were before the Committee before, you suggested that you were influenced by the circumstance that the Columbia and Western and British Columbia Southern were virtually owned by the same people. A.—I only made that as an observation now.

Q.—What I wanted to ask you now was, what you mean when you say that was a matter which may have influenced the members of the Executive; that you actually remember that that was brought forward as a reason? A.—I think that was brought forward as a reason.

Q.—But what you said before here, with regard to the recommendation, was intended to convey—and you say with regard to the matter generally—you acted on the recommendation

Hon. Mr. Eberts—*Continued.*

of the Minister of the Department? A.—Well, you always do. There is no other way of doing, unless you have personal knowledge yourself of the facts in connection with it.

Q.—And you did not make any inquiries personally as to whether there was any Departmental information which would enable the Government to come to a conclusion in regard to the comparative values of the pieces of land which were being exchanged? A.—I did not. I made no—

Q.—You took no action on that? A.—I had no means of measuring up 300,000 acres to see whether it was there or not; but my memory tells me that 300,000 acres was the amount that would be saved.

Q.—Now, your opinion was taken at the time, was it not, Mr. Eberts, as to whether it was a transaction which would be within the scope of the Columbia and Western Subsidy Act? A.—I was asked whether that was within the power of the Government to do.

Q.—And you advised that it was? A.—I said I thought so.

Q.—You gave your opinion on the point; otherwise, of course, the action would not have been taken? A.—As a matter of policy, I thought we had the power to do it.

Q.—They had the power to do it, and it was a matter of policy as to whether they would do it? A.—They had the power to do it, and it was a matter of policy with them whether they would do it or not.

Q.—And that would be, of course, before the Order in Council was passed on the 10th of August, or at the meeting? A.—Probably it might have been at the meeting of the 10th of August.

Q.—Do you think you entered into the consideration of the question at any length before the meeting of the 10th of August? or have you any recollection at all about it? A.—No, I don't remember; I know I never gave a written opinion on the subject.

Q.—Your recollection of the thing now, taking everything together, is that the matter was disposed of between the time that Mr. Dunsmuir left and the 10th of August? A.—I think so.

Q.—Oh, yes; you have already told me that you don't know anything of any arrangement made between Mr. Brown and the Chief Commissioner before the 31st of July? A.—It was not communicated to me.

Q.—Now, do you know anything, Mr. Eberts, as to the preparation of the Order in Council, or, at least, the recommendation? A.—I have no knowledge whatever.

Q.—Was that a matter that you had anything to do with at all? A.—I had nothing whatever to do with it.

Q.—Would you, as a matter of practice, revise or deal with it in any way, a recommendation of that kind coming from the Minister of Lands and Works? A.—If it had been sent to me by the Minister to ask to revise?

Q.—Would that be done? A.—In some cases the Attorney-General's Department do draw Orders in Council.

Q.—And sometimes they draw recommendations for Orders in Council? A.—If it is something which would affect a Statute, and where the law is called into question, and to set out the whole transaction, sometimes Orders in Council are drawn up by the Attorney-General.

Q.—Is there anything in this that would lead it to be sent to you? A.—I don't know about that; but it was not.

Q.—You are quite clear about that? A.—I am perfectly clear about that.

Q.—Are you clear on the point that you had nothing to do with this recommendation until it came before the Council? A.—I had nothing whatever to do with it, and did not see it.

Q.—And did not see it? You are quite clear, of course, at the same time, that you acted on this recommendation? A.—Well, certainly. A recommendation comes down from a Minister and the matter goes through; certainly, it is on the recommendation of the Minister, because in that recommendation he sets out the facts and explains the whole of the circumstances; and upon that recommendation the Order is signed by the Presiding Member. That Order then is sent on to the Provincial Secretary's Office and the Order in Council is drawn from that recommendation.

Q.—Yes. Then I gather from you that Mr. Wells must be wrong—I mean to say, it is clearly inconsistent, your recollection and his statement that when he came back on the 8th of August he found that this matter had been disposed of, that it had been disposed of at the two previous meetings of Council, and that his recommendation was drawn on the directions

Hon. Mr. Eberts—*Continued.*

of the Executive? A.—I don't wish to contradict Mr. Wells on the subject. It is a long time back; Mr. Wells may have a recollection with reference to it.

