
PROCEEDINGS AND EVIDENCE.

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LEGISLATIVE BUILDING, VICTORIA, B. C.,

6th February, 1906, 10 A.M. (Tuesday).

Pursuant to the following Resolution, as moved by Mr. J. A. Macdonald (Leader of the Opposition), and seconded by Dr. King, on the 30th day of January, 1906, in Legislature assembled, by which it was—

“Resolved, That a Select Committee, consisting of five Members of the House, namely, Messrs. Garden, Young, Ross, Munro and the mover (J. A. Macdonald), be appointed to inquire into all matters pertaining to the acquisition, or attempted acquisition, by the Grand Trunk Pacific Railway Company, or by any other person or bodies corporate, of Crown lands in the vicinity of Tuck’s Inlet, Kaien Island or other islands, and on the Mainland in the vicinity of Kaien Island, with power to summon witnesses, call for papers, documents, telegrams and records, and to take evidence under oath, and procure the printing of said evidence from day to day, and report said evidence from time to time to the House, together with their findings on the same”—

A meeting was held this 6th day of February, 1906, at the Legislative Building to inquire into the matters as set forth in the above Resolution.

Present: Messrs. Garden, Young, Ross, Munro and J. A. Macdonald.

Mr. Garden acting as Chairman of the Select Committee, chosen herein.

Mrs. E. Blygh acting as Official Stenographer.

MR. E. B. MCKAY, a witness herein, having been first duly sworn, testifies as follows:—

By Mr. Garden (Chairman): This map, it was not made by your Department, was it, Mr. McKay?
A.—No, sir.

Q.—But you examined it? A.—Yes; I have looked the map over, and it is a compilation of the various official maps in the Department.

Q.—And it is correct as far as you know? A.—Yes, it is correct as far as I know.

By Mr. Macdonald: Have you any map, Mr. McKay, showing the blocks of land that were conveyed to the Grand Trunk Pacific Railway Company? A.—Yes, the maps on which the Crown lands were traced—the official maps.

Q.—You have not got them with you now? A.—No.

Q.—You can produce those if we want them? A.—Yes.

Q.—Also the stubs of the Crown grants? A.—Yes.

By Mr. Garden: Are those in your office? A.—Yes.

Q.—Are you the one to call on for them should we require them? A.—Yes, they are under my care.

By Mr. Macdonald: How long have you been employed in the Lands and Works Department? A.—Since 1890.

Q.—When did you first hear of anything in connection with this Kaien Island matter? A.—I really could not give you any particular date, Mr. Macdonald. It was probably when I saw it in the newspaper. That may have been the first I heard of it. I cannot remember what date it was. Of course, when the surveys came in, that was the first official notice I had of it.

Q.—When did the surveys come in? A.—I could not just say without referring to the books.

Q.—But you can give us that information also? A.—Yes; I can produce the survey book.

Q.—That, you say, was the first official information that you had? A.—Yes.

Q.—That is to say, that something was going on in regard to Kaien Island? A.—Yes, that was the first I heard of it officially.

Q.—But you had some knowledge of the matter before that, however? A.—Just reading of it through the newspapers.

Q.—And from searches made in your office, in your Department? A.—No, I don’t remember anyone coming in and making any search of the office.

Q.—Did you receive any instructions in regard to the matter from any of your superiors? A.—No, sir; none at all.

Q.—Your position is what? A.—I was Chief Draughtsman at that time.

Q.—And naturally you would have no knowledge of anything outside of your own Department? A.—Oh, no. When the official surveys of this Kaien Island came in they were just treated as any of the other surveys would be; they were Crown-granted, and official plans were prepared of them, and then put aside.

Q.—Well, then, this map here (indicating map), you say it would be compiled from the official survey of the portion of Kaien Island which was conveyed to the Grand Trunk Pacific, and other surveys? A.—Yes; there was an official survey made of the Indian Reserve there.

Q.—You have made a survey in your Department of the Indian Reserve? A.—Yes; I can produce that.

Q.—This would probably show the Government Reserve? A.—Yes; I believe that island was covered by the Government Reserve. In fact, the whole of the peninsula was a Government Reserve under the old plans when the first survey was marked out.

Q.—Yes, that was in 1891. Have you any knowledge of these Lots 505, 450, 449, and of the other lots that have been surveyed, as shown on this plan? A.—I copied them when they came in and made official plans of them.

Mr. McKay—*Continued.*

Q.—And those are properly shown, as according to the official survey? A.—Oh, yes; they are correct.

Q.—And Crown grants have issued for them? A.—I do not think so; not for all of those lots; not yet, sir. At least I do not think so.

Q.—How were those lots acquired by the persons applying for them, by purchase? A.—I think they were covered by South African war scrip, if I remember right.

Q.—Do your books show, or your records show, that they were first staked out as pre-emptions for purchase? A.—Yes, our books would show the way they were given, right from the time.

Q.—Have you any knowledge now as to that? A.—Not from memory, sir.

Q.—Who surveyed these several lots? A.—Ritchie surveyed the ones coloured purple; he surveyed nearly all of those coloured purple. The ones coloured pink were partly surveyed by a chap called Twigg.

Q.—The ones coloured pink? Those are the Grand Trunk Pacific lands? A.—Yes.

A request having been made by the Premier that the meeting should adjourn until Thursday (8th February), on account of his not being able to attend at hearing of evidence, Mr. Ross moved for an adjournment, as requested by the Premier.

Mr. J. A. Macdonald asked leave to move an amendment to above motion, to the effect that the evidence of Mr. J. Anderson be first taken, and that the meeting should then adjourn until Thursday. Motion, as amended, was lost, and Mr. Ross' original motion carried.

(Meeting here adjourned till Thursday, 8th February, 1906, 10 A.M.)

THURSDAY, 8th February, 1906, 10 A.M.

Pursuant to adjournment, the Committee appointed to inquire into the matters hereinbefore set out met at 10 a.m., all parties being present as before.

Minutes of previous meeting read and adopted.

Mr. J. A. Macdonald: I move that Mr. James Anderson be now called.

Mr. Ross: I move an amendment, that Mr. Bodwell be now heard.

Mr. Macdonald: Just a moment—I wish to say to this Committee a few words. I think that the evidence ought to be called in a manner decided by myself in this matter, because, in a sense, I launched the investigation, and, in a sense, I am responsible for the outcome of it in that way. Considering that, I think I should have, at all events, the privilege of calling the witnesses in the order which I desire them to be called. Of course, it is subject to any reasonable control by the other members of the Committee.

Mr. Garden (Chairman): It is a matter for the Committee to decide, I suppose.

Mr. Macdonald: It is a matter wholly for the Committee to decide, but at the same time I think the Committee will do well to consider whether it is not placing itself in a false position in insisting on going on with the evidence in a manner different to that which the person who launched the proceedings desires to have it proceeded with.

Mr. Ross: Mr. Chairman, in reply to that, I cannot see that there is really any very great difference in the method of conducting this investigation between Mr. Macdonald and ourselves. My idea was simply this: That as Mr. Bodwell has given an explanation of the matter, and shows that he was the guiding spirit in it, I think his evidence should be given first. Now, after his evidence is given, it is immaterial to me who is next. I would just as soon Mr. Anderson be next. That is the reason I take the responsibility.

Mr. Macdonald: That is your reason then for suggesting calling Mr. Bodwell first?

Mr. Ross: I know, as a matter of fact, that Mr. Bodwell is going away to-morrow night, and we may not be able to get him for a week or two, and this Commission is not going to spin out for any length of time, I hope.

Mr. Macdonald: Is that the real reason?

Mr. Ross: That is a sufficient reason, I think, and beyond that reason it is not out of place that the Committee should call Mr. Bodwell first, and we are willing to take the responsibility of it.

Mr. Macdonald: I quite understand that you are going to take the responsibility.

The amendment was then put to a vote and carried.

Mr. Macdonald: I will move now that all other witnesses leave the room while this examination is being continued. (Witnesses leave.)

Mr. E. V. BODWELL, having been duly sworn as witness herein, testifies as follows:—

Mr. Garden: I think it would be as well to have Mr. Bodwell just make a general statement first.

Mr. Macdonald: Well, Mr. Ross seems to have control of the proceedings—let him proceed.

Mr. Ross: I do not think it is right for my friend to suggest that I am exercising any improper control of this Committee. While I have my own opinions, which do not perhaps carry the same age as my learned friend, they should carry as much weight.

Mr. Bodwell: Have you the documents here? I may have to refer to some. Is the Crown grant here?

Mr. Garden: No, I do not think it is.

Dr. Young: What ones do you want?

Mr. Bodwell: I would like to have the grant that was issued to the Company. Is the Order in Council among these papers? I have not seen them.

Dr. Young: What papers have you?

Mr. Bodwell: This printed return.

Mr. Macdonald: I do not know whether they are here or not. I have not seen them.

Mr. Bodwell: There is a telegram from Mr. Hays to me, which I filed with the Commissioner of Lands and Works. I do not know whether you have seen that document. I wish you would ask for that.

Mr. Bodwell—*Continued.*

Dr. Young: To yourself? A.—Yes, and which I filed with the Chief Commissioner at the time I received it. I do not know the date of it, but it would be somewhere about the 10th or 11th May—a day or two before the Order in Council was passed. The Order in Council is the 3rd May, 1904, and this telegram would be dated a few days before that. I do not know how long before.

Mr. Ross: A private telegram to yourself? A.—It was intended to be used—to hand to the Government, and I did hand it to the Chief Commissioner. It was obtained for the purpose of giving it to him.

Mr. Macdonald: What was the date of it?

Mr. Bodwell: I cannot give you the date of that, but it was a few days before the Order in Council.

The Chairman: You might proceed with your statement, Mr. Bodwell.

Mr. Bodwell: Some time before the date of this letter—that is March 9th, 1905—my recollection is that it was some considerable time before that—perhaps a month, or two months—I was consulted by Mr. Peter Larsen, of Helena, Montana, and acted for him in connection with the matters which are the subject of this investigation. Mr. Larsen had been making inquiries, and was desirous of obtaining land in the vicinity of where he thought the Grand Trunk Pacific terminus might eventually be, and eventually decided that the harbour—that was Lima Harbour—I think it was called Tuck's Inlet at that time—it was a likely place, and he consulted me as to what steps could be taken to obtain the property there, with the idea of turning it over to the Grand Trunk Pacific Company if they so desired to have their terminus there. Mr. Larsen was a man of very large means. He was worth several million of dollars and was anxious of operating up in that country, which he thought would be greatly developed by the building of the Grand Trunk Pacific Railway. And he considered it would be a very great advantage to him to form a connection with the Grand Trunk Pacific Railway Company. That for the purpose of his investments, and business which he thought he might do in that country, a connection with the Grand Trunk Pacific Company would be very desirable, and very profitable, and his idea was to obtain the title to the land if he could, and turn it over to the Company on terms which would be satisfactory to them, and thus make friends with the Corporation. He had no idea of making any large sum of money as a profit on this transaction, but what he was desirous of doing was forming a connection with the Company; and that being the case, we made inquiries—or he did—I did not have anything to do particularly with that, except that I knew they were going on, and I discovered that this land near Kaien Island was under a reserve by the Government. I had several conversations with Mr. Green. I don't remember at that time seeing any other member of the Executive—I may have done so. And it seemed to me, that although the land was under a reserve, still, there was power under the Land Act for the Government to make the grant for public purposes to advantage, and I considered—and the Government agreed with me—that the establishment of the Grand Trunk Pacific terminus on Government land, instead of on land owned by private parties, was a matter of public interest, and of public importance; and I, therefore, after some preliminary conversations, at Mr. Green's request, put my views in writing, as contained in that letter—and that is the letter which has been produced and dated March 9th, 1905. After that letter was written I saw, and had an interview, I think, with every member of the Government. I had more than one interview with several of them, and I think I saw every member of the Government. I explained the situation to them, that I considered that the Government would be doing well if there was an opportunity of arranging with the Grand Trunk Pacific Railway to get the terminus on Government land; that there were other places competing for it; Port Simpson notably, and Kitimaat probably, and several other places were mentioned, and the land at those places, as I understood it, was held by private individuals; and at Port Simpson, at any rate, had been taken up under grants issued many years ago, where the Government did not retain any interest in the property that was afterwards to be erected into a townsite; and that as the Company had not settled on any terminus it was evident that these other places would offer inducements, and if the Grand Trunk Pacific could make an arrangement with the Government they would be more likely to go there than go to Port Simpson, other things being equal, if they could have a good proposition from the Government. If Mr. Green did not know, I told him, but I think he knew it anyway—I think it was common ground, at any rate, between us—that Mr. Larsen stood on very good terms with most of the large corporations; that he was a large railway contractor, and that I thought if anybody could bring the Company and the Government together on favourable terms that he would be able to do it; and that if the Government would make a proposition, or accept a proposition from us, so that we could have something definite to talk about, I thought we could make an arrangement which would be mutually advantageous. The Government considered it for some time. It was talked over thoroughly as to what the terms ought to be, how much they ought to get, and every other matter of importance was discussed, and they finally agreed substantially to the proposition which is mentioned in the letter. That is, we were to pay down at once, as soon as the Crown grant was issued, the sum of \$10,000. The surveys were to be conducted at our own expense. (When I say "our," it was Mr. Larsen, because I had no interest in the matter outside of acting for him.) If the Company did not choose that as their terminus, he was not to have any recourse against the Government for any expense that he was put to, but I think in that case it was understood that the Government would return him the \$10,000. I am not sure about that. At any rate, we were perfectly satisfied with that part of it. The Order in Council was not drawn up then, although the terms were settled. There were reasons why that was not done. I know what was in my mind. I thought it better that the matter should not be a matter of record at that time, because the Grand Trunk engineers were being followed around step by step wherever they went, and stakes were being planted in almost every footstep of their tracks in that Upper Country, and if the newspapers published the fact that an Order in Council had been passed (and these things do in some way get out), there would be a great pressure brought to bear on the Government to lift the reserve. I did not know whether the Government would be able to withstand that pressure. If not, the land would be staked all over by individuals, the result of which would be the improbability—if not the impossibility—of coming to a satisfactory arrangement, and the Company, instead of being able to deal directly with the Government, (for they were practically dealing directly with the Government, although it was going through Mr. Larsen's hands), would have had to deal with all these individual stakers, and there might be hundreds of them, and the result

Mr. Bodwell—*Continued.*

would be a failure of the negotiations, and the value of the transaction to the Company would be lost, and what I thought would be a substantial advantage to the Government, it would also be lost; so it was arranged that although the terms were virtually settled the Order in Council was not to be passed then, but we had the Government's permission to survey the land. Mr. Anderson was sent up by Mr. Larsen. He was employed by Mr. Larsen, I understood. I do not know what the terms of their agreement were, because they made them between themselves, and I was not present, but I understood, and acted on the assumption that Mr. Anderson was employed by Mr. Larsen to take charge of the survey party, and do any other work in this connection that might be necessary. He had been up there before under Mr. Larsen's instructions, and had made reports of what he discovered to Mr. Larsen. So he went up in charge of the survey party. The surveys were conducted as rapidly as possible, but it was not a very good time of the year for that work, and there was more trouble and expense connected with it than usually attends matters of that kind, in getting these surveys completed, but they were completed eventually. The lands were designated, and then the time for the Order in Council to be passed had arrived, according to our arrangement with the Government.

The Grand Trunk Railway knew perfectly well what we were doing—not from the very beginning, but shortly after these negotiations were started we were in communication with the Engineering Department of the Grand Trunk Railway, and were acting with their consent and approbation. They were perfectly aware of all the steps that were taken, and were urging us to hurry the matter along. They were afraid of delays. They wanted to get the Crown grant issued. Mr. Green knew this, because I told him so. Other members of the Government knew it. Mr. McBride did, too. I do not know what other members of the Government did, except they were informed by their colleagues. I am only speaking of the source of information I gave them. But the Government did not think that was enough. They thought that they should not only know that this proceeding was being taken with the approbation and consent of the Company, but that there should be some record of that consent on file, and before they passed the Order in Council they asked me to get authority from the Company to receive the Crown grant. I notice by some of the reports of the speeches in the House, it was suggested as being a very unusual thing to have the Order in Council provide that this Crown grant should issue to me, instead of directly to the Company. Well, there were two reasons why that was arranged that way. The first reason was simply a technical objection—the Grand Trunk Pacific Railway Company at that time was not organised. It had its Act, but it had not completed its organisation. It had not elected any officers, and it was not a corporate body, and there was, technically speaking, no company to which the grant could issue. However, that was not a very serious difficulty, and could have easily been gotten over, but the serious difficulty was this—that the Company at that time had not decided whether they would go to Kaien Island or some other place. They were investigating all these other possible situations, and, in fact, they had not arrived at a conclusion until—well, I think the thing was practically settled when Mr. Hays and Mr. Morse came out in October of this year, 1904, but it was not finally settled even then, and so the time this Order in Council was passed, the Company was not ready to say whether they would go to Kaien Island or make Lima Harbour their terminus. However, I was very anxious that this grant should be made out, because until the grant was issued it was always open to somebody to contend they had some rights in that land. Several people had staked there under South African scrip, I think either before or about this time, and outside of that there was pressure being brought to bear on the Government to lift the reserve on the land there, and I did not know what would happen, and acting in the interest of the parties I represented I was very anxious that the grant should be issued. It need not be delivered—but once issued, I thought the situation would be preserved. Consequently, I suggested this plan—that the grant should issue to me. I was simply appearing as trustee in the matter. The Government was satisfied I should hold the grant, and all they wanted was an intimation from the Company that the course was satisfactory to them. And in consequence of that, I got a telegram from Mr. Hays, which I gave to the Chief Commissioner of Lands & Works, and I would like him to see that telegram now.

Dr. Young: Well, I have a note here from Mr. Child, and he says he cannot lay his hands on the telegram; he will get it as soon as Mr. Green comes in, and send it up to us.

Mr. Bodwell: Well, it was practically an authority from them for me to act for them in these matters, as the Government wanted something they could put on record. They knew very well I was acting for the Company, although I was not their solicitor. I was Mr. Larsen's solicitor, but, at the same time, everything we did was being done with the accordance of the Company, and, as I say, with their approbation; so to that extent I was representing the Company as well as Mr. Larsen. But the Government wanted a record, as their action might some day be questioned, and there might be no one here to deny it, and in consequence of that I got a telegram from the Company. We did not wait for a letter, because that would take a number of days, and I was anxious to get the thing through as quickly as possible. This telegram arrived, and the Order in Council was then passed, and the routine of the office, towards preparing the Crown grant, was proceeded with. But before that time arrived some legal proceedings were taken; some of the delays I anticipated came in spite of everything. Some parties—I don't remember their names, but I suppose the Attorney-General's Department have the papers—had staked under South African scrip, I think, and claimed that the land was not a reserve; that they had a right to stake under South African scrip, although they could not take it up under the Land Act, and that the Government had no option, but must give them their grants. Some legal proceedings were taken. I think, in the first place, the petition was filed under the Land Act, and then the Attorney-General was asked for a fiat for a Petition of Right, and that delayed matters all that summer, although the Crown grants were prepared, or were ready, I understood. I do not know that the Crown grants were prepared, but all the office work was done, but the Crown grants would not issue. The Government would not issue the grants as long as this question remained to be decided and these proceedings were not terminated. They did not go into Court. The parties abandoned their proceedings later on, but the proceedings were not formally abandoned until last winter. At that time the Grand Trunk Pacific had determined to make their terminus here; had completed their organisation, and there was no reason then why the grant should issue in my name, and I instructed the Department to issue

Mr. Bodwell—*Continued.*

the grant. I say "instructed"; I simply put something on record at their request, and with the knowledge of Mr. Morse, who was here at the time, which was to the effect that the grant should be issued. The letter I wrote—

Mr. Ross: It is included in that Return?

Mr. Bodwell: Yes, this is the letter, dated 9th March, 1905:

"SIR,—Referring to the Order in Council of the 4th May, 1904, respecting the lands to be conveyed by the Government to me for the purpose of the western terminus for the Grand Trunk Pacific Railway Company, I am instructed by the Company, and I hereby direct and request that the Crown grant should issue directly to the Grand Trunk Pacific Railway Company, instead of to me. As you are aware, in that matter I was simply acting as the trustee for the Company, and it will save conveyancing, and serve every purpose of the order, if the grant is made directly to the Company."

The grant was accordingly made to the Company. I do not know whether that grant has been produced.

Mr. Macdonald: Yes.

Mr. Bodwell: The reservations, I think it carries out the agreement, and it really goes beyond, as far as the Government is concerned. It contains more favourable conditions than were first conceded. It was always understood that the Government should retain their quarter interest, not only in the town-site, but also in all water-front lands. You see under the Land Act, they could only have one-quarter interest in any land divided into a town-site, and if we were dealing with individuals we could have taken more advantage, because we could have made the town-site a good deal away from the water-front, but the Government retained one-quarter of all the land granted not only in the town-site, and not only one-quarter interest in all the lands that were granted as town lands, but also in all the water-front lands, as you will notice: "Provided, further, that the land hereby granted fronting on the sea or other water-way shall be divided into blocks having a frontage on the sea or water-way of not less than one thousand feet (1,000), and the selection of the water-front lands so divided shall be in conformity with section 32 of the 'Land Act,' and shall be re-conveyed to us and our successors, together with the land appurtenant thereto, above and below low water mark, upon the request of the Chief Commissioner of Lands and Works." So that on every 1,000 feet of water-front, or every fourth 1,000 feet belongs to the Government and can be utilised by them in making wharfage in the future, and this gets over the difficulty which has always been felt in Vancouver. And in every other respect the grant was in accordance with the arrangement, and it was made directly to the Company. The Grand Trunk Pacific paid the \$10,000 for the land and the land was turned over to them. The only thing they were asked to pay Mr. Larsen for were the expenses of the survey, and I don't think they really paid all of those expenses, as I think Mr. Larsen expended more than he received; I do not know particularly about that because I was not present at the settlement. It was made between Mr. Morse and Mr. Larsen in Montreal. But the Grand Trunk Pacific got this land for \$10,000, and for a sum which did not exceed, if it equalled, the actual expenses of the survey. No one has any interest in it, directly or indirectly, contingently or otherwise, in the lands, except the Government as to their quarter interest, and the Grand Trunk Pacific Railway Company as to their three-quarter interest. No one has any agreement, or arrangement for sharing in any of the profits. In fact, there is no interest in the land, or in the profits, except the interest of the Government, and the interest of the Company. The Company are handling the matter entirely themselves. The town-site so far has not been plotted, but I am informed by Mr. Morse when it is plotted it will be dealt with, and the lands will be disposed of by the Company in the ordinary course of their business. I mention this because it has been more than suggested that this was a deal by which certain people, who are called "speculators" were to get in and get Government land, and make a large profit by turning it over to the Company. Now, that was not the arrangement at all. It was never understood that that was to be the arrangement. Mr. Larsen and I discussed that thing frequently, and his idea always was, not to try and make a profit out of this deal. He was too far-sighted for that. In the first place, there was no opportunity to do it. The Company did not have to take it, and would not stand for any hold-up if anyone tried to hold them up, but there was no intention or desire of doing it. The desire was to make a good deal for the Government, and a satisfactory arrangement for the Company. Mr. Larsen considered if he did that he would form a connection—a friendly association which would be of very great advantage to him in future. As far as I was concerned, I had no interest at all, except that I was glad to be connected with a transaction of that kind, because it brought me into close connection with the Grand Trunk Pacific Railway Company; and more than that, the more business Mr. Larsen did in this connection the more business I would have to do, because I have always been Mr. Larsen's solicitor, and have always supposed I would be. I know Mr. Larsen did not make anything out of it. I know he is out of pocket on it, although I don't know his figures. As far as I am concerned, I have never received a dollar. I would not mention this thing under other circumstances, were it not certain suggestions have been made. The Grand Trunk Pacific would have paid me had I been their solicitor in the matter, but I was not their solicitor, and I have had no bill against them, and in so far as Mr. Larsen is concerned I did a great deal of business for him, and as a matter of fact, I did not render him any bill in this matter, and really I am out of pocket for disbursements. Now, that is the story in so far as I know, and in so far as anything occurs to me at the present time.

The telegram referred to was dated 29th April. The Mr. Stevens mentioned here is the Chief Engineer of the Grand Trunk Railway Company at Montreal, and my communications up to this time had been with him. I had not met Mr. Hays in the matter then. I had seen Mr. Stevens. I knew him before this, and had seen him in Ottawa, when I was there, and I knew him anyway; but the Mr. Stevens mentioned here was the Chief Engineer of the Grand Trunk Railway Company, and this business that was being done was done under his direction, in so far as the Company had anything to do with it. The telegram reads: "Would be glad to have you act on Mr. Stevens' communications in regard to Lima Harbour, in such a way as to fully protect our rights for the time being and until definite plans can be determined on, without, however, committing us irrevocably." The Company were not at that time prepared to make any agreement. They did not know then whether they would go to Lima Harbour or not.

Mr. Bodwell—*Continued.*

Mr. Ross: What is the date of that? A.—April, 1904. So it was arranged I should take this grant and hold it as trustee for all parties concerned. If the Company decided to go to Lima Harbour and make it their terminus, then I was to convey the land over to the Company when they had given proper assurance to the Government. If the Company did not do that, then I was to re-convey the land to the Crown, and I was under no circumstance to convey it to any other person than the Grand Trunk Pacific or their nominees, or back to the Crown. You will notice in the Order in Council, or at least in my letter of the 9th March, that the land might be conveyed. No, it is not the 9th March letter. We have been calling this the 9th March; that is not the letter, but this is the letter I wrote, the 19th January, 1904.

Mr. Macdonald: The 19th January, 1904?

Mr. Bodwell: I find I have been referring in the previous part of my examination to a wrong date. The letter to which I refer, as having been written to the Chief Commissioner of Lands and Works, was not the letter dated 9th March, 1905, but the first letter which I wrote is dated 19th January, 1904. I have not seen this return. In that letter I say: "I suggest that 'my clients' form a company to acquire these lands." That is rather an inaccurate expression, but the idea I had in view then was this: I was going to propose to the Grand Trunk Pacific Railway Company, if the Government accepted this proposition, that they should form a townsite company, and handle all their townsites in British Columbia—the terminal townsite, and all the other townsites—by a separate corporation; and if this proposition had been accepted just as it was made, and at the time it was made, I would have suggested that plan to the Company; but the matter took an altogether different turn later on, and the Company took the grant themselves, and they made their own plans, and I did not take any further interest in that part of it.

Mr. Ross: You were correcting dates a minute ago. When you first started out in your statement, you said previous to March, 1905? A.—I meant previous to January 19th, 1904. I was looking at this letter. I thought the letter I was looking at was my first letter to the Department, which was dated January 19th, 1904. Now, I do not know that anything else occurs to me, but I will be very pleased to answer any question if the Committee wish to interrogate me.

Mr. Macdonald: Your letter to the Department is written on the 19th January, 1904? A.—Yes, I see it is.

Q.—Then it would be a couple of months before that time that you first took up this business? A.—Well, I don't fix the dates exactly, Mr. Macdonald, because I did not keep any memorandum, and I am only speaking from recollection. It might have been more than that. I have not any means of fixing that date except that I know it was sometime before this letter of January, 1904.

Q.—Did you not keep accounts of the work you did in connection with it? A.—No, not this work.

Q.—You did not treat it as legal work then—as professional work? A.—I did treat it as professional work, but I did not care to have any entries in my books about it then. I did not even want the clerks in the office to know what we were doing.

Q.—You kept no memorandum? A.—No, I do not think so. I may have kept some; I will look, but I do not think I kept any memoranda.

Q.—Where is Mr. Larsen now? A.—He is in Helena, Montana. He has been very ill, and it was thought he was going to die. He is somewhat better now, I think.

Q.—Did he come to British Columbia at that time, a few months prior to the date of your letter, to consult you? A.—I would not like to say it was two months; he came here; I do not know what his purpose was in coming.

Q.—Can you fix the date of his coming with reference to that letter? A.—No, I don't think so.

Q.—Would it be two months before the 19th January, or four or five? A.—I should think it was—just let me see—January—oh, I think it would be perhaps somewhere between—well, somewhere over two months and less than five, but really I cannot tell. I only have a very general recollection of the date.

Q.—Well, he did not come to Victoria on this particular business? A.—I don't know what his business was in coming to Victoria. I saw him on this business when he came.

Q.—Did you suggest the business to him? A.—Oh, no; I never knew anything about it at all at that time. I was not interesting myself in it. The first thing he asked me about it was, "Where was the Grand Trunk Pacific terminus going to be?" and I said "Kitimaat," and he said "I don't think so." That was the beginning of the conversation.

Q.—Well, do you remember what the instructions were in this connection? A.—There were no definite instructions.

Q.—But in this particular matter you were to act for him? A.—Oh, yes. I was always his solicitor, for that matter.

Q.—In endeavouring to obtain control of the terminus of the Grand Trunk Pacific? A.—Not at that time. At the beginning of the conversation he wanted me to act for him.

Q.—I am not speaking now particularly with regard to the beginning of the conversation—at any time before he left? A.—His interview with with me was to act for him, in getting information together. At first he wanted to get more information than he had.

Q.—Did you go to see him frequently about this business while he was in Seattle, between that time until the 19th January? A.—I do not think I did. I know, as a matter of fact, I was out of the city a great deal at that time, and was often in Seattle, because I was travelling up and down from Victoria to Spokane.

Q.—Well, if you did see him, did you discuss this business with him? A.—If I saw him I discussed this business with him. I think I did see him there. I have only a very faint recollection about it. Oh, certainly, I saw him there.

Q.—Did you have any correspondence with him about this business? A.—No; I do not think so. He may have telegraphed.

Q.—During the whole of the time, before that letter was written by you in January, 1904, and up to the present time, have you had no letters from him with regard to this business? A.—No; I don't remember

Mr. Bodwell—*Continued.*

receiving any. Mr. Larsen does not write very many letters. I had perhaps one or two letters, in which he would say he was coming, and matters of that kind; that was all.

Q.—How many times have you seen him from the 19th January, 1904? A.—Very often.

Q.—He lives in Helena, Montana, and you live here? A.—Yes, but he is in Seattle more often than he is in Helena, Montana.

Q.—Did you go to Seattle to see him? A.—I sometimes went to Seattle, and would see him—at this time I was making a great many trips between Seattle and Spokane.

Q.—Well, do I understand you to say that you made special trips to see him? A.—Oh, no; I think I went there to see him on one occasion when I had no other business.

Q.—Did you see him in connection with this terminus business? A.—That was always a subject of conversation with us. He was leaving things pretty well in my hands.

Q.—Did you go with the Chief Commissioner of Lands and Works to Seattle to meet him? A.—No.

Q.—Did you ever have any conversation with Mr. Green in Seattle while Mr. Larsen was present? A.—No; I never had any conversation with him while Mr. Larsen was present, during all this period, that I know of.

Q.—Do you know whether the Chief Commissioner of Lands and Works went to Seattle to meet Mr. Larsen? A.—I don't know. I never heard that he did. I was never informed that he did.

Q.—Now, during this time, Mr. Bodwell, extending over a couple of years, can you not remember receiving letters from Mr. Larsen with regard to this business? A.—Mr. Larsen writes very few letters. I do not think I have had more than two letters from Mr. Larsen in two years, and the letters I received were simply to say he would be over on a certain date.

Q.—Then you can say that no letters have passed between you and Mr. Larsen with regard to this business? A.—No; I cannot say that. I have had letters—

Q.—(Interrupting). In regard to this business? A.—In the sense that he was coming on a certain day to Victoria, and would see me in a certain place; but there were no letters which discussed this matter.

Q.—And this business was not specifically mentioned? A.—It might have been mentioned. He could hardly say he was coming unless it was in reference to that—whether he said that in the letters, I don't know.

Q.—You say Mr. Larsen writes very few letters? A.—Yes.

Q.—I suppose, as solicitor, you write a good many letters. Did you write very many letters to Mr. Larsen on this business? A.—Yes, I wrote a few, not very often.

Q.—Describing the business? A.—I do not think I should disclose the business of my client, and it may be taken down generally I reported to Mr. Larsen when it was necessary by letter, but more frequently I saw him, and that was a mere matter of convenience.

Q.—But you are getting away from the question. You say I ought not to ask you this question, but you have made a general statement? A.—It was necessary that I should do so, because, to a certain extent I have been attacked in this connection.