Q.—Perhaps that is not a fair way to put it. But I ask you giving the matter your very best consideration, would that be consistent with your recollection of the facts? A.—Well, I don't think it is hardly fair to put it to me that way; I have given my evidence as to what I believe the occurrence was, and Mr. Wells has given his view as to what the occurrence was.

Q.—You would rather not answer that question? A.—I don't think it is a question you ought to ask me.

Q.—I don't want to press you into a contradiction of Mr. Wells if you don't wish to answer the question. A.—It is a very difficult thing to start up and contradict one after a period of two or three years.

Q.—Well, we will let that pass. Now, as a matter of practice, Mr. Eberts, I suppose the recommendation which goes before the Lieutenant-Governor and is approved by him is always the recommendation which was before the Council? A.—Yes, I think so.

Q.—You know of no practice inconsistent with that? A.—I have never had any experience in drawing up the Orders in Council, Mr. Duff; I have not had experience. But in looking up Orders in Council, you see the President of the Executive's signature is there always before the Lieutenant-Governor's.

Q.—Yes, but what I meant to say is this, that the Council act on the recommendation which is before them at the time they act? A.—They act upon that recommendation; and when that recommendation is agreed on it is passed over to the Presiding Officer, who signs it at the foot.

Q.—And that is the recommendation which the Governor is asked to approve? A.—I suppose it is.

Q.—There is no doubt about what ought to happen? A.—There is no doubt that must be before him. He must have all the facts before him, otherwise he would not sign. We could not hand him up an Order in Council and ask him to sign it; he would have to see that it was signed in proper form by his Ministers.

Q.—But my point is, it is the recommendation which was before the whole Council on which they have acted, which should go to the Lieutenant-Governor? A.—Well, I don't quite know whether that is the practice or not.

Q.—Do you know of anything at all that would justify a Minister in presenting to the Lieutenant-Governor a document as being the recommendation on which the Cabinet had acted, and which at the same time was not that document? A.—No, I don't think I would.

Q.—That don't occur to you? A.—That would not be consistent with business methods at all.

Q.—No. Now, taking this Order in Council, this recommendation which is attached to the Order in Council of the 10th of August appears not to have been completed and signed until about two weeks, or more than two weeks, after that (showing document to witness); I am not asking you that question, but you can take it from me that the evidence we have here is that that document was typewritten on the 28th of August. A.—Well, I don't know that.

Q.—No, you don't. If that be the case, however, it is quite clear that that could not be the recommendation upon which you acted on the 10th of August—I mean to say, that that document could not be the recommendation on which you acted on the 10th of August? A.—Why, do you tell me that there was something—there was a different one written on the 28th day of August? Do you say that there was a different recommendation?

Q.—What I say is, that that particular document there itself was not signed until after the 28th of August. That is the evidence—Mr. Gore's evidence. A.—It was not signed at all?

Q.—It was not signed until after the 28th of August, and was not actually in existence until the 28th of August. A.—Well, of that I don't know.

Q.—No. Do you know what the practice is with regard to these recommendations, as to whether it is usual to press-copy them? A.—I don't know that.

Q.—You don't know that either? A.—I think those recommendations from every Department—for instance, I make a recommendation from my Department with reference to something being done; when that goes through the Provincial Secretary's office and the Order in Council is passed, I would get a memorandum of that Order in Council and that would be filed in my Department.

Hon. Mr. Eberts—*Continued.*

Q.—But can you say whether it is usual in your Department to press-copy them? A.—To press-copy these?

Q.—Yes, the recommendations. A.—I never did.

Q.—You never did. A.—At least, I don't remember of ever having seen one.

Q.—You can see that that obviously has been press-copied? A.—It looks blurred in some places. I have not much experience in press-copying them—I never press-copied one in my life.

Q.—This was the memoranda attached, and I think it is clear enough that that is press-copied too, isn't it (handing document to witness). A.—Some of it is not; that is not (indicating).

Q.—I rather think it is. A.—Well, it might be, I don't know; I have not had experience in that.

Q.—Now, I call your attention to this, Mr. Eberts. The documents seem to be press-copied, and there seems to be an impression of your signature on the back (indicating). A.—Yes, that is an impression of my signature.

Q.—On the back of the last page, you see. A.—That is perfectly right.

Q.—And what I would suggest to you is, could you give any assistance, for the purpose of ascertaining whether those documents have been press-copied in any book in which copies of letters written by you would be copied, or other documents? A.—I did not.

Q.—I am not asking you whether you did it or not, or whether you directed it to be done— A.—No.