Q.—And having made a general statement, you ought not to object to giving details. A.—I am perfectly willing to give you anything that is reasonable, but you understand perfectly well a solicitor should not be asked too much about his client's own business, and I shall, when I think it is necessary, protect myself in that respect only.

Q.—You should have taken that objection in the beginning. A.—That is a matter of opinion. You are entitled to your opinion, and I will maintain mine on that point.

Q.—Then, do you decline to state whether you wrote letters to Mr. Larsen discussing this particular business? A.—I have not declined to state that I wrote letters discussing this business. I told you whenever it was necessary, I reported to Mr. Larsen by letter; and more frequently, however, I reported to him verbally; and that is just as it happened that it was more convenient to do so.

Q.—Now, do you object to produce copies of the letters you wrote to him touching this business? A.—If I have any, I would object to produce copies of those letters. I do not know that I have any copies of those letters, as a matter of fact. But if you have any suggestion to make, I will either admit or deny it. If you have any suggestion to make, based on the fact that I wrote to Mr. Larsen, if you will put that suggestion into the form of a question, I will either admit it or deny it.

Q.—That is not the question. The question is—Do you object to produce the letters which you wrote to Mr. Larsen, touching this business? A.—The only suggestion that could possibly be made would be that I wrote something to Mr. Larsen in this letter which would be improper for me to have written, or I received letters from him which would be improper for me to receive. If you will just suggest—just make any suggestion that you wish to make, based on any idea that you have as to the contents of those letters, I will either admit it or deny it.

Q.—You see you are getting away from the question. You are quite a good enough lawyer to understand that a witness should answer the question, and not argue the point. A.—Yes, but he is also allowed to make an explanation. I am going to argue this point by saying: If the counsel has any suggestion to make, based on any idea he has as to the contents of any document of that kind, it is his business to formulate that suggestion—it is for him to formulate the suggestion—and I will answer the question, by either admitting or denying it.

Q.—I am not making any suggestion. I am asking you a very simple question. Do you object to produce the correspondence between yourself and Mr. Larsen touching this business? A.—If I have any correspondence, I object to produce it, for the reason I have stated. You have no right to ask me to produce it—I am surprised at your doing so.

Q.—Then you do object to produce any correspondence you may have? A.—I did not say I have any.

Q.—But if you have any, you do object to produce it? A.—I do object. I do not think I ought to do it. I am ready to deny or admit anything you suggest in that connection—I tell you so now.

Mr. Bodwell—*Continued.*

Q.—As a matter of fact, you know you have had such correspondence with Mr. Larsen? A.—No, Mr. Macdonald, I am not sure that I have. I may have written to Mr. Larsen—I think I did write him one letter, reporting progress in this matter, but I have no definite recollection writing to him anything except a letter of that kind. I do not think I wrote more than one or two letters, and I do not think I have any copies of that letter or letters, but they were letters merely reporting what was going on. Now, then, I say, if you have anything to suggest in that connection I will answer.

Q.—I am not suggesting anything. A.—Then the question must be irrelevant if you have no suggestion to found it on.

Q.—Why? You have given your general statement—a statement of the general features of this transaction, and you told us about certain letters—and I ask you for the document? A.—Do you question my statement in any way? Do you say it is untrue?

Q.—I am not questioning the statement. A.—Do you say there will be anything in those documents to discredit the statement I have made here? If you say either one or the other of those two things, I will answer it by admitting or denying it.

Q.—I am not saying that. I ask you whether you object to produce that correspondence? A.—Yes, I do object, and am surprised you should ask me to.

Q.—Well, that is an end of it. You have refused to produce it? A.—Yes. And I challenge you right here to make a suggestion in connection with that correspondence. If you have any suggestion to make, I challenge you to make it now.

Q.—I can hardly, Mr. Bodwell, make any suggestion with regard to any correspondence which you refuse to produce. A.—Or with regard to your idea as to what is in the correspondence?

Q.—I have not any idea. A.—Then your questioning must be irrelevant, in that case.

MR. ROSS: You must understand that Mr. Macdonald is to some extent fishing.

MR. MACDONALD: If it has any relation to this business we should have it. A.—It does not relate to this business.

Q.—I am only asking you if you have letters that you wrote—or if you wrote letters touching this business? A.—And I told you I wrote letters reporting what I was doing, and to that extent I am willing to state what I did.

Q.—And you refuse to produce the letters? A.—I certainly do, and I should not be asked for them. They are my client's property, and not mine. I think any legal gentleman will support me in that position.

Q.—Did you have any other person associated with you, or was any other person than Mr. Larsen associated in this business with you? A.—No. I object to the form of that question, Mr. Macdonald. I was not associated in this business at all. There is no use in your making any insinuations. If you have any charge to make, make it and I will meet it. There was no person associated with Mr. Larsen that I know of. Mr. Anderson, as I understood it, was employed by Mr. Larsen. Now, he may have considered himself an associate of Mr. Larsen for all I know. I do not know what their arrangement was. It was made between themselves, and I was not present when it was made.

Q.—And that was the state of affairs on the 19th January, 1904? A.—Well, that was the state of affairs at the time the letter was written.

Q.—No person, to your knowledge, then, was associated with Mr. Larsen? A.—No, Mr. Larsen was the person I dealt with, and was the only person I took my instructions from.

Q.—You were his solicitor? A.—Yes.

Q.—And he was your client? A.—Yes.

Q.—And your only client in this matter? A.—Certainly—unless, if as a matter of law, or if, as a matter of agreement, Mr. Anderson had any association with Mr. Larsen, I would be acting for him, but I was taking my instructions from Mr. Larsen.

Q.—You did not know Mr. Anderson in the matter? A.—I knew of him as being employed by Mr. Larsen. His arrangement might have been different; I do not know what the arrangement was.

Q.—Now, in this letter of January 19th, 1904, addressed to the Honourable Commissioner of Lands and Works, I notice you say in the first paragraph this: "And I am instructed by my clients to lay before you the following points for your consideration." You say "my clients"? A.—Well, that is just a form of words.

Q.—Eh? A.—That is just a form of words. If I had a company, or a syndicate, it would have been properly termed "clients," but I was acting for Mr. Larsen. That was the fact.

Q.—Then, again, you say further down: "I suggest that my clients form a company to acquire these lands—say 10,000 acres, including foreshore and water-front, in blocks of not less than half a mile square." You say that? A.—Yes. Well, as I told you before about that, I had in mind the formation of a company, and I was going to make the proposition to the Grand Trunk Pacific to form a townsite company. That was the idea I had in mind when I wrote that letter to the Government.

Q.—Now, as I understand this—as your evidence was understood by me—it was this: At the time you wrote this letter to the Government you had no connection with the Grand Trunk Pacific? A.—No, but I intended to have. I intended proposing this to the Company, and I thought it was a good way of handling the business to have a townsite company.

Q.—Then, do I understand you, that in that letter there where you mention "my clients," you meant by that your clients the Grand Trunk Pacific Railway? A.—No; not by "my clients." I meant no such thing; you are trying to twist the thing.

Q.—I am reading your own words. A.—You are giving to them a meaning that the words don't convey properly. My client was Mr. Larsen. If the Grand Trunk Pacific Railway Company had formed a townsite company, as I suggest in this letter, then my clients from that time on would have been the townsite company, but not otherwise. The word "clients" there has no significance. And no matter what suggestion you may make, the fact is, my client was Mr. Peter Larsen.

Q.—And in that respect, this letter that was written at the time was inaccurate? A.—I do not think so. You may think so. It does not seem to me that it was inaccurate in any way.

Mr. Bodwell—*Continued.*

Q.—When did you first discover there was a reserve on this land in question? A.—I cannot fix the date.

Q.—But it was before the 19th January, 1904? A.—Yes, it was before I wrote this letter. I mention the fact there.

Q.—You had discussed this matter with Mr. James Anderson, had you not, before you saw Mr. Larsen? A.—No, I never.

Q.—In no shape or form? A.—No; and it was not till some time after I saw Mr. Larsen that I mentioned it to Mr. Anderson. I know Mr. Larsen had told me he had arranged with Mr. Anderson to go up there, and my discussion with Mr. Anderson was after that. That would be after he got back.

Q.—And you say you did not discuss this with him before that? A.—No.

Q.—Mr. Anderson had been up there then before, speaking to him about this reserve? A.—Yes.

Q.—How long was it before Mr. Anderson went up there that you knew of this reserve? A.—I cannot tell you. I kept no track of the dates of his going up.

Q.—But you did keep track of what he was doing? A.—Yes, because it was my business to know what he was doing.

Q.—Did he go up to Kaien Island? A.—Yes.

Q.—And reported to Mr. Larsen? A.—No.

Q.—To you? A.—No.

Q.—Did he not report from Kaien Island by letter to you? A.—Not to me. I have no recollection of receiving any letter from him. I do not think I did.

Q.—Now, when you discussed this matter with the Government, you were looking at the matter rather from the standpoint of the interest of the Province, were you not? A.—No; I was putting what I considered to be a fair proposition before the Government. I was not protecting their interest; they were there to look after that. I was looking out for my client.

Q.—You were not looking after the interest of your client; you were not charging him anything for this? A.—Well, he did not make any profit out of it, as far as that goes, and I may say, as far as not charging him anything, I am constantly getting business from him, and I don't always stick my clients for every dollar I am entitled to.

Q.—Well, the situation is, Mr. Larsen was a philanthropist in this matter, and you were the same? A.—Oh, that is ridiculous.

Q.—And you were simply going into this deal to benefit the Government of British Columbia? A.—No—if you will just let me answer my question.

Q.—You answer my question. A.—Your question is: Was Mr. Larsen going into this as a philanthropist, or whether I was acting as a philanthropist? Well, that is simply ridiculous. It was not the case. Mr. Larson had better ideas, though, than trying to hold up the Company on a small deal of this kind. He had a great deal of money of his own, and he wanted to do business in a large way, and he felt he would be fully repaid for any trouble or expense he might be put to in acquiring these lands, by the intrinsic benefit which would result to him in being in friendly association with the Grand Trunk Railway Company. As far as I was concerned, if I ever made a dollar out of this transaction—and which I never did—I would be largely profited by the business which Mr. Larsen would engage in in this Province; and, besides, it would be a very good thing for me, as a lawyer, to come into close association with the Grand Trunk Pacific; and, therefore, we had personal interests, and selfish interests, to serve, but they were not of a grafting kind—if you understand that, Mr. Macdonald.

Q.—Yes, I see. Then you and Mr. Larsen, of course, went into the matter purely as a business proposition? A.—Yes; I understood it so; I never understood it as anything else.

Q.—There was no philanthropy about it? A.—No, very good business reasons. It was not for the little graft that could have been obtained by selling this land at an advanced price to the Company, that was not the business we were looking after.

Q.—That was not your business? A.—No, it certainly was not.

Q.—You had something bigger in view? A.—It seemed to me to be better, rather more dignified than trying to make a few dollars on a rake-off of this kind.

Q.—When you approached the Chief Commissioner of Lands and Works in this matter, you were not going into the matter in any way as a matter of public benefit? A.—Why, the Government should look upon it as a matter of public benefit. I gave the Government what I considered good arguments to show from their point of view that it was a matter of public advantage. But, at the same time, I was not interested in the public. I was interested in my own client, and, in so far as I was concerned, in myself. I am not a philanthropist. I do not profess to be one. I do not know that anyone has ever charged me with being one.

Q.—And Mr. Larsen went into it with the idea of making some future profit out of the Grand Trunk Pacific, and you with the idea of making some future profit out of your client, or the Grand Trunk Pacific—that was your idea when you approached the Government with this proposition—isn't that a fair statement? A.—No, that is not a fair statement. It was not to make a profit out of the Grand Trunk Pacific. Neither one of us had that in view. The connection which we would make with the Grand Trunk Pacific by reason of this transaction would be profitable to us by reason of the things which would follow from that, and the legitimate enterprise which would result from that connection. In going into it, there was no idea that we were going to make a profit out of the Company.

Q.—Well, you think there is a difference between the way you put it and the way I put it? A.—There is a difference in the insinuation.

Q.—My suggestion was this—Mr. Larsen went into the transaction expecting to make a future profit out of the Grand Trunk Pacific Railway Company, and you expecting to make a future profit out of the Grand Trunk Pacific and your client—it was with that expectation you made this proposition to the Government—isn't that a fair way of putting the question? A.—I am not objecting particularly to the question—it is the insinuation it carries with it—

Mr. Bodwell—*Continued.*

Q.—You find an insinuation in a plain question of that kind? A.—No, it is not a plain question, and I beg to suggest that you don't consider it is a fair question.

Q.—Well, would it be fair to say that you approached the Government without having in view any future profit for yourself, and without having in view any future profit for Mr. Larsen? A.—No, that would not be correct.

Q.—Well, that is the converse of my former question. A.—No, it is not the converse of it, because in your former question you allege that the profit was to be made out of the Grand Trunk Pacific.

Q.—Exactly. A.—You are not putting the converse, and you know very well that you are not putting the converse of it.

Q.—And you had some difficulty in convincing the Chief Commissioner of Lands and Works that it was a matter in the public interest? A.—I think the Chief Commissioner, after he heard what I had to say, agreed with me. He never doubted but what it was a matter of public advantage. He never expressed any doubt to me. The only thing we were discussing was how far the Government ought to go; how much they should exact as a condition precedent. They wanted to get all they reasonably could, but at the same time they did not want to make terms which would drive the Company away from them, and our discussion was to the effect that it would be a very good thing if it could be brought about, but the detail was what we were discussing principally.

Q.—How many times did you discuss it with the Chief Commissioner before the 19th January, when you submitted this proposition in writing to him? A.—Oh, I don't know the number of times—quite a number.

Q.—A few times? A.—Yes.

Q.—Where did this discussion take place, or discussions take place, rather? A.—I think some of them were in his own office. I used to meet him at the Club. We did not have very many discussions. What the Chief Commissioner said to me was, after talking the matter over with him, he said "You had better put this in writing, and I will then submit it to my colleagues, and we will discuss the matter in Executive." And I did so, and my discussion afterwards took place with all the members—after January 19th, 1904. All my discussions then took place with all the members of the Executive—at different times.

Q.—I suppose you practically agreed on the terms of the letter with the Chief Commissioner before submitting it? A.—Oh, no, I just mentioned the thing in a general way. The idea was to put it into a form to place before the other members of the Executive. That was the purpose of the letter. Mr. Green said, "Put the thing in writing."

Q.—And how long after that letter was written to the Chief Commissioner, and was in his hands, did you have your next interview with the Premier, or with the Chief Commissioner? A.—It was very shortly afterwards.

Q.—And the terms of your letter were practically agreed to then? A.—Substantially—not agreed to in definite language. I do not think the Order in Council was drawn up, but it was practically agreed, in accordance with that letter, that the proposition would go through.

Q.—What do you mean by saying "shortly afterwards"? A.—Sometime after—probably two weeks.

Q.—And it is safe to say that, within two or three weeks of that letter having been written, the Government had substantially accepted the terms of it? A.—That is my present recollection. I do not want to bind myself to dates, because I have not kept any record of it.

Q.—Now, after that, the Minute of Council was made? A.—Yes.

Q.—That was the 4th May? A.—It was made on the day it bears date, the 3rd May.

Q.—The 3rd May? A.—Yes.

Q.—Had you any communication between the Grand Trunk Pacific Railway Company between the date of your letter to the Government, that is to say, the 19th January, 1904, and the 3rd May, which is the date of the Minute of Council? A.—I had a good deal with Mr. Stevens, the Chief Engineer. My communications were with him, and were principally communications reporting progress.

Q.—You had not gone to Montreal to see them? A.—I saw Mr. Stevens in Montreal while these negotiations were on—sometime about the date of my letter—of the Order in Council. I was down in Ottawa on some Supreme Court business, and he came up from Montreal to see me.

Q.—Was Mr. Anderson with you on that occasion? A.—No; I never went with Mr. Anderson to Montreal. Mr. Anderson was in Montreal once while I was there, but I did not go with him.

Q.—Was that before or after this meeting with Stevens? A.—That was after the Order in Council was passed.

Q.—So you met Mr. Stevens in Ottawa? A.—Yes.