Q.—But what I mean is this; this recommendation is press-copied, these documents attached to the recommendation are press-copied. A.—Yes.

Q.—Mr. Gore has told us that the practice in his Department is not to press-copy these documents; you have also said that is your practice in your Department not to press-copy. It seems it was to somebody's particular interest to make a press-copy of this particular Order in Council, and that impression of your signature on the back there would seem to indicate that some document to which your signature was attached had been press-copied in the same place, in the same book. A.—Well, I don't know; I don't know how it got there, or anything about it.

Q.—Well, I put this to you, Mr. Eberts, the suggestion has been made here, and one of the things the Committee has to deal with,—mention has been made that there has been a medium of connection between Mr. Taylor and these transactions. Can you not give us any assistance at all with regard to that? A.—I cannot.

Q.—This much would be some satisfaction, at all events, as to whether letter-books in which copies of your letters are taken could be looked up about that time to ascertain whether it is possible in some way, without your knowledge, that these documents should have been copied? A.—I am perfectly sure they were not.

Q.—Well, have you made an examination to find out? A.—I have not.

Q.—Pardon me, Mr. Eberts, for pressing the matter a little, because it is one of the things we are very anxious to get information about. About that time, were you in the habit of writing letters in your own office at all? A.—In my own office.

Q.—I mean in your office down town, the office of Eberts & Taylor? A.—What time was that?

Q.—Well, during the month of August, 1901? A.—I have not spent, with the exception of a little time when Mr. Taylor was away and I was asked by the Bank of British North America to look after the Earle affairs—

Q.—That is since this date. A.—Since this date—I have not spent in the office of Eberts & Taylor, since I have been Attorney-General, one whole week altogether.

Q.—You might tell me this: this sort of indelible or copying pencil that apparently that has been written in, is that a sort of instrument of penmanship that you use anywhere outside of your office in the buildings here? A.—No, I do not. How do you mean?

Q.—I mean to say, that signature is evidently done in violet ink or with an indelible copying pencil? A.—Yes.

Q.—Which I notice is used by Mr. Maclean and yourself in your own office? A.—Yes.

Q.—I mean to say, in the Attorney-General's office? A.—Yes.

Q.—But is that a sort of instrument of penmanship that you use in your own office in town, too? A.—I did not use any office in town. I have not even got a table in the office of Eberts & Taylor in town.

Hon. Mr. Eberts—*Continued.*

Q.—But take, for example, the time that you were there in connection with the Earle estate, in your own law office, do you use that kind of thing, or do you write with pen and ink usually? A.—I don't ever remember seeing an indelible pencil in Eberts & Taylor's office.

Q.—So that you think it is not likely that that impression should have come from anything in that office? A.—No; I don't know where it came from, and I have not the slightest idea of where it came from. It did not come from any act done by me in connection with the matter.

Q.—I am not suggesting that, Mr. Eberts, at all. You said that you had nothing to do with the matter, personally. But I suggest that some effort ought to be made to clear that up, if it can be done? A.—Well, I shall be glad to clear it up in any way.

Q.—Now, after the 10th of August, did you have any discussion with regard to this matter at all? A.—After the 10th of August?

Q.—Yes. A.—With whom?

Q.—Well, I mean here in Victoria? A.—Yes, I did.

Q.—I should say prior to Mr. Wells' departure? A.—Yes.

Q.—With whom? A.—I had discussion with Mr. Wells.

Q.—What was the general effect of it? A.—I had discussion with Mr. Wells the day he left for Montreal, which I particularly remember.

Q.—Where was it? A.—At Mr. Wells' office.

Q.—Who were present? A.—Mr. Dunsmuir, Mr. Wells and myself.

Q.—In Mr. Wells' private room? A.—In Mr. Wells' private room.

Q.—You might tell us what you recollect of that? A.—Mr. Wells was to take the Crown grants to Montreal, and we talked the matter over; I think Mr. Wells sent for Mr. Dunsmuir and Mr. Dunsmuir at that time was very busily engaged and wasn't over in the buildings. Mr. Wells had told us that he was going to Montreal before that date, but not what date he was going. Mr. Prentice was going to England, and on account of the fact that Mr. Wells remained longer after his suggested visit to Montreal than he intended to, Mr. Prentice was unable to go on to England.