Q.—Can you fix the date? A.—No; but I was there attending the Supreme Court, I think. That would probably be about February. I cannot be sure about those dates.

Q.—That was the initiation of your connection with the Grand Trunk Pacific Railway? A.—No, long before that I had connection, and Larsen had seen Stevens frequently, I think.

Q.—Had you any letters from the Grand Trunk Pacific people at all? A.—You use the word "people." My communications were with Mr. Stevens only.

Q.—At that time? A.—Yes.

Q.—That is to say, up to the 3rd May, 1904? A.—Yes. I think the other person I had a telegram from was Mr. Hays.

Q.—Did you have any communications from Mr. Stevens? A.—Yes; and I would report to him what I was doing, and he was urging me all the time to hurry the thing up. Just a general letter saying to hurry the matter up.

Q.—Have you got a copy of that letter? A.—No, I have not got a copy of it, and I would not produce it if I had, because it contains nothing at all about these negotiations. Mr. Stevens simply asked to have the matter hurried up; he was in a hurry.

Q.—How many telegrams did you receive from him? A.—A few.

Mr. Bodwell—*Continued.*

Q.—Who has them? A.—I don't know, but I think they were destroyed. They were simply asking me how I was getting along, and urging me to hurry it along. There was nothing in them—not a thing in them of any public interest at all—simply instructions to me to do the best I could, and to get these things put through as quickly as I could.

Q.—Coming back to that interview you had with Mr. Stevens, what was the purport of that? A.—Oh, he simply wanted me to tell him how things were going on.

Q.—He had no connection with it? A.—He was the Chief Engineer of the Grand Trunk Pacific, and was very much interested in getting this thing done quickly.

Q.—You were not acting for him? A.—I was friendly with him.

Q.—What I want to get at is, the initiatory interview, or communication between you and the Grand Trunk Pacific, in connection with these negotiations? A.—Well, if you come down to that, I suppose directly that would be seeing Mr. Stevens in Ottawa, wouldn't it?

Q.—That is it exactly. A.—Yes.

Q.—Now, you met Mr. Stevens in Ottawa? A.—Yes.

Q.—That was the first thing you had to do with the Grand Trunk Pacific? No, I had lots of telegrams from Mr. Stevens before that time—if you want to get the thing right, this is how it happened.

Q.—I would like to get the thing right by having you answer the questions that I ask you. A.—Well, Mr. Larsen had communicated with Mr. Stevens; and through Mr. Larsen Mr. Stevens knew a great deal of what was going on, and when I saw him in Ottawa and had this conversation with him, the fact that I was doing this business here was common ground between us. So that was the initiation of my connection with the Grand Trunk Pacific, but not in the full sense, because it was practically known to him before that time that I was doing the business here.

Q.—And when you met Mr. Stevens in Ottawa, that was the first interview you had with any Grand Trunk Pacific official in connection with this business? A.—Oh, I would not be sure about that, but I remember that interview distinctly.

Q.—Why are you not sure? A.—Because I saw Mr. Stevens several times at different places, at different times. I have known Mr. Stevens for a long while.

Q.—Before you met him in Ottawa on the occasion in question? A.—Oh, yes, I have known Mr. Stevens for many years.

Q.—Anyway, you did see him between the 19th January and the 3rd May in Ottawa? A.—Yes, I saw him then.

Q.—What took place between you at that interview? A.—I told him what we were doing; that we were getting along as fast as we could; that we had got the Order in Council—at least, we had not got it, but had made arrangements for it, and we were doing all we could to get the thing through, and were anxious to get it done as quickly as possible. We did not talk very much business. Our conversation drifted off into other matters. He came up on the evening train to Ottawa, and we talked a while in the Russel House after dinner, and we smoked a cigar together. Oh, it was very informal. He came up to see me, because I could not possibly go down to Montreal.

Q.—What did he want to know—as to whether the deed had been made out to you for this land, or to the Grand Trunk Pacific? A.—He knew it had not been made out to me. There was no deed made—we did not discuss that matter. Mr. Stevens was not interested in that matter. What he was interested in was having the land appropriated for a townsite by the Company. That was what he was interested in. He was afraid some one else would step in and get it.

Q.—That is, other than Mr. Larsen? A.—Or the Grand Trunk Pacific. He wanted Mr. Larsen to get it.

Q.—At that time the Grand Trunk Pacific had no legal interest in it—they were not connected with it in a business way? A.—You could hardly say that. It was a matter of business for them that the land should be obtained by Mr. Larsen and they were urging him to put it through. Mr. Stevens thought it best to have it done that way.

Q.—Well, do you suggest that the Grand Trunk Pacific put Mr. Larsen up to this deal? A.—I don't know; but as soon as they found that Mr. Larsen was doing it, Mr. Stevens was very anxious to have him go on with it, for he thought Mr. Larsen could do it better than he could.

Q.—Now, didn't you discuss this matter of a townsite company with Mr. Stevens, and wasn't it one of the important points in connection with this proposition, that Mr. Larsen should have the forming of that Company? A.—Oh, no, because I knew the time for that had not come.

Q.—But that is one of the things set out in this letter of yours addressed to the Chief Commissioner—that was the object mentioned here for obtaining the townsite at that time? A.—To form a company?

Q.—Yes; wasn't it? A.—No. It was an idea of my own that a townsite company would be a very convenient means of handling these townsites.

Q.—You had not approached the Grand Trunk Pacific Railway Company on that matter up to that time? A.—No; of course I hadn't; but I intended to make that suggestion when the proper time came. There was no idea in my mind of making the suggestion before the title was clear.

Q.—Where did Mr. Larsen come in on that? A.—It was not discussed at all—it was not considered.

Q.—As a matter of fact, who put up the \$10,000 to the Government? A.—The Grand Trunk Pacific Railway Company. Mr. Morse gave a cheque for it when he was here last year.

Q.—Mr. Larsen never made any deposit at all? A.—No; he paid all the survey fees in the beginning; that was all the money that had to be paid.

Q.—And that was all the money that was paid? A.—I am told that he did not ask for all of it. Mr. Larsen was paid his survey fees back again from the Grand Trunk Railway Company, but, as I say, I do not think he was fully reimbursed for what he expended. I think he was out of pocket on the transaction.

Q.—I suppose, as a matter of fact, you are not aware as to just what did take place between Mr. Larsen and the Grand Trunk Railway Company? A.—No; Mr. Larsen settled that himself with Mr. Morse in Montreal, and I was not there at the time.

Mr. Bodwell—*Continued.*

Q.—And as to whether Mr. Larsen received anything from Mr. Morse for his trouble, that would be a matter that would only be known by Mr. Larsen? A.—I know to the contrary he didn't.

Q.—How do you know? A.—I know it just as I know I am sitting on this chair.

Q.—Do you know it from conversation with Mr. Morse? A.—I know he didn't.

Q.—Do you know of it except from hearsay? A.—I know it from absolutely reliable sources.

Q.—Do you know of it except from hearsay? A.—That is a lawyer's question. I know it from absolutely reliable sources, and there is no doubt about it.

Q.—From Mr. Morse himself? A.—Yes.

Q.—From his own lips? A.—Yes.

Q.—Not from any communication in writing? A.—No.

Q.—You have had no communication from Mr. Morse in connection with this transaction? A.—I am always in communication with Mr. Morse.

Q.—Will you produce that correspondence? A.—Surely you are not serious. Why, that is perfectly ridiculous, asking me to produce the Grand Trunk Pacific correspondence here. You should not ask me; you know you should not.

Q.—You will not? A.—No; certainly not.

Q.—You got it from Mr. Morse that Mr. Larsen go nothing at all out of the matter? A.—Wait a moment.

Q.—Will you give me exactly just what Mr. Morse said about it? A.—I cannot say—that is, not exactly right. The final settlement took place in Montreal, and I have not seen Mr. Morse since the final settlement; but from conversation I have had with Mr. Morse, and from what I know of the situation, and from what I have heard from perfectly reliable sources, I know that that was the arrangement that was made, and that Mr. Larsen got nothing for his trouble at all.

Q.—I understood you to say a moment ago that the perfectly reliable source you got this from was Mr. Morse, and that you got it from his own lips? A.—I know that that was the arrangement that was to be made. Mr. Larsen was merely to get reimbursed for his survey expenses. In fact, if you want to know about that, the question was practically settled while Mr. Morse was here last winter, although the detail was not carried out. Mr. Morse and Mr. Larsen met here last winter, and I know from what took place then what the arrangement was.

Q.—Were you present at the conversation between them? A.—I was present at a good deal of the conversation. I know what the arrangement was between Mr. Morse and Mr. Larsen; that that land was to be turned over to the Company; the Company was to pay Mr. Larsen for the cost of the surveys, and I have heard since that the Company were not charged with the whole cost of the surveys.

Mr. Garden: The Company what? A.—The Company was not asked to pay for the whole cost of the surveys. But while they were here last winter it was settled that the land was to be turned over to the Company, and the Company was to pay Mr. Larsen the cost of surveys.

Mr. Macdonald (continuing): Any agreement in writing about that? A.—No; it was a verbal arrangement between Mr. Larsen and Mr. Morse.

Q.—Were you present at the time the arrangement was made? A.—Yes, I guess I was; because it was talked over between them at my own office; and I know, as a matter of fact, from my knowledge of the business, that that was the arrangement.

Q.—Well, will you tell us what was said by Mr. Morse, or by Mr. Larsen, in your presence upon that subject, which you say is your authority for making the statement? A.—I could not give you the exact language, but that is the substance of it what I have stated. That was the result of the conversation whatever it was; I could not give you the words.

Q.—Could you give it a little more definitely—that is to say, a little more in detail? A.—The arrangement was that the lands were to be turned over to the Company on payment of the survey fees. The Grand Trunk Pacific had already paid the \$10,000 to the Government, and the only other money they were to pay was the money for the survey to Mr. Larsen.

Q.—That was the whole consideration? A.—Yes, that was the whole consideration, as far as I know.

Q.—On the handing over of the land to the Company, then, Mr. Larsen was out of it? A.—Yes; he was never in it. The Order in Council runs to me, as agent; he was never in it.

Q.—Then, if he was never in it, why should there be any arrangement so far as he was concerned with the Grand Trunk Pacific? A.—By arrangement he had advanced all this money for the surveys.

Q.—He was in it from the beginning, wasn't he; the business was his? A.—Yes, in a sense it was.

Q.—It was his business from the beginning? A.—It was not his business after the Order in Council was passed. I then held the land simply as trustee for the Company.

Q.—And at that time you were not acting for Mr. Larsen? A.—I was representing in that particular matter the Grand Trunk Pacific Railway Company.

Q.—And it was recognised Mr. Larsen had an interest in the business—in fact, it was really his business up to the time this arrangement was completed and the Order in Council passed? A.—It all depends upon what inference you draw from the words "his business."

Q.—I am asking you a statement of fact. I ask you this: Is it not a fact that up to the time this alleged arrangement was made last winter, by which the Grand Trunk Pacific was to pay the cost of surveys and take the land over, that up to that time the business was Mr. Larsen's? A.—No, it is not the fact, and it is not a proper inference based on any statement of fact I have made.

Q.—Will you tell me what time the Grand Trunk Pacific Railway Company came in and obtained a legal interest in this business up to that time? A.—When the Order in Council was passed they came in then, if they had not been in before.

Q.—Did Mr. Larsen authorise you to give the authorisation to the Government to convey to the Company? A.—Yes; I had his full authority.

Mr. Bodwell—*Continued.*

Q.—We will take that point. Up to the time you authorised the Government to make the deed to the Grand Trunk Pacific direct, was it not the business of Mr. Larsen? A.—I would not draw that inference. I have given you all the facts.

Q.—Well, if that is not so, at what period prior to that did the Grand Trunk Pacific Company acquire legal interest? A.—Now you switch your question. I told you the time when they got their legal interest to this land was when they got the Order in Council.

Q.—You have already told us that this in the beginning was the business of Mr. Larsen; is that not correct? A.—I have given you all the facts, and I know you will not draw—or, at least, I know you ought to draw—the same inference from those facts which I do. I am not here to draw inferences of facts, I am only here to give statements of facts.

Q.—Well, you have started out with the statement of fact, Mr. Bodwell, that in the beginning this business was Mr. Larsen's, and at the time you were acting for him; and you were acting for him right along in this matter. Now, at some period of time between the beginning of that business and the time the grant was made to the Company there must have been at some time an acquisition of that business from the Grand Trunk Pacific Company; there must have been some interval of time when that business belonged to the Grand Trunk Pacific Company? A.—Your question contains a great many statements, Mr. Macdonald, which are your inferences taken from the facts I have given in evidence. I don't admit in any way that your inferences are the proper inferences, and I cannot answer the question on the common ground that your statement and my statement agree.

Q.—I will ask it in another way. It is true, is it not, that in the beginning the business was Mr. Larsen's? A.—Yes, in a sense it is true—not in every sense.

Q.—Do you want to recede from your former answer? A.—No. That is only a matter of inference. The facts are as I have stated. The rest are inferences to be drawn.

Q.—Is it not true that you have already stated, your client in the matter was Mr. Larsen and Mr. Larsen alone? A.—Yes.

Q.—So when you commenced to negotiate with the Government you were engaged for one man, and that man was Mr. Larsen? A.—Yes.

Q.—And at that time you had no connection with the Grand Trunk Pacific? A.—That is right.

Q.—And at a later period—I do not care when it was—at a later period the Grand Trunk Pacific acquired an interest in this business? A.—I did not say it; the documents say it. I have referred to the documents.

Q.—You have referred to the grant? A.—No; I have referred to the Order in Council.

Q.—But at the time the Order in Council was passed you were not acting for the Grand Trunk Pacific, or were you? A.—Yes, I was, in so far as that Order in Council was necessary to be had, and in so far as I had been authorised—that telegram authorised me—that was the telegram I had from Mr. Hays.

Q.—Well, you were then acting for them on the 29th April, 1904? A.—In respect to the business in which I was instructed by telegram. I was acting according to my instructions; there they are (referring to telegram).

Q.—(Reading telegram). What was this communication of Mr. Stevens, that is referred to here? A.—I either addressed a letter or sent a telegram to Mr. Stevens, telling him what the Government wanted, and Mr. Stevens apparently saw Mr. Hays, and told him the contents, and in accordance with that telegram Mr. Hays sent that to me (referring to telegram).

Q.—Have you that communication which you sent Mr. Stevens? A.—I think it was a telegram. I have not got the document; there is no objection to it.

Q.—Where is the document? A.—As a matter of fact, I think I sent it from the Vancouver Hotel. I was over there at the time, I know.

C.—Yes, but this is a communication that is referred to here. A.—Well, as I understand it, I telegraphed to Mr. Stevens that the Government wanted something of that kind, and Mr. Stevens then saw Mr. Hays in the matter, and then Mr. Hays sent me that telegram.

Q.—You have not got your wire to Stevens, or Stevens' communication back to you? A.—I do not think I have any communication from Mr. Stevens.

Q.—This refers to one—it says, "Will be glad to have you act on Mr. Stevens' communication." A.—That means Mr. Stevens' communication to him. That is a communication from Stevens to Hays.

Q.—That is not what he says. He says "Mr. Stevens' communication." A.—It means from Mr. Stevens to Mr. Hays.

Q.—How would you know about that? A.—I think Mr. Stevens told me. I don't know exactly. At any rate, I telegraphed Mr. Stevens, and in the ordinary course I knew that Mr. Stevens had to see Mr. Hays, and in due course I received that telegram from Mr. Hays.

Q.—I think it would be well if you would make a thorough search for all these communications from Mr. Stevens and Mr. Hays, and also all other parties with whom you had communications touching on this matter. Would you be willing to do that? A.—I would not produce any documents here. They would not be my property, and I do not think that I ought to be asked to produce them. I am willing to answer any question founded on any idea that they contain evidence different to my statement.

Q.—Are you able to fix the time when you had your first communication with the Grand Trunk Railway Company? A.—That is the first communication I had from Mr. Hays, if that is of any use.

Q.—I have not asked you that. You see, you have evidently had communications from Mr. Stevens prior to this date? A.—Oh, certainly.

Q.—What were they? A.—They were telegrams reporting what was being done, and generally asking me how long it would take to put these things through.

Q.—Why should you be reporting to the Grand Trunk Pacific when you were only acting as solicitor for Mr. Larsen? And I want to get at the time you first reported to the Grand Trunk Pacific? A.—Well, the reason I was reporting to them was Mr. Stevens was desirous that Mr. Larsen should do this business. He

Mr. Bodwell—*Continued.*

thought he (Larsen) could manage it with the Government, with the influence he had, better than he (Stevens) could, and the reason Mr. Stevens knew I was acting for Mr. Larsen, and the reason I communicated with Mr. Stevens, was because he (Stevens) was anxious to know how I was getting along, and was urging me to hurry the thing up, and I was reporting to them what I was doing.

Q.—I see. Mr. Stevens wanted the business done through Mr. Larsen because he (Stevens) thought that he (Larsen) could manage it better with the Government than he (Stevens)? A.—Yes.

Q.—When did you find out that phase of the question? A.—I always knew it—whenever it was that the thing first came up—I do not know just exactly when it first came up.

Q.—Well, I see. Wouldn't that lead one to the inevitable conclusion, Mr. Bodwell, that it was Stevens, or the Grand Trunk Pacific, who were behind Mr. Larsen in this transaction from the very beginning? A.—I do not think that conclusion follows. It would not follow to my mind, because it was after the proceedings were taken by Mr. Larsen that Mr. Larsen saw Stevens, as I understand it, after the thing was started. He came over here with the idea of getting the thing going himself.

Q.—But as to that you have no positive knowledge? A.—No; and I do not think it is of any importance anyway. We were acting for the benefit of the Grand Trunk Pacific in any case. I do not think it is of any importance anyway, one way or the other.

Q.—Did Mr. Larsen get any of the contracts, or any of those benefits, which he expected to obtain by being in close touch with the Grand Trunk Pacific, since then? A.—I think you have no right to make any such suggestion that Mr. Larsen got any contracts from the Grand Trunk Pacific, or any of those benefits. I do not know what you mean by the insinuation. Mr. Larsen is not here to protect himself, and I must answer for him.

Q.—Why do you call a plain question an insinuation? A.—Because it is an insinuation, and I resent it on Mr. Larsen's behalf.

Q.—You know you have already told us voluntarily, Mr. Bodwell, that the reason Mr. Larsen went into this matter was because he wanted to be on friendly terms, and close to the Grand Trunk Pacific Railway Company? A.—I said that he wanted to be on friendly terms. I did not say he wanted to be "close to" the Grand Trunk Pacific Company.

Q.—Because of the work that the Grand Trunk Pacific were going to do in this country? A.—No, I did not say that. Mr. Larsen's idea was, if he were on friendly terms with the Grand Trunk Pacific it would be of great advantage to him because of the operations he contemplated doing in that country.

Q.—Mr. Larsen is a railway contractor? A.—Yes, and is engaged in a great many other businesses. Railway contracting is only a small part of his business.

Q.—And Mr. Larsen had those in view when he wanted to be on friendly terms with the Grand Trunk Pacific for business reasons—I am not asking what they were. Now, did he receive any of those benefits from the Grand Trunk Pacific that he expected he would receive? A.—I do not think he has, because the business has not begun. The railway has not got into that country.

Q.—And you don't know whether he has got any contracts from the Grand Trunk Pacific at the present time? A.—I do not think he has. He has not asked for any. All I know is that when the contracts are ready he will tender on them, for under their Act they have to advertise for tenders, and accept the lowest tender, I think, under their Act. Now, the fundamental idea in this is that there was nothing crooked about it, and the sooner you get that into your head the better you will be satisfied.

Q.—You have heard of a certain lady who did protest too much? A.—I am not a lady. You have insinuated things against me in the House that I was in some kind of a crooked deal, and I protest now against any such insinuation, and absolutely repudiate it.

Q.—You have done that a dozen times since you have been here to-day, Mr. Bodwell. A.—Yes, because you have suggested I was connected with an improper transaction, and I have no other means of protecting myself against such statements made on the floor of the House—I have no other means.

Q.—You are having the means afforded you now? A.—Yes, and I am taking advantage of it, for you are privileged to say whatever you like on the floor of the House.

Q.—And we are giving you an opportunity of producing the documentary evidence? A.—Now, you are suggesting that the documentary evidence is different to my statement that I have made here, and I tell you it is nothing of the kind. Any insinuation of that kind is unfounded, and I give you my word of honour on oath that you are entirely incorrect in your suggestion.

Q.—Then why do you not produce the correspondence? A.—Simply because it is not my property; it is the property of my client, and I have no right to produce it here.

Q.—Now, did you act for Mr. Larsen, or Mr. Mathews, or anyone else in connection with the acquisition of any other property in this vicinity of this terminal Island? A.—I have been their solicitor in connection with the terminal lands, yes. I have been their solicitor, but I had very little to do with that business. Most of it was done by Mr. Mathews.

Q.—Are you aware that quite a number of lots have been acquired by some private parties? A.—I know it.

Q.—Take these lots, for instance—Lots 505 and 450— A. (Interrupting)—In a few minutes you will be—

Q. (Interrupting)—449, 446, 502, 503, 448, 501, 447, Do you know anything about those? A.—You will be asking me a question in a moment that I will have to refuse to answer altogether, because it is pending business of clients—

Q.—I am asking are you aware of that? A. (Continuing)—for whom I am now acting. But I may say that I am aware that a large number of scrip locations have been taken up. I do not know how many South African scrip locations, but a large number that Mr. Larsen held have been located in that district, and I assume that the numbers you have given me are the lots that are covered by that South African scrip.

Q.—Yes. Well, now, what is the question you thought I was going to ask you, and which you said you would not answer? A.—I don't know; you have not asked it.

Mr. Bodwell—*Continued.*

Q.—I would like to know what that question is, Mr. Bodwell? A. (Laughing)—I expected you were going to ask me something which I should not tell you anything about.

Q.—Did you act for Mr. Larsen in the acquisition of those lots? A.—Mr. Mathews was here representing Mr. Larsen in that matter. I have done some solicitor work in connection with it, but very little, and I do not know very much about it, to tell you the truth.

Q.—Do you know that Crown grants have been issued for them? A.—I do not know it of my own knowledge; I have heard it.

Q.—On authoritative information, I suppose? A.—Oh, yes; on perfectly reliable information. I have not any doubt of the fact.

Q.—Did you know that other parties had applied for land under South African scrip there, land in the vicinity of those lots, and some of them had been refused? A.—I think their applications were in before the reserve was lifted. I do not know of any that have been refused since the reserve has been lifted, or of any land outside of the reserve where it has been refused. There may have been, but I do not know of any.

Q.—You are aware that other applications for locations on this land had been made prior to your negotiating with the Government? A.—The reserve was then on the land, but it has been lifted since.

Q.—The reserve was on when you commenced your negotiations with the Government? A.—Oh, certainly.

Q.—Did the reserve cover all these lands? A.—I don't know.

Q.—But you knew that the reserve did cover Kaien Island? A.—Oh, yes; there is no doubt about that.

Q.—Did you have anything to do with sending Mr. Ritchie up there to make the surveys? A.—Which surveys?

Q.—Of Kaien Island. A.—I don't think he made any surveys of Kaien Island.

Q.—Not of Kaien Island? A.—I don't think he made the surveys of Kaien Island.

Q.—Who made the surveys of these other lots that I have just mentioned? A.—I do not know. I did not have anything to do with it; it was not my business.

Q.—Did you know that the Lots, 505 and the others I have mentioned, were staked for purchase under the Land Act? A.—No.

Q.—Or for pre-emption under the Land Act? A.—No.

Q.—And South African scrip obtained for it? A.—No.

Q.—Were you not advising Mr. Mathews with regard to that? A.—No; but I was aware all the time that these negotiations were going on.

Q.—Did your office look after the business? A.—No; I do not think Mr. Mathews was consulting us about that part of the business at all.

Q.—Then your office had nothing to do with it? A.—No; not that I know of. I do not think they had.

Q.—Wouldn't your office books show as to that? A.—If there was anything in them about it, it would show that Mathews came in on a certain day, and did some business, and he was charged for what was done.

Q.—Where is Mr. Mathews now? A.—He was in Seattle the last time I heard of him.

Q.—You are aware, in a general way, that he and Mr. Larsen, or one of them, succeeded in getting all those lots I have just mentioned? A.—I am aware that Mr. Larsen's South African scrip locations were taken up on those lands. I assume that they were, at any rate, a large quantity of it.

Q.—What is Mr. Mathews, a partner of Larsen's? A.—No; I do not think he is a partner of Larsen's, but they had some arrangement about this property.

Q.—They were in this together? A.—I suppose so; but I cannot tell you that for a fact.

Q.—I suppose you impressed very strongly on the Chief Commissioner of Lands and Works the necessity for keeping these matters secret, in the beginning of your negotiations. A.—I do not think I impressed it upon him, but if he had asked me about it, I certainly would have asked him to. That was his own business. I do not think he asked me, but if he had asked me, I would have done so, and I don't hesitate to say so.

Q.—I think you stated in your opening statement that that was the reason why the Minute of Council was not made public? A.—That was my reason, and I think it was the reason the Government took also. Had it been made public it would possibly have made it improbable for the Company to obtain these lands from the Government.

Q.—Wasn't the matter of secrecy discussed between you and the Chief Commissioner? A.—I do not think it was.

Q.—You don't think it was? A.—No, I don't think it was, as a matter of fact.

Q.—At all events, the Order in Council was kept very quiet? A.—Yes, and I think it was very advisable. I would certainly have it done the same way again if I could.

Q.—Yes, I know you would. I feel confident you would. A.—I think anyone would if they had any sense; they would certainly keep it quiet, and not publish these things.

Q.—I suppose if it had been made public that this Order in Council had been passed it would have affected the acquisition of these other lands on the Mainland, if it had got about that the terminus was going to be there? A.—How can I answer that? You are just as capable of forming an opinion on that as I am.

Q.—You were aware, were you not, that Mr. Mathews and Mr. Larsen wanted to acquire the property there? A.—Not at this time. I don't think it was in contemplation in the beginning of these negotiations. It was an after-thought, the getting of this other land.

Q.—When you found you could succeed in keeping the other secret? A.—That is not a fair question, Mr. Macdonald, and there was no such idea as that.

Q.—No idea of that kind? A.—The only idea of keeping secret was to prevent the applications of other people, who would come on the land and stake, and my idea was to prevent pressure which I thought would be brought on the Government to lift the reserve, and then there would have been endless complications with all these different people who put stakes in and tried to acquire the land. That was the idea.

Mr. Bodwell—*Continued.*

Q.—Have you anything to do, or did you have anything to do, with the company that was formed by Mr. Anderson for the purpose of dealing with those town lots? A.—Mr. Anderson has not formed any company for the purpose of dealing with those Crown lands. He has no authority to do so, and if he has, I do not know anything about it. As to his company, all that I know about it is from what I have seen in the paper. I saw a statement in the paper denying that he had anything whatever to do with this company. It was a statement made by Mr. Morse to a newspaper reporter. This Company will be managed directly at Montreal at their own office, and Mr. Anderson has no connection with it whatever.

Q.—How do you know that? A.—Because Mr. Morse has told me so. I had a letter from him, and besides that, he made a public statement to the newspaper in Ottawa.

Q.—Would you mind producing the letter? A.—The letter contains other matters. I will tell you what I did. Some people wrote to me, asking if they could get an option on a lot of this people, as they had seen my name advertised as being the owner of Kaien Island. They were in St. Paul at the time, and I wrote Mr. Morse in the matter to see if they could get an option, and the answer I received this morning was that they had not yet made any plans, and their plans were not far enough advanced for them to make any statement in the matter.

Q.—Do you mean to say that you have had no connection at all with the formation of this land company, along with Mr. Anderson? A.—Not the slightest, and did not know anything about it.

Q.—When did you first hear of it? A.—When I read in the press despatches here a telegram which contained an interview with Mr. Morse, in Ottawa, in which he said that no one here had anything to do with their lands, and that they would not be sold through the medium of any company here, but would be managed directly from their office in Montreal. That was the first I knew of such a company. I had never heard of it before.

Q.—Do you mean to say that you never heard of the Pacific Coast Realty Company? A.—Yes, and I did not know at that time what the name of the company was, and that company has nothing whatever to do with these lands, and has no connection whatever with the Grand Trunk Pacific Railway Company, and it had no authority whatever from them to represent the Grand Trunk Pacific in any way whatever.

Q.—When did Mr. Larsen's connection with Mr. Anderson cease? A.—I don't know. It may not have ceased yet. I do not know that it ever ceased, but I assume that they have had no business since this business was settled up. Of course, they may have had.

Q.—Weren't you in pretty close communication with Mr. Anderson from the time of the initiation of these negotiations, and during the whole progress of the business? A.—Yes, I used to see him very frequently about it.

Q.—Well, what had he to do with it? A.—I don't know; but I will tell you what I thought he had to do with it. I thought he was employed by Mr. Larsen.

Q.—In what capacity? A.—He went up there, in the first place, to make inquiries for Mr. Larsen; and then went up again, in the second place, to take charge of a survey party, and he was to do whatever was to be done, that fell to him. His duties were not specified, but that is what he did.

Q.—Well, would this statement be true, according to your knowledge of the facts (reading); "Among those who went North was James Anderson, previously connected with the Victoria Terminal & Sidney Railway, who had formed a syndicate to acquire lands at or near the probable terminus of the new line"? A.—No; I never heard of any syndicate. There was no syndicate formed that I heard anything about. Is that an interview with a press reporter?

Q.—Yes. A.—Well, I guess someone has been stringing the reporter.

Q.—You think there is nothing in that? A.—It is not the fact.

Q.—What syndicate had he formed? A.—There was no syndicate that he formed that I knew anything about.

Q.—That syndicate mentioned here, and what you mention in your letters as "your clients" would not be coincident? A.—No, I had no client except Mr. Larsen, and there was no syndicate except Mr. Larsen. It is probably a high-sounding term, and was put in for the purpose of a newspaper report; no doubt that was the reason they made use of that word, but it would not be accurate.

Q.—Well, that report is something like your letter, it is a little inaccurate? A.—I do not think you have any right to say a thing like that.

Q.—It speaks of a syndicate, and your letter speaks of "clients," that is the only difference? A.—Do you think any different construction is to be put on my letter than what I have given in evidence?

Q.—No; I am simply pointing out, that while you say you had only one client—Mr. Larsen—your letter speaks in two places of "clients," and says: "I suggest that my clients form a company to acquire these lands, say 10,000 acres"; and this report speaks of a "syndicate"; and I am pointing out that this letter of yours and this report, they are both a little inaccurate. A.—You are entitled to that suggestion.

Mr. Garden: What are you quoting from?

Mr. Macdonald: I am quoting from what appears to be an interview that Mr. Anderson gave a "Colonist" reporter. It is contained in the "Colonist," dated the 17th January of this year.

Q.—Now, Mr. Bodwell, is this anything like being correct (reading): "After a careful examination of all the sites, he selected Lima Harbour, on Kaien Island, as affording the best and safest harbour, with ample ground adjacent for terminal facilities and a townsite." Is that true? A.—Yes, I think that is true. According to my information, that is true.

Q.—Mr. Anderson did go up and make a selection? A.—He did not go up for the purpose of making a selection; but that was the report that he made, that Lima Harbour was the best and safest harbour.

Q.—It says here that he selected Lima Harbour. Isn't that true? A.—Oh, that is only a form of words. It may be true; he recommended that as the best and safest place, according to his idea.

Q. (Reading)—"After cruising and looking over the location, he decided to make a preliminary survey early in 1904." Is that true? A.—He did not decide it. He was sent up there to make the survey. I suppose Mr. Anderson was letting the reporter imagine he did.

Mr. Bodwell—*Continued.*

Q.—Well, you had a consultation with him before he left? A.—Yes, of course I did. I knew he was going, and what he was going to do and all about it.

Q.—And you have told us you were aware of the reasons at that time, and he was too? A.—This was all discussed with the Government.

Q.—And everyone knew there was a reserve there? A.—Yes.

Q.—Well, this statement, then, is not correct, is it: "On the completion of the survey he discovered that the proposed site was held by the Provincial Government as a reserve, and could only be dealt with under the clause of the Land Act providing for the granting of lands for the purpose of public advantage"? A.—How does it read?