Q.—Mr. Prentice was not present at this interview? A.—Mr. Prentice was not present at the interview. It was on the 24th day of October. I remember it perfectly well. I have refreshed my memory with the date when Mr. Wells left Victoria, and I remember it was the particular day he left Victoria. In fact, he left that night. And at that interview the whole of the matter was taken up with reference to these; all the plans and everything were shown, and exactly what Mr. Wells was going to do with reference to the matter. And I remember perfectly well, Mr. Dunsmuir asking my opinion again with reference as to whether or not the Government had the right—would have the right—to make this grant to the Columbia and Western in that portion of the district.

Q.—Had Mr. Hunter's opinion been obtained at the time? A.—I will come to that. And I told him, as a matter of policy we had—and I have always advised him the same way. And Mr. Wells then said that he had obtained the opinion of Mr. Gordon Hunter, and it coincided with that. Mr. Dunsmuir, at that time, I thought, was perfectly satisfied. And after that was over we dispersed; Mr. Dunsmuir went back to his office in town, I think. He usually came over in the morning, when he came; very seldom in the afternoon. I did not see that opinion of Mr. Hunter that time, and I don't think Mr. Dunsmuir did. And I never heard from any member of the Executive before that time that Mr. Hunter's opinion had been got.

Q.—Well, it is dated the 24th of October, Mr. Eberts, apparently. So evidently it would be got the same day. A.—Well, I don't know; I cannot say when it was got.

Q.—You are quite clear that at that interview, then, there was no suggestion made with regard to any conditions to be attached to the delivery of the grants? A.—In that interview there was no suggestion of any conditions to be attached to the grants.

Q.—Why was Mr. Wells going to Montreal? A.—I cannot tell you what Mr. Wells' business was in Montreal.

Q.—Was there any public reason which was known to the Cabinet? I don't want to get into a controversy of politics at all. A.—I think Mr. Wells had wanted to go East for some time before that.

Q.—You think he wanted to go East? A.—Yes.

Hon. Mr. Eberts—*Continued.*

Q.—Do you mean he had wanted to go East on his own personal business? A.—I think so; and other business sprung up while he was in the East.

Q.—Was there any talk about getting the C. P. R. to build to Spence's Bridge? A.—I remember that; that was talked of in the Executive; I cannot remember the particular time, but I know it was talked of in the Executive, that when Mr. Wells went there it would be a very advisable thing if he could get Sir Thomas Shaughnessy to build as far as Spence's Bridge, if possible; and it was talked of, the reason why it was wanted to be done, too.

Q.—How was it, Mr. Eberts, that this question came up on the 24th of October? A.—Which question?

Q.—This question with regard to these grants? The matter had been disposed of on the 10th of August, the grants had been prepared, and everything completed? A.—Well, I don't think Mr. Dunsmuir ever saw the grants; I think Mr. Dunsmuir was there on the 4th of September when the forms of the grants were agreed to; I think he was there at that time.

Q.—On the 13th of September, I think. A.—Was it the 13th of September? The forms of the grants, I think, were drafted in the Land Department.

Q.—Yes, but that is not my point. Your impression is that Mr. Dunsmuir had really never gone into the matter before; it never had been explained to him? A.—Mr. Wells wanted Mr. Dunsmuir to understand this thing perfectly.

Q.—I see. I think you said that Mr. Wells saw you before he saw Mr. Dunsmuir, and then called Mr. Dunsmuir in? A.—No, he did not; I don't think that was it.

Q.—Do you recollect about that? A.—I cannot remember who came in first.

Q.—Were you all there together? A.—We were all there together.

Q.—And your opinion and that of Mr. Hunter coincided, that there was power, and you agreed with the policy of the Act, of course; and you say Mr. Dunsmuir was absolutely satisfied with the explanation? A.—I thought Mr. Dunsmuir was perfectly satisfied.

Q.—He did not express any dissatisfaction? A.—He did not express any dissatisfaction.

Q.—And the maps were there? A.—And the maps were there, yes.

Q.—And the position of the lands with reference to the line of railway explained? A.—The position of the land and everything was shown.

Q.—That was the very matter that you were discussing at that time, as to whether lands remote from the line of railway could be given under the Columbia and Western Subsidy Act? A.—That had been spoken of in the Executive.

Q.—No, but I mean to say, I understood you to say that Mr. Wells asked you your opinion again with regard to that point on the 24th of October? A.—No, I didn't say Mr. Wells; I said Mr. Dunsmuir asked me.