Q.—"On the completion of the survey." A.—That would be inaccurate in so far as it says it was on the completion of the survey, unless it means the preliminary survey inspection. He did not know until after he first came down from the North that this was under reserve. He had been up there first, and reported that Kaien Island was the best place, and it was after that we discovered there was a reserve on the land. But if he means the survey on which the Order in Council was passed, then it would not be accurate. But it would be accurate if he meant the preliminary inspection that he made of the property.

Q.—Then he said this: "This necessitated the Grand Trunk Pacific Railway Co. dealing directly with the lands." Do you know what that means? A.—That is not right. I do not know what that can mean. The reporter must have got it down wrong, or Mr. Anderson may have made an inaccurate statement.

Q.—"In order to facilitate arrangements, E. V. Bodwell, then acting as counsel for the G. T. P. Railway Co., was authorised by Mr. Hays to deal with the Local Government"—A. (Interrupting)—I was not then acting as counsel for the Grand Trunk Pacific, and the probability is that the reporter misunderstood the thing.

Q. (Reading)—"And the original order drafted in his name, and accepted by Mr. Hays on behalf of the railway company. Thereupon the steamer 'Fern' was purchased by Mr. Anderson for the purpose of facilitating the completion of the surveys"—A. (Interrupting)—That was a long time after; it was long after all this business.

Q.—Who purchased the steamer "Fern"? A.—I don't know. Mr. Anderson did, as far as I know. I never saw it.

Q.—Had it anything to do with your client, Mr. Larsen? A.—I do not know anything about that purchase of the steamer "Fern" at all, except that I know it was purchased.

Q.—Were you ever up there on the "Fern"? A.—No, I have never been up there on the "Fern"; I never saw it.

Q.—You were not one of the parties then that made the "mysterious trip"? A.—Oh, that is a newspaper yarn, that "mysterious trip" business. They knew he went up, you see, and the newspapers they have very little to go on here, and they have to make a story out of everything. I never saw the "Fern," Mr. Macdonald.

Q.—Well, Mr. Anderson must have been up there before you saw Mr. Larsen about it? A.—Well, I don't know; I don't think so. He went up there after that.

Q.—Because you have told us that Mr. Anderson did not know until after he came down from the North that there was a reserve on this land? A.—No, I did not know until after he came down from the North there was a reserve; I did not know it until then.

Q.—You did not know there was a reserve on Kaien Island? A.—No.

Q.—But you have told us already you did? A.—I told you that when I wrote that letter on the 19th January I knew there was a reserve, and when I first saw Mr. Green I knew there was a reserve on it, but that was after Mr. Anderson came down from the North, after his first trip.

Q.—How long had Mr. Anderson been up North? A.—I don't know, but he was up there some time.

Q.—On whose instructions did he go up? A.—On Mr. Larsen's instructions.

Q.—Are you aware of any arrangement between themselves as to how Mr. Anderson should be compensated for his time? A.—I do not know anything about it, but understood, and acted on the assumption, he was being paid a salary and his expenses.

Q.—Were you ever told that by Mr. Anderson or Mr. Larsen? A.—I do not know that I was. I simply acted on that assumption. It was not my business, but that was the assumption on which I acted.

Q.—As a matter of fact, do you remember, Mr. Bodwell, the terms of Mr. Anderson's engagement, or terms upon which he was connected with this other purchase? A.—No; I do not think I was ever told, but assumed it.

(Interruption *re* inquiry as to whether Inquiry was to be continued the following day.)

Mr. Macdonald (continuing): Did you know a man by the name of Mr. J. L. Pierce in connection with this transaction? A.—No. I never heard of his name, to my knowledge.

Q.—Did Mr. Mathews seem to have something to do with this Kaien Island terminal? A.—No; nothing to do with it at all.

Q.—His business, I suppose, was in connection with these other lands? A.—I suppose so.

Q.—When Mr. Morse was here, a year ago, and when this grant was made, you had a good many interviews with him in regard to this matter? A.—Oh, yes; I was talking over with him the Grand Trunk Pacific business. I was acting for the Grand Trunk Pacific then. I was formally retained by them when Mr. Morse came here last year. I accepted the formal retainer of the Grand Trunk Pacific then—that was in February last.

Q.—That was the time when it was decided that the grant should be made to the Grand Trunk Pacific direct? A.—That was the time when I wrote the letter to the Government. I do not know when it was decided. You see there was no object in having the grant put through in my name after the Grand Trunk Pacific were organised, and after they had determined where they were going to make their terminal.

Q.—You were then, you say, formally retained as solicitor for the Grand Trunk Pacific? A.—Yes, when Mr. Morse came out here last year.

Mr. Bodwell—*Continued.*

Q.—And at the same time, during the same period, Mr. Larsen was here? A.—Yes.

Q.—And he met Mr. Morse personally? A.—Yes.

Q.—And it was during that period that it was decided that the Grand Trunk Pacific should take over the whole thing, and simply pay for the cost of surveys? A.—Yes; I might say it was decided then; it was all understood at that time.

Q.—And what Mr. Larsen got in the way of promises of future business, you don't know? A.—Well, I am perfectly certain that he did not get any promises, although I can not give evidence about it. I am perfectly certain he didn't.

Q.—You, however, got the reward you were seeking? A.—No, that is not right.

Q.—You got the solicitorship of the Grand Trunk Pacific? A.—I don't attribute it to that at all, not on account of this. I was, of course, very glad to get it, although I have been paid more money for less services than what I am getting from the Grand Trunk Pacific.

Q.—In your letter to the B. C. Government, you propose or suggest the formation of a company to acquire these lands. Now, did your ever suggest that to the Grand Trunk Pacific Railway Company? A.—No, I never did.

Q.—Well, you did not carry out your original idea then, with regard to these lands? A.—The after circumstances made it unnecessary to make any suggestion of that kind; in fact, I was told by Mr. Morse—oh, I don't know whether I was or not, so I had better not say exactly. Anyway, I understood that the Grand Trunk Pacific were going to handle the thing as a railway business entirely.

Q.—I suppose you knew also that the Grand Trunk Pacific would certainly select the best terminal it could? A.—Well, I knew that they were going to select their terminal from a business point of view—that is, if they were allowed to. But since we are on that question, I might say, I myself had grave doubts as to whether they would be allowed a free hand in that matter, because I thought it was not unlikely a considerable political influence would be brought to bear on the Dominion Government, in order to have a terminus which would favour other parties. That is what I thought myself. I thought there was going to be political influence brought to bear at Ottawa.

Q.—To select another terminus? A.—Yes.

Q.—You are aware, are you not, that no terminus can be selected until it has been assented to by the Governor-General in Council? A.—That is a mere formal matter, other things being equal; that is a mere formal matter. Certainly the Company could not make any definite agreement with this Government as to its terminal until they got the assent of the Governor-General in Council. This Company got that consent, and Mr. Green will be able to produce that. There was some little delay in getting it, because it took some little time to get the assent passed. Certain preliminaries had to be carefully gone into, and the agreement was not filed until sometime after the grant was issued, but Mr. Morse undertook to get it and file it.

Q.—I suppose that you are aware that Mr. Hays and Mr. Morse both satisfied themselves that this harbour was the best harbour on the coast? A.—They went up and made a thorough inspection of it with their engineers.

Q.—And they came back perfectly satisfied that the harbour was all right? A.—I have never asked them that, but I am perfectly sure that they did.

Q.—Do you know whether or not they inspected the other harbours up there? A.—I think that they looked at every place up there on that trip. I think they went everywhere.

Q.—With a view to selecting a business terminal? A.—That was my understanding.

Q.—And your understanding is that they selected the best that they could find? A.—One that they thought best, taking into consideration all the circumstances. One place had certain advantages, and other places had certain other advantages, but in view of all the circumstances, I think they concluded that Lima Harbour was the best.

Q.—Was there any bargaining of any kind between you and the Government with regard to terms? A.—Yes, to a certain extent there was. Mr. Fulton thought we ought to pay \$5 an acre instead of \$1, but I told him I did not consider that fair, or, at least, I did not consider it advisable. The land, as it stood at present, had no value. It was not first-class land. The Government price for that land would never be more than \$1 an acre, and it was no good at all unless the terminus came there, and I thought \$10,000 was sufficient for the Company to pay, as far as cash was concerned.

Q.—Is that all? A.—\$10,000 and a quarter interest.

Q.—Was that all that took place with regard to the bargaining? A.—I don't remember. Of course, I discussed the question with all the Ministers. I think the others all agreed that it was a fair price to pay, \$1 an acre for the land, and Mr. Fulton himself came to that conclusion after a while; but at first—I suppose I am right in speaking of these things, as it was not an Executive matter exactly, as you see I did not meet them in Executive—but Mr. Fulton at first thought we should pay \$5 an acre for the land, and the other Ministers of the Government agreed with me, and Mr. Fulton subsequently gave way.

Q.—And that was the only thing that the Government suggested as different to the terms as contained in your letter to Mr. Green? A.—Oh, no; Mr. Wilson, owing to the trouble they had in Vancouver with the C.P.R., insisted on this one-quarter interest in the water frontage. I would not have had that clause put in in the interest of the Company, because it placed the Company at a considerable disadvantage, but he said he did not want the same thing to happen there as happened with the C.P.R. in Vancouver, and insisted on that clause being put in.

Mr. Garden: Well, the Executive then insisted on this clause going in? A.—Yes; Mr. Wilson drew up this clause. He felt he did not want a repetition of the C.P.R. trouble in Vancouver occur in this case, and so he put in this clause, and I would have had it kept out if I could, in the interest of the Company. Of course, from the Government's point of view, I think they did perfectly wise, but from our point of view it is a nuisance to us.

Mr. Macdonald: You did not suggest to the Government that they should keep the whole of the fore-shore rights? A.—No; we would not have dealt with them on that basis. If the Government had got the

Mr. Bodwell—*Continued.*

whole of the water front, it would have simply meant that two-thirds of the Company's property would have been no value to them; they could not go anywhere if the foreshore belonged to the Government.

Mr. Garden: I think it was one-third the Company took—

Mr. Bodwell: No, the Grand Trunk Pacific took two-thirds of all the foreshore and water front. However, the Company would not have gone there if they had not got control of the foreshore; there is no question about that.

Mr. Macdonald: What difference do you say there would be between the fact of the Government being given one-quarter interest in the foreshore rights, and any agreement which might be made with a private individual, whereby the townsite is divided into lots, which would necessarily carry one-quarter interest of the foreshore with it? A.—You see, the Act says that the Government shall have one-quarter interest in any of the lands afterwards subdivided into a townsite. Well, now, supposing we were not dealing with the Government, but bought this land from private individuals, with this provision in the Act we would have been able to take the townsite a mile away from the water front and foreshore without any trouble whatever, and then the townsite would have been the only part of the land where the Government would be entitled to their quarter interest. They would not be able then to claim any of the lands on the water front under that arrangement.

Q.—How would you have got over this clause: "Provided further, that any reconveyance to Us and Our Successors of any of the lots hereinbefore mentioned shall include (when the lands so described abut upon or form the shore of any tidal waters, or the bank of any river, lake, or stream) all the foreshore or riparian rights, including the lands above and below low-water mark"? We are taking now, say, an agreement with private individuals? A.—The private individuals would not own any lands "above and below low-water mark." I did not take any chances. I don't think the Local Government own anything beyond the high-water mark, but there was the question which might have come up, and I was providing for and against it.

Q.—Well, it comes down to this, doesn't it, that in order to make that foreshore of any value to anyone, the rights of the Dominion have to be considered? A.—They would have to be anyway; there is no getting away from that.

Q.—So your provision to give the Province one-quarter interest in the foreshore is not very important? A.—Yes, it is; because it is a universal rule of the Dominion Government to grant no foreshores to anybody who do not own the high lands adjoining. They will not grant foreshore rights to anybody unless you own the lands adjoining. Therefore, every thousand feet water frontage, as provided there, will have the foreshore rights in accordance with the universal policy of the Dominion Government.

Q.—You speak of 1,000 feet. It says "not less than 1,000," doesn't it? A.—Yes.

Q.—It may be divided, then, into blocks of 5,000 feet? A.—Yes; but where the Government gets the protection is in having them so they cannot be divided into less than 1,000 feet.

Q.—It seems to me that they do not get any protection? A.—If the Government divide the waterfront lots into 5,000 feet, then the Government will have one-quarter of that 5,000, or rather, every fourth 5,000 feet; and if it is divided into blocks of 1,000 feet, then the Government will have one block of 1,000 feet in every fourth block.

Q.—There are about 100 miles of good foreshore, are there not? A.—I was not there, and I have never paid any attention to it. The idea of the Government in obtaining this interest in the foreshore and waterfront is so that they may be able to have free wharfage, and a place for other vessels to land, and there is nothing to prevent now the Government in constructing a tramway down to the waterfront, and have railway facilities of their own. There would not be any trouble about that.

Q.—I think the Railway Company would make that pretty safe so that they could not? A.—Well, what do you suggest should have been put in?

Q.—If you had said not more than 1,000 feet. A.—Where do you see the difficulty?

Q.—I say they may divide them up into one-mile blocks—four blocks to a mile? A.—And then?

Q.—And then the Company may make its selection? A.—And then what?

Q.—And then the Grand Trunk Pacific can arrange its terminal to suit its own frontage? A.—Yes, and then what?

Q.—And then the Government block is out of it? A.—Oh, no; the Government can own their own wharves. People will go there and the place will be built up. There will be tramway companies and all sorts of conveniences running up and down from that wharf. The Company cannot expropriate any part of the land running down to the wharf which belongs to the Government.

Q.—Yes, but you know how railway companies work these things in townsites? A.—I know how the Government can work this to their own advantage, and if I were in the Government I would see that they did it. The Government can run a tramway company right down to the Government wharf, and vessels can land at their wharf.

Q.—Well, then, that was all in the way of bargaining that was done? A.—Oh yes, I think so. The Government took a very proper view of the matter, and they thought my proposition was reasonable, and they acted on their own discretion.

Q.—And, so far as the Government is concerned, you have told us practically all that took place between you? A.—Yes, I do not remember anything more. I think that is the whole. If you suggest anything more, I will try to think about it.

Q.—Who did you do business with principally? A.—All the members of the Government. I had lots of conversations with Mr. Wilson, the Attorney-General, and a great many conversations with Mr. McBride, and when it was necessary I saw Mr. Green, and I saw Capt. Tatlow. I had a good many conversations with Mr. Tatlow. The members of the Government all took part in this transaction and thoroughly understood it and were thoroughly satisfied with it. Mr. Wilson and I discussed the whole question from the legal standpoint and as to the form of the contract. Mr. Green referred all that to Mr. Wilson.

Mr. Bodwell—*Continued.*

Q.—I suppose, after the conveyance to the Grand Trunk Pacific, any discussion between yourself and Mr. Anderson, for instance, ceased with regard to this property? A.—I never saw Mr. Anderson about the business. In fact, I may say that I did not see him about the business very often after the Order in Council was passed, and after Mr. Morse came here the thing was transferred to his hands as far as the business part was concerned, and after that I only drew such documents or wrote any such letters as I was instructed to.

Q.—You have not had any recent conversations with Mr. Anderson since then in regard to this business? A.—Oh, no; you see I have not had any business with Mr. Anderson since then of any kind.

Q.—So you have never discussed the matter with him since then? A.—No, I have not even talked with him about it. I have not seen him for a long time, that is, until I saw him here in the committee room this morning.

Q.—And you have never made any entries in regard to this matter from beginning to end? A.—I don't say that; I had not very many—

Q.—Until you were appointed Grand Trunk Pacific solicitor? A.—Oh, just as soon as I was appointed the Grand Trunk Pacific solicitor, I keep my entries then.

Q.—But up to then you have not any entries? A.—I do not think so.

Q.—No memorandum of any kind that you have not referred to? A.—I do not think so; no.

Q.—The correspondence, of course, you don't want to produce. A.—It is not fair to say I don't want to produce it, because I simply object to produce that, because I consider it is my client's property; but I state again that there is nothing in that correspondence which is in any way in conflict with the evidence I have given here to-day.

Q.—I suppose the only letters between yourself, or your firm, and the Government have been produced here, have they not? A.—Yes, as far as I know. I do not know of any letters that have not been produced.

Q.—Did you ever make any search of your office and papers to see if there were any you have not produced? A.—I think I have. I think Mr. Green asked me to look up everything I had, and I think I did give him everything I could find.

Q.—I understand you to say that you are still the solicitor for the Grand Trunk Pacific? A.—Yes.

Q.—And have been ever since Mr. Morse was here last year? A.—Yes.

Q.—And any business there has been in connection with this townsite terminal, I presume, since that time, has been handled in the East, at Montreal or Ottawa? A.—Yes.

Q.—It has not come through you? A.—No; I do not think there has been any business done, Mr. Macdonald. I know the townsite has not been plotted, because Mr. Morse told me so. At least, he told me they were not ready to go on, and I inferred from that that they have not plotted the townsite. Of course, I had something to do with this agreement with the Government about the townsite after they got the Order in Council from the Dominion Government.

Q.—I suppose, Mr. Bodwell, the matter was all settled between you and the Provincial Government before Mr. Morse came on the scene? A.—Well, it was not completed.

Q.—Except the formal conveyance and assent by the Governor-General in Council? A.—The matter was settled by the Government when the Order in Council was passed. There was nothing to do after that except get the grants. They would have issued much earlier if it had not been for those delays.

Q.—Now, you think you have told us everything you can remember? A.—Yes, I think I have exhausted my memory.

By Mr. Ross: There are just one or two questions I have to put to you, Mr. Bodwell, with regard to the question of secrecy about which so much has been made. Now, in dealing with your own clients' business, I suppose you preserve a certain amount of secrecy? A.—Oh, yes; I don't usually say anything about my business, or my clients' business, except to people who are entitled to know.

Q.—Well, then, there is nothing unusual or improper in the Government preserving the same degree of secrecy with regard to the public business? A.—It would seem so to me. It seems to me to be a very wise precaution, as far as my opinion is concerned about it. I think it would have been very unwise for the Government to have made anything public until the arrangement was completed.

Q.—That was on account of the possible complications? A.—The complications were right on the spot if I may be allowed to say it. I understood—perhaps I had better put it in that way—that the Government were being pressed continually to lift the reserve from off that land, and to allow a lot of individuals come on there and stake that land, either under the Land Act or South African scrip, because a great many people thought that Kaien Island was going to be the terminus of the Grand Trunk Pacific; and if these people had got their stakings, or got their applications allowed, they would have been entitled to a Crown grant of 160 acres each, and there might have been three or four hundred people which the Company, in the event of their going there, would have to deal with afterwards. Now, if it had been known publicly (and it would have to be published when the Order in Council was passed) that the Government were thinking of dealing with the Company, and that this land was to be dealt with for terminal purposes, no one can tell how much that pressure on the Government would have been increased, and I do not know whether the Government would have been able to withstand that pressure. I was afraid they would not.

Q.—There was a similar case to this in Kootenay, was there not? A.—I don't know.

Q.—You know there was a great deal of staking and re-staking? A.—Yes, a great many staking coal locations.

Q.—And these were going on contemporaneously? A.—Yes, but that was not affecting me. I thought the Government would have its hands forced in spite of ourselves.

Q.—Now, Mr. Bodwell, with reference to this telegram of April, 1905, do I understand you to say that this word "communication" referred only to written or verbal communications? A.—That word "communication" refers to a communication which Mr. Stevens addressed to Mr. Hays, in consequence of a tele-

Mr. Bodwell—*Continued.*

gram I sent to him, or a letter I sent to him, stating that the Government wished us to get, for public record for their protection, a document stating that the Company were willing that this grant should issue to me.

Q.—Well, am I correct in drawing the inference that the Government would not have issued this grant to you unless you had some such authorisation as this? A.—Yes, of course, that was so. The Government would not have issued it. They said so. I told them what I was doing, and explained my position in the matter, but they said, "Yes, I know that; we believe your word; but we must have this on record, because it may be questioned afterwards, and if there was nothing on record there would be no proof." They said "We want you to give us something we can put on record," and so I received this telegram.

Q.—That was the reason you got this telegram? A.—Yes, that was the reason of that telegram.

Q.—And when Mr. Larsen first spoke to you about this Kaien Island matter, he told you what his plans were, did he not? A.—I suppose he did. I don't recollect exactly, but we often discussed it.

Q.—Did he tell you that the Grand Trunk Pacific were the parties he was going to sell the land to? A.—Yes.

Q.—And you don't know whether or not, before that conversation with you, he had any deals direct with the Grand Trunk Pacific, or any of their officials? A.—I did not know. I did not ask him that. I knew what he wanted me to do, and I proceeded to do it.

Q.—For the benefit of the lay members of this Committee, you might state the general rule of law under which you claim that these letters are privileged communications? A.—When a client consults his solicitor, or instructs him to act for him, every communication between them, in the capacity of solicitor, is absolutely privileged, and the solicitor cannot, even if he wishes, disclose it without the consent of his client.

Q.—Exactly. Am I correct, then, in saying, if your position and Mr. Macdonald's position were reversed in this investigation, he would be entitled to claim the same privilege that you are claiming? A.—There is no doubt about it. He would claim it if he did his duty to his client.

Q.—You spoke in your evidence about political influence being brought to bear in Ottawa; what do you mean? A.—That is back of my own head. I gathered that from a lot of circumstances, as I knew there were a good many people who wanted another place selected as a terminus. I knew that the Port Simpson people were very anxious to have the Company go there, and from a lot of circumstances which it would be hard to cover, I had in my own mind the idea that the Dominion Government would be pressed to bring pressure to bear on the Grand Trunk Pacific Company to go to Port Simpson. Whether they could do it or not, I don't know, but I felt that they would do it.

Q.—You were not referring then to political influence on this Government? A.—No; it was political influence being brought to bear on the Dominion Government. I am almost sorry I said that, as I am not justified in making the statement, because it was only my own idea.

Mr. Munroe: Do I understand that at a later date the Dominion Government did approve of making a terminus at Kaien Island? A.—Oh, yes; they have approved of it.

Q.—Consequently, you have no knowledge of any such influence? A.—No; I do not know whether any such influence has been brought to bear, but it was my own idea it would be.

Q.—Therefore, if such influence did exist, it did not succeed? A.—It probably did not come into action. The Company made this selection and got the Order in Council passed, and there was an end of it.

Mr. Macdonald: In explaining the duty of a solicitor to his client, in answer to Mr. Ross' question, I might ask you if this is not also true, that his duty goes quite beyond any written communications, and applies equally to verbal communications? A.—Oh, yes; certainly it does.

Q.—And having come here and voluntarily given your statement, without taking the objection that you wanted to protect your client's interest, isn't it the rule of law then to give the whole of the facts? A.—No; there is no rule about it. I have not said anything except what I know my client would not object to my saying, and I have only made the statement I have because it was necessary to do so in my own protection, on account of attacks having been made on me on the floor of the House, in connection with this matter, and it was necessary that I should make some statement of this kind, but that does not justify me in disclosing communications with my client, which relate to business transactions, which are the property of my client, and I don't propose to disclose it.

Q.—That is to say, you are willing to dispense with the privilege as to part of your evidence, and then in another part you take advantage of it? A.—I don't know.

Q.—That is the effect of what you have done? A.—I do not know that it is.

Q.—That is so. You have given certain portions—— A. (Interrupting)—You have asked me to produce those letters. I told you I did not know whether I had them, and if I had them I would not produce them. I do not know that I have them, but I have told you to which subject they relate, which is as much as I have any right to say, and I have told you that if you had any suggestion to found in that connection, I was ready to make an answer to your insinuation—either to admit or deny it—and that is as far as I go.

Q.—You could have made the same objection in the very first in the interest of your client, that your communications were privileged, taking them from the very first interview, and without having given any evidence at all, could you not? A.—I could, but I know that Mr. Larsen has no objection to my giving that statement.

Q.—That is what I say, you have claimed your privilege in parts and have not insisted on it in other parts? A.—I want you to say now, whether there is anything that was contained in those letters which would in any way change the statement I have made here to-day in those matters, because, if you don't say so, there would be no use in producing the letters in any case.

Q.—How can I suggest what was in the letters when you won't produce them? A.—Will you suggest that my statement is not absolutely correct? I want an understanding. I want you to come to the point. Do you suggest my statement is not accurate?

Mr. Bodwell—*Concluded.*

Q.—I don't suggest anything at all. I suggest that if there is nothing in conflict with what you have stated here, and nothing in the letters which you want to be kept secret, then there should be no objection on your part to the production of the letters? A.—There is an objection. I have no right, they being my client's property, to produce them without my clients' consent.

Q.—You could have taken the objection when you made your statement? A.—If you wish to take that point—

Q.—You could have taken advantage of that same rule and refused to tell your instructions from Mr. Larsen, could you not? A.—Yes, if I had chosen to do so.

Q.—And what I say is, you have chosen to insist on your privilege in the case of written communications, and you have not insisted on it in regard to verbal communications? A.—I have told you in substance what was in the written communications and I have told you in substance what was in the general instruction I received. Those statements are parallel. You have asked me to produce the actual letters, and I do not know whether I have any letters, and if I had them I would not produce them, without consulting and getting the consent of Mr. Larsen on the subject.

Q.—That is your full and complete statement in the matter? A.—That is my full and complete statement in the matter, and it is not necessary to say anything further.

HON. R. F. GREEN, Chief Commissioner of Lands and Works, being first duly sworn to give evidence herein, testifies as follows :—

Mr. Macdonald: I have the same objection to make as before. I have requested that Mr. James Anderson should be called first. He was the first witness subpoenaed and was the first on the list, and I am of the opinion that my request ought to be given effect to if it is intended to conduct this inquiry with any degree of fairness.

Mr. Ross: I do not think there can be any delegation of unfairness to that action.

Mr. Macdonald: The Government have said that they were prepared to have everything investigated in the fullest and frankest manner. That was at the request of myself, as framed in the resolution I presented to the House. Now, one would have thought, if there was any such frankness to be displayed, that it would be displayed in this way. The Government have said: "Call the witnesses in any order you like. Get out the whole evidence. Conceal nothing."

Mr. Ross: Well, surely my learned friend does not suggest we are altering the method of calling witnesses.

Mr. Macdonald: Why do you alter the method? For that is certainly what you are doing.

Mr. Garden: I do not suppose there is any fixed rule, as long as we get at the facts. At any rate, the majority of the Committee govern, and I suppose that will be the rule followed here.

Mr. Macdonald: Of course, the majority of the Committee must govern, and I must submit to it—I can see that.

(Vote taken.)

Mr. Garden: As the vote is a tie, I will vote that Mr. Green should now be heard. You might just give your statement first, Mr. Green.

Mr. Green: I do not know that I have any statement to make, Mr. Chairman, other than that the fact is, the negotiations were started when Mr. Bodwell approached the Government in connection with this matter, and it was carried on from time to time, and Mr. Bodwell was told that we would not deal with the matter unless we were dealing with him as the direct representative of the Company. I have nothing to say in the way of making a statement more than what the documents show. The matter was, to my mind, a thoroughly business transaction from the start to the finish, and a transaction, as I believed then, and believe now, that was in the very best interests of the Province. I believe that the Province has made a good bargain, and I believe that that will be demonstrated every day that goes by. I have no hesitation in saying that the bargain was a good one; that it was a straight, open and "above-board" bargain; that the Government did everything that was possible to conserve the rights of the public, and the document will show for itself what the final result of that negotiation was. I do not know that I have anything further to say in connection with the matter.

Mr. Macdonald: When did you first meet Mr. Bodwell in connection with the business in question? A.—I cannot tell you any particular date—I met him probably, I think, in January.

Q.—1904? A.—Yes.

Q.—Where? A.—Well, I cannot say that; either in my office or the Club; I think it was in my office.

Q.—Are you sure of that? A.—No, I am not sure about it. I do not know where I met Mr. Bodwell first in the matter. A matter of this description is naturally brought on from stage to stage, and I am not going to say at the present time where I met Mr. Bodwell first in this connection. My recollection is that it was in my office. I do not know.

Q.—What was the nature of your first discussion? A.—My recollection is that Mr. Bodwell approached me in connection with the matter, and wanted to know whether the Government would deal with it.

Q.—What did he tell you as to his status in the matter? A.—I don't recollect. He simply laid the matter before me as a representative of someone else.

Q.—Did he tell you who this someone else was? A.—I do not know that he did at that time.

Q.—Did you know? A.—I do not know that I did at that time. I don't recollect.

Q.—When did you first know? A.—I knew as soon as Mr. Bodwell wrote his letter. I knew when the letter was written.

Q.—You knew what? A.—That Mr. Bodwell was applying for this concession as the representative of some clients.

Q.—Did you know then who those clients were? A.—I presume that I did.

Q.—Well, can you not remember now? A.—Well, I am inclined to think that I did know.

Hon. R. F. Green—*Continued.*

Q.—Well, who were they? A.—As far as I knew, the only client he had was Mr. Larsen in the first instance.

Q.—Why do you say as far as you know? From whom would you ascertain that fact? You would not know that from your own intuition? A.—I must have got the knowledge of that fact from Mr. Bodwell.

Q.—Do you remember him telling you that? A.—I certainly remember him telling me on one occasion. My recollection is that he did tell me.

Q.—Now, have you any definite recollection of his telling you that? A.—Well, no; no definite recollection.

Q.—Did he write and tell you who his client was? A.—I cannot remember whether it was by direct communication or not. I really do not know.

Q.—Well, you knew that Mr. Larsen was the chief man behind the promoters? A.—Yes.

Q.—And Mr. James Anderson? A.—I did not know anything about Mr. Anderson in the transaction.

Q.—Didn't know he had anything to do in connection with it? A.—I knew, in a general way, that Mr. Anderson had some connection with it.

Q.—You knew, as a matter of fact, that he had, in a particular way? A.—I knew he was employed by them. I did not know what his connection was.

Q.—And that he had an interest in what was going on? A.—I don't know that I knew of that at this date.

Q.—You don't know that you knew? A.—No, not then.

Q.—Didn't you know at that time? A.—No, not in a sense. I knew he was an employee—that is to say, I knew Mr. Anderson was being employed by these people.

Q.—From whom did you ascertain that? A.—I knew practically that was the fact, that he was connected with it, and had made the trip North, and was connected with the surveys.

Q.—You knew he had gone North—you knew it at the time he went? A.—The first time?

Q.—Yes. A.—I do not know that I did.

Q.—Didn't you? A.—I don't know that I did.

Q.—Sure you didn't? A.—No. I might know that you are going to Rossland in a general way, just the same as I might have known Mr. Anderson was going North, but in no other way.

Q.—But, in more than a general way, didn't you know Mr. Anderson had gone up there for the purpose of looking for land, in order to select or fix upon a likely terminus of the Grand Trunk Pacific? A.—I certainly did not.

Q.—Not before he went up? A.—I certainly did not.

Q.—Didn't he come to your Department looking for information before he went up? A.—Possibly he did.

Q.—And saw you personally? A.—He might have come to me and asked for information.

Q.—And told you what he wanted it for? A.—No, he certainly did not.

Q.—Now, are you quite sure about that? A.—I am positive about that.

Q.—How do you remember that so clearly, when you cannot even fix what Mr. Bodwell told you before writing the letter, as to who he was acting for? A.—I can only fix it because I am quite satisfied Mr. Anderson, had he come to me personally for information and told me what he was going to do, I would have remembered it.

Q.—Yes, but if Mr. Bodwell came to you and told you he was acting for Mr. Larsen, you would have remembered it also? A.—I am quite satisfied that Mr. Bodwell told me on one occasion, but when it was I do not know, that he was acting for Mr. Larsen.

Q.—Who went up with Mr. Anderson? A.—I don't know.

Q.—Did Mr. Ritchie go up with him? A.—I don't know.

Q.—Well, did you know at the time? A.—I don't think I knew at the time; no.

Q.—You had no knowledge of it at all, directly or indirectly? A.—I had no knowledge of it unless it was in a general way. For instance, I might know a man was going North, the same as any man might know another man was going South. Other than that way, I would not know anything about Mr. Anderson's going North.

Q.—Well, did you know he was going North? A.—If he was going North, why should I have known anything of his business.

Q.—You know Mr. Anderson pretty well? A.—Yes, I have known him for a number of years.

Q.—And you were on very friendly terms with him at that time? A.—Yes, for a number of years have been on friendly terms with him.