Q.—I beg your pardon; on the 24th of October Mr. Dunsmuir asked you? A.—If I was satisfied now that these lands could be given under that Act. And I gave him my opinion at that time again. And Mr. Wells then said to Mr. Dunsmuir and myself that he had got Mr. Gordon Hunter's opinion on the subject.

Q.—But the point that you were dealing with was the question as to whether lands remote from the railway, as these lands were, could be given under that Act? A.—I don't know whether that was the whole question.

Q.—I mean to say, that was certainly involved in it? A.—Certainly it was involved in it.

Q.—The question arose on account of the position of the lands? A.—The lands not being contiguous to the line. It was not on account of whether we would give them, but a question of whether we had the right to give them.

Q.—But if your recollection of the interview be correct, then there can be no question that while you were there Mr. Dunsmuir had before his mind the position of these lands? A.—Mr. Dunsmuir had before his mind the position of these lands, because all the maps were there and all the plans, and the whole thing.

Q.—And he was asking you that very point, as to whether that did not prevent the lands being given, the position of the lands being more or less remote from the railway, as to whether that was not an objection under the Act to give them; a legal objection? A.—Well, that was several times spoken of in the Executive; I cannot remember just the exact times.

Q.—But, you see, your recollection with regard to the matter, Mr. Eberts, is in conflict with the evidence which has been given, and what I want to get at is, precisely what it was. Because it would seem that the suggestion—and not only the suggestion, but the very positive evidence given by Mr. Dunsmuir and Mr. Wells,—is that on that occasion Mr. Dunsmuir said

Hon. Mr. Eberts—*Continued.*

that he objected to the lands being given, for that very reason. A.—Oh, well, it seems to me that that would be altogether out of the question, to say that you are going to draw those grants out, pass Orders in Council, have the grants drawn out, properly authenticated in solemn form, and send them down to Montreal with Mr. Wells, and ask them to build a railway that would cost \$10,000,000.

Q.—There is no doubt in the world that all the formalities had been gone through, and after that you met with Mr. Dunsmuir and Mr. Wells and discussed the question as to whether the Government had the power to grant those lands; that is correct, isn't it? A.—I will explain that question relative to Spence's Bridge from my recollection of it.

Q.—Just a moment, would you mind answering my question before you go on with that—dealing with your suggestion in regard to formalities which had all been gone through; the Order in Council was passed and the grants had been issued and signed by the Lieutenant-Governor, and all the formalities complied with; and after all that, there is no doubt the question was raised and discussed in your presence, and your opinion was asked, and Mr. Hunter's opinion was taken, on the question as to whether the Government had power to grant the lands under the Act? A.—My opinion had been asked long before that.

Q.—And it was asked again? A.—My opinion was asked again.

Q.—And there is no doubt that Mr. Dunsmuir and Mr. Wells and you discussed the thing on that occasion, for the reason that, as Mr. Wells has said, Mr. Dunsmuir did not understand it. A.—That he wanted to be perfectly sure that Mr. Dunsmuir did understand it.

Q.—Now, in regard to Spence's Bridge, Mr. Eberts, what is it you were about to say? A.—With reference to Spence's Bridge, I know that was always something that Mr. Wells wanted to get done; he wanted to see the railway built through as far as Spence's Bridge, because there was a tremendous amount of friction in our own ranks in connection with that line of railway; and if we could induce the C. P. R. to build that line through to Spence's Bridge it would have removed a great deal of friction. The whole of the friction in our ranks was because of that V. V. & E. line of railway, because when that came up in the House and there was a division in the House, several men who were strong supporters of ours voted against the Government—

Mr. Helmcken: We generally call them honourable men. A.—Honourable gentlemen. Did I say gentlemen only?

Mr. Helmcken: You said "several men." A.—I beg your pardon; several honourable gentlemen. I meant several members, that is what I meant to say.

Mr. Helmcken: Give the devil his due.

Mr. Duff: You say that had always been Mr. Wells' idea, of getting rid of that friction? A.—Mr. Wells, yes, always thought it would be a very advantageous thing for the Province if we could possibly get that line of railway built through there, because it would go through a better class of country than it would if it came through the Hope Pass.

Q.—One remark you made, Mr. Eberts, I think I might call your attention to—I think you have misconceived the evidence slightly; it has not been said here by Mr. Wells that the delivery of these grants was to be the price to the C. P. R. for the building of that line to the Spence's Bridge; the suggestion explained by Mr. Wells to Sir Thomas Shaughnessy was that there should be a cash subsidy in addition to the land subsidy for sections five and six; that is to say, a cash subsidy for the further extension to Spence's Bridge. Now, I wanted to ask you about that. You say that matter was discussed in the Executive, the question of building a line to Spence's Bridge, on several occasions? A.—It was spoken of in the Executive, that while Mr. Wells was there it would be very advisable to do what he possibly could to get that line built through to Spence's Bridge.

Q.—Would you remember when that matter came up in the Executive? A.—I cannot remember the exact date, no.

Q.—Was there any discussion with regard to the inducement which was to be offered to the C. P. R. to get them to build it? It would not be expected, I suppose, that the line would be built without some subsidy? A.—I never heard of any subsidy mentioned.

Q.—You never heard of any suggestion of any cash or land subsidy mentioned? A.—You say, was there any talk in the Executive as to whether or not we would give a subsidy to the C. P. R. if they would build to Spence's Bridge?

Q.—Yes. A.—Oh, yes; that matter was spoken of several times; often spoken of with reference to whether it wouldn't be a wise thing to give them a subsidy for going to Spence's

Hon. Mr. Eberts—*Continued.*

Bridge, because that would virtually be a better line, as far as the Province of British Columbia is concerned, than that over the Hope Mountain; it would open all the lands in the Nicola Valley and Aspen Grove, and down the Similkameen River.

Q.—So that opening up negotiations with Sir Thomas Shaughnessy on that subject would be acting quite in the scope of the subject that had been mentioned in the Cabinet before his going away; I mean to say, suggesting a cash subsidy or some kind of subsidy for the building of the line? A.—Well, I never heard of any instructions of that kind.

Q.—I am not referring to it as instructions; but what I understand, Mr. Eberts, is,—was the thing ever discussed from the point of view that the C. P. R. should be expected to build without any subsidy? A.—Well, I don't remember that.

Q.—You don't remember that? A.—We knew, I think, they had surveyed that line. In fact, it was almost thought at the time that they were going to build that line up by the Similkameen River and over to Spence's Bridge.

Q.—Now, after Mr. Wells came back, when did you first learn that the grants had not been delivered? He came back some time in November? A.—Mr. Wells came back in the early part of December, 1901.

Q.—December. A.—I think it was after the House was called together.

Q.—From whom did you learn that? Mr. Brown, I suppose? A.—Mr. Brown was after Mr. Dunsmuir, and Mr. Brown spoke to me about it.

Q.—Yes; what did he say to you; what did he ask you to do? A.—He said Mr. Wells had not delivered the grants; as far as I remember, the grants had not been delivered to the Company.

Q.—Did he ask you to see Mr. Wells? A.—I don't know that he did.

Q.—Did he ask you to see Mr. Dunsmuir? A.—I don't know that he did. I know I did speak to Mr. Dunsmuir about it and Mr. Dunsmuir spoke to me about it.

Q.—Which approached the other? A.—I could not say.

Q.—You cannot remember. You remember you had conversations with Mr. Dunsmuir? A.—I do. I never heard a word from Mr. Wells until after the House came together.

Q.—Now, your strong view was that the grants should be delivered; I gather from what you say? A.—I always thought so.

Q.—Your strong view was that the grants should be delivered without any conditions at all. And did you so express yourself to Mr. Dunsmuir? A.—I always did.

Q.—You, in fact, continued, without any change in your course at all, to press upon the Government that these grants ought to be delivered? A.—I thought they ought to be delivered, yes.

Q.—You not only thought that they ought to be delivered, but you said so again and again, did you? A.—Yes, I told Mr. Dunsmuir so.

Q.—And Mr. Wells, too? A.—Not at that time.

Q.—I understand you to say, Mr. Eberts, that you approached Mr. Dunsmuir after the opening of the Session? A.—I didn't say that I approached him.

Q.—Well, you and Mr. Dunsmuir met and you had a talk after the opening of the Session, and you urged that those grants be delivered? A.—Well, Mr. Brown was urging all the Ministers, I suppose.

Q.—And again and again, wasn't he? A.—I think he was.

Q.—I mean to say, he was pressing you continuously? A.—I think he was pressing the Premier continuously.

Q.—Did you say to Mr. Dunsmuir at that time that it was agreed that those Crown grants should be delivered before Mr. Wells left? A.—Why, I never heard any argument to the contrary.