Q.—You are a frequent visitor at his place? A.—Well, I won't say that I was a frequent visitor; I have been at his house.

Q.—And, of course, you would know if he were going away on a long trip where he was going to?

A.—Not necessarily.

Q.—Hadn't you seen him within a day or two of his leaving on that trip? A.—I don't know whether I did or not.

Q.—You cannot remember that? A.—It is possible I did, and it is possible I did not see him for a month before he went.

Q.—You do not remember being at his place the day or night before he left? A.—I certainly don't.

Q.—Well, you cannot say you were not there? A.—I am not going to say when I was there. I have been there.

Q.—Do you remember him asking you about reservations before he left—coming to your Department and asking the Department what land was under reservation? A.—I don't recollect that, and, as a matter of fact, I don't recollect what time it was when he went North first.

Q.—You don't recollect the date, but you would recollect the occasion, wouldn't you? A.—I recollect; that is, I have since got knowledge that he has been there.

Q.—Well, you would recollect at that time the occasion, although you have forgotten the date? A.—I don't just exactly know how you would make that out. I don't know just exactly.

Hon. R. F. Green—*Continued.*

Q.—I am asking you the question. A.—What is your question?

Q.—Isn't this so—that being an intimate friend of Mr. Anderson's, and frequently visiting at his place, that you would remember the occasion—although now you could not say what date it was—whether it was in December or January? A.—I want to put you, Mr. Macdonald, precisely right in one matter in this connection. I have been an intimate friend of Mr. Anderson's, in the sense that I have been an intimate friend of any other member of this House, or of any other man I meet, but in no other sense. At that time I had no more knowledge of his being connected with this business and that he was going North in connection with these surveys than I had of, well, say your business.

Q.—I was not suggesting that. A.—You were trying to suggest that I was a very intimate friend of Mr. Anderson's, and, therefore, was intimate with his movements. I did not know any more of Mr. Anderson's movements at that time than I know of any man's movements in this room; that is to say, when he went North first.

Q.—I assumed, from your stating that you were a friend of his and in the habit of visiting at his house, you would remember? A.—At that time I visited at Mr. Anderson's house occasionally, and have done so since. And I might have been in Mr. Anderson's house before he went North—a month before he went North first—but I have no recollection of Mr. Anderson's movements.

Q.—You have no recollection, two years after that date, of his movements at that time? A.—I certainly have not.

Q.—But you may have known, and have forgotten, that he had gone North at that time? A.—I may have; oh, yes.

Q.—And before his going North, have you no recollection of his going to your office and looking for information as to reservations? A.—To my office?

Q.—To the Department? A.—He may have gone to the Department. I have no recollection of it, though.

Q.—And of his speaking to you personally? A.—He may have spoken to me personally, but I have no recollection of his asking me about any reservations before going North.

Q.—Have you no recollection of your having told your subordinates to give him all the information he wanted? A.—I have no recollection of having done so, but it is possible I did give an instruction of that kind with him in the same way as I have given the same instruction for a great many other people.

Q.—Now, had Mr. Anderson returned from the North at the time you had your first interview with Mr. Bodwell in connection with this matter? A.—I don't know. I don't know when he returned from the North.

Q.—You don't remember that? A.—No; I don't know when he returned.

Q.—Do you know whether you were the first member of the Government who was consulted by Mr. Bodwell? A.—I don't know that either.

Q.—How long was it before the letter of the 19th January was written that you had your first interview with Mr. Bodwell? A.—How long before?

Q.—Yes. A.—Not very long before.

Q.—A week or two? A.—I would not say just how long it was, but it was not very long.

Q.—At that interview, did he then outline his scheme to you? A.—He outlined the proposition that he wanted to get control of this land, for the purpose of inducing the Grand Trunk Pacific to place their terminus there.

Q.—He practically outlined what was contained in his letter of that date, I suppose? A.—Very largely so, yes.

Q.—Did you have any discussion between you about the details of it? A.—No. That is, we did not have any great discussion as to details. It was simply a general proposition, and I told him, if I recollect rightly, that he had better write a letter giving the details of it, and I would submit it to my colleagues.

Q.—How long did that interview last, do you remember? A.—Oh, I don't know. I cannot tell you now. It might have lasted a few moments, or it might have lasted a half an hour.

Q.—That is, you have no definite recollection of the interview now, except that you remember you had an interview? A.—Yes, that is practically all I recollect now.

Q.—And you are not positive as to the place where the interview took place? A.—No.

Q.—Well, before this letter of the 19th January was received by you, did you discuss the matter with your colleagues? A.—I do not think I did.

Q.—Did you discuss the matter with any member of the Cabinet? A.—I do not think I did.

Q.—Are you positive about that? A.—No, I am not positive.

Q.—Who was the first member of the Cabinet with whom you discussed the matter? A.—I think the first was when I discussed the matter in the Executive.

Q.—Did you not discuss the matter with Mr. McBride before that? A.—I have no recollection of doing so now.

Q.—But you are not certain? A.—I am not certain, no.

Q.—Was Mr. McBride not present when you had your first interview with Mr. Bodwell? A.—I do not think it.

Q.—Well, this matter was discussed in Executive Council, I suppose? A.—Yes.

Q.—After the receipt of the letter of the 19th January? A.—Yes.

Q.—And the terms of that letter agreed to? A.—Well, no, it was not agreed to—that is to say, it was not agreed to finally at that time, in the shape of that Minute of Council.

Q.—But it was agreed to finally? A.—Oh, yes—in the shape of that Minute of Council.

Q.—There was no opposition from any member to it? A.—Well, I am not going to tell you, Mr. Macdonald, what took place in the Executive. I have nothing to hide in this matter, but when I became a member of the Executive Council I took an oath as to the secrecy of the Executive and the proceedings therein; and I am not going to tell you whether they were all unanimously for it, or whether there was a division. The net result is there, as you see by that document.

Hon. R. F. Green—*Continued.*

Q.—Notwithstanding the House has ordered an investigation into the whole matter? A.—The House cannot relieve me of the oath that I took.

Q.—That oath, Mr. Green, does not permit you to evade— A. (Interrupting)—You have an opportunity of calling each one of my colleagues, and you will have an opportunity of asking each one of them whether they were in favour of it or not.

Q.—Well, I suppose I need not ask you whether you were in favour of it? A.—I do not know whether you need or not. That is your own business.

Q.—Were you in favour of it? A.—I was.

Q.—Well, after the meeting in Council, you saw Mr. Bodwell again? A.—I saw Mr. Bodwell on many occasions.

Q.—But immediately after the meeting in Council, when this matter was brought up? A.—I am inclined to think that Mr. Bodwell appeared before the Council.

Q.—So that the question of secrecy, after all, is not such an important matter as you seemed to suggest a minute ago? A.—Yes; I cannot see how the matter could be kept secret from the people who are interested in it.

Q.—Well, it was a secret to other than Mr. Bodwell, wasn't it? A.—Yes; it was kept secret except to those connected with it.

Q.—Was there anyone else present at that meeting in Council on that occasion except Mr. Bodwell? A.—Oh, he was not present at any meeting of the Council; he was present before the Council, but he was not there present at the discussion of this matter by the Council.

Q.—Well, was there anyone else with him at the time we refer to now, when he met all the members of the Council? A.—No.

Q.—He was alone? A.—Yes.

Q.—And after that you had other interviews with him? A.—Yes, I have had many interviews with him.

Q.—It was decided to keep the Minute of Council a secret, was it not? A.—It certainly was.

Q.—You were asked on different occasions to produce that Minute of Council by the Members of this House, were you not? A.—I do not know that I was on "different occasions." I think Mr. Oliver asked me for it on one occasion, and I think Mr. Cameron asked the Provincial Secretary for it on another occasion. I don't think he ever asked me.

Q.—And its production was refused? A.—Yes.

Q.—But the contents of it, I presume, were conveyed to several other people who are not members of the Council? A.—As far as I know, it was conveyed to Mr. Bodwell, and through him to the Grand Trunk Pacific Railway Company.

Q.—So that Mr. Bodwell was the only person, except the members of the Council, who could communicate the contents of that Minute of Council to the outside public? A.—Yes.

Q.—He was given the key of the situation, so far as the knowledge of that transaction was concerned? A.—Yes.

Q.—And I suppose you are aware that he communicated that to Mr. Larsen, for instance? A.—I am not aware of the fact. He may have.

Q.—Didn't you ever have any interviews with Mr. Larsen? A.—I had an interview with Mr. Larsen when he was in the City of Victoria at the time Mr. Morse was here.

Q.—Not before that? A.—I think not.

Q.—I would like you to be sure on that point. That was in March, or was it in the winter or early spring of 1905 that Mr. Morse was here—that was a year ago? A.—Yes, I think it was in March.

Q.—Now, had you known Mr. Larsen before that time? A.—I have known Mr. Larsen for twenty years.

Q.—So that you and Mr. Larsen are old acquaintances? A.—Yes.

Q.—And perhaps old friends? A.—No, I never had more than an acquaintance with Mr. Larsen, and think I never interviewed, or spoke to him, from the time he completed his work on the Nelson and Fort Sheppard Railway until I met him here.

Q.—Were you connected in business at one time with him? A.—No, never. I never had any business dealings with him of any description.

Q.—Now, prior to March of last year, and after the 19th January, 1904, between those two dates, did you have any interviews with Mr. Larsen? A.—Prior to March?

Q.—Between the date of the Bodwell letter and the time Mr. Morse was here last year? A.—I think I met Mr. Larsen once in Seattle.

Q.—That was when? A.—It was probably about—let me see—did the House meet in February or March of last year?

Mr. Ross: In February,

Mr. Green: It was in January, then.

Mr. Macdonald: In January, 1905? A.—Yes

Q.—You met him in Seattle? A.—Yes, I met him in Seattle, at the Hotel Butler.

Q.—Did you on that occasion discuss this Kaien Island deal with him? A.—No.

Q.—Never mentioned it? A.—No.

Q.—Is your recollection clear upon that? A.—Quite clear.

Q.—That, either directly or indirectly, no mention was made about this Kaien Island matter? A.—I do not know that any mention was made about the Kaien Island matter, directly or indirectly. Mr. Larsen and I met in the hotel. As a matter of fact, I think it was when I went down to the breakfast room of the hotel that I met Mr. Larsen there, and I went over to him and shook hands, and we then sat down at the same table and had breakfast together, and we were talking principally about the Clallam disaster, which had just taken place. He was on the boat, and I had just missed taking that boat by half an hour. He

Hon. R. F. Green—*Concluded.*

may have asked generally how things were getting on in British Columbia, and probably asked as to what the Grand Trunk Pacific was doing, but we had no interview in connection with the deal, as far as Kaien Island was concerned.

Q.—You knew at that time that he was back of Mr. Bodwell? A.—I presume I knew he was Mr. Bodwell's client, yes.

Q.—And that he was the real party standing to win by the acquisition of this mainland portion of Kaien Island? A.—No, I did not know that then, and I do not know it now.

Q.—You knew it at the time you made the deed out to Mr. Bodwell of those 10,000 acres, that Larsen was his client? A.—No, I did not know that, because at that time the Order in Council had been passed, and Mr. Bodwell was the representative of the Grand Trunk Pacific, as set out in that document.

Q.—Well, Mr. Bodwell tells us not. He says he was not at that time in any way the solicitor for the Grand Trunk Pacific? A.—Well, so far as the Government are concerned, the Government took the ground that it was the Grand Trunk Pacific Railway Company people they were going to deal with, and Mr. Bodwell demonstrated to us that he was their representative by that telegram from Mr. Hays, before that Minute of Council was passed.

Q.—You knew Mr. Larsen was really acting for the Grand Trunk Pacific in this matter, didn't you? A.—Well, I don't know that I did.

Q.—And that it was simply a matter of getting it into the hands of Mr. Larsen and Mr. Bodwell, so as to be able to turn it over to the Grand Trunk Pacific Railway Company? A.—The position the Government took—

Q. (Interrupting)—No, no. You knew that, as a matter of fact, that that was their matter? A.—No.

Q.—Before the passage of the Minute in Council? A.—Before the passage of the Minute in Council, the first proposition was made by Mr. Bodwell on account of his client, whom I knew was Mr. Larsen.

Q.—Therefore, you knew the matter was negotiated by Mr. Larsen, acting through Mr. Bodwell? A.—Yes.

Q.—The Minute in Council provides that the deed may be made to Mr. Bodwell? A.—Yes, as the representative of the Grand Trunk Pacific.

Q.—And contains a stipulation that he was not to reconvey it to any person, or company, or corporation, except for the purpose of procuring the establishment of a terminus upon those lands—do you remember that term? A.—I don't remember the wording of it exactly. I presume that is correct.

Q.—That is your understanding of the effect of it, is it not? A.—He was dealing with it for that particular purpose, undoubtedly.

Q.—It apparently contemplating the possibility of Mr. Bodwell transferring it to some other person, corporation, or company, so long as they procured the Grand Trunk terminus to be located on the lands? A.—No, that was not my understanding.

Q.—Well, will you tell me what this means, because I presume you were a party to this Minute in Council?

The Chairman: It is a quarter past one now, so we had better adjourn.

Dr. Young: I move that this inquiry adjourn until Monday, at 10 a. m.

Motion carried and meeting adjourned till 10 a. m. Monday, 12th February, 1906.

MONDAY, 12th February, 1906.

Pursuant to adjournment, the Committee met at 10 A. M.

Present: Messrs. Garden (Chairman), Ross, Young, Munro and Macdonald.

Before continuing with the examination of Mr. Green by Mr. Macdonald, a request was made by Mr. Bodwell to be heard.

MR. BODWELL: The point I want to bring to the attention of the Committee is with reference to pretty nearly the last question that was asked of me by Mr. Macdonald. I think it was something to the effect as to whether I had exhausted by memory and had made a full and complete statement. Of course, with reference to the lands which are outside of the 10,000 acres conveyed to the Grand Trunk Pacific I have been asked a very few questions on, and there may be something in that connection upon which I could give evidence, but the question that presents itself to me is how far I ought to speak about that, since the most of my information has come to me in connection with my duty as a solicitor of the Grand Trunk Pacific, and while it was in contemplation of all the parties that I would be solicitor. In any event, there is nothing particular that I could say about that, that I know of, that is not well known to all the other witnesses, and if there is any statement to be made on that point by me, it would perhaps be well for me to suggest that my evidence should be postponed, so that I might be recalled if necessary after the other witnesses are examined. I want the Committee to thoroughly understand I want to give all the evidence I can in this matter, and want to be fair, and that is why I ask to be recalled, because it occurred to me after I left the Committee room, that without an explanation of my answer to this last question, my answer might perhaps be misunderstood. I understand that my duty before this Commission, as a witness, is to speak of matters which are pertinent to this inquiry. Outside of that, however, the Committee are not entitled to search my memory, and no one is entitled to question me. I suppose Mr. Macdonald meant that by his question. If he did not, I answered it in that sense, for when I was giving my evidence I had in mind the powers and constitution of this Committee, as I understood it. I do not think I had in mind the exact wording of the resolution, but have looked at it since, and I do not think that those words ought to be construed any differently from what I understood them; but that is the point I want to bring to the attention of the Committee, because I am anxious to do my full duty as a witness. Of course, I would myself suggest that this examination should be in the hands of counsel, because a witness should not be asked to take the responsibility as to what is, and what is not, relevant evidence.

Mr. Bodwell—*Continued.*

Mr. Macdonald: The Committee are not asking you any questions now, and I understand you are here now because you want to explain some answer you made the other day.

Mr. Bodwell: Yes, because there was a doubt in my mind as to the meaning of the Constitution, and how far I should give evidence. Perhaps the Committee do not wish me to go any further. I cannot say that there is a doubt exactly, but there is a question which might be decided now, and that is as to the exact scope of the Commission. If it is determined now in one way, then it might be necessary for me to say something more in order to be strictly accurate in my answer to that question.

Mr. Macdonald: As far as I am concerned, you might come back at any time, if the Committee think it is necessary to recall you, and we will be very glad to hear you.

Mr. Bodwell: I would like to have it over now, and be allowed to make my statement now, as I do not want to leave the witness stand without fully giving my evidence, if there is anything more for me to give, as I do not want the Committee to go away with any wrong impression as to my evidence. I may tell you frankly there is a matter in my mind—I do not know whether it was in my mind