Q.—Did Mr. Dunsmuir suggest that any condition was attached to them, that the building of the line to Spence's Bridge was to be a condition of the delivery of the grants? A.—After the House met?

Q.—I am speaking of the first interview he had with you on the subject? A.—No, he did not.

Q.—When did the House meet? A.—The House met, I think, on the 20th of February.

Q.—And you think this would be shortly after that? A.—Some time after that.

Q.—How long after that? A.—Oh, I could not say.

Hon. Mr. Eberts—*Continued*

Q.—Was it towards the close of the Session? A.—Mr. Dunsmuir was not here towards the close of the Session.

Q.—At all events, it would be between the 20th of February and the 18th of March, when the grants were cancelled? A.—Between the 20th of February and the 18th of March.

Q.—So that you did not hear of the non-delivery of these grants until very shortly before the grants were cancelled? A.—I cannot tell exactly, but in the early part of the Session.

Q.—And the House met on the 20th of February, and the grants were cancelled on the 18th of March, within a month afterwards? A.—Yes.

Q.—So that it would be very shortly before their cancellation. What did Mr. Dunsmuir say to you on the occasion of your first conversation? Did he remark that they should be delivered? A.—Well, I don't know whether I spoke to Mr. Dunsmuir first or he to me. He said he was approached by Mr. Brown, who was continuously speaking about these grants.

Q.—Did he ask you your view, or did he suggest that you should go to Mr. Wells? A.—No, he did not suggest that I go to Mr. Wells.

Q.—Did he ask your view on the subject? A.—I am quite sure that I expressed my view on the subject.

Q.—What was his object in speaking to you at all? A.—Mr. Dunsmuir's?

Q.—Yes. A.—Well, Dunsmuir was the Premier and I was the Attorney-General.

Q.—Just simply mentioning it to you as a member of his Government? A.—Yes.

Q.—Was it mentioned at any meeting of the Executive? A.—Never was, to my recollection.

Q.—You did not speak to Mr. Wells about it? A.—At that time?

Q.—Yes. A.—No, I did not. At least, I don't think I did.

Q.—But Mr. Brown continued to press you and Mr. Dunsmuir, and you continued to press Mr. Dunsmuir with regard to the matter, right down to the 18th of March? A.—Mr. Dunsmuir spoke to me and I spoke to him.

Q.—I understood you to say you were pressing? A.—Not down to the 18th of March.

Q.—It would not be very long, Mr. Eberts, because it was after the 20th of February that you first heard about it. A.—Well, that is a month.

Q.—Now, when did you first have any discussion with Mr. Wells on the subject of the reason for the non-delivery? how long after your first interview with Mr. Dunsmuir? A.—I don't know that I ever discussed the matter with Mr. Wells.

Q.—You think you never discussed it with Mr. Wells at all. When did you first hear an explanation of the non-delivery of the grants? About how long before the 18th of March, the time of the cancellation? A.—As to why the grants were not delivered?

Q.—Yes, an explanation of the non-delivery of the grants. A.—On account of something that was not done by the C. P. R., do you mean?

Q.—No, I gathered from what you say that you heard nothing of this condition with regard to Spence's Bridge before Mr. Wells left? A.—I heard nothing with reference to the condition that the grants were not to be delivered—

Q.—As a condition, yes; you heard nothing of that condition, and you heard nothing about the non-delivery of the grants until some time after the 20th of February.

A.—And Mr. Dunsmuir, speaking of the matter, never told me that the grants were not delivered because the railway would not go into an agreement to build to Spence's Bridge.

Q.—I understood you to say that. But when did you first hear an explanation of the non-delivery of these grants? A.—I couldn't tell you that.

Q.—You say Mr. Brown was pressing you, and you were pressing, and so on, and the grants were not being delivered up, and Mr. Wells was retaining possession of them all the time; Didn't you ask for an explanation, or have Mr. Dunsmuir ask for an explanation? A.—I think Mr. Dunsmuir told me that he went to Mr. Wells.

Q.—Yes, and did he say that Mr. Wells gave him an explanation? A.—No, he did not.

Q.—Well, then, you did hear some time before the 18th of March? A.—Well, he went to Mr. Wells with a view to Mr. Wells'—

Q.—He went to press Mr. Wells to deliver the grants? A.—To deliver the grants.

Q.—I think that has been stated by Mr. Wells, that Mr. Dunsmuir did say something of that sort to him. Now, some time before the 18th of March you were given a reason why the grants were not delivered? A.—No, I was not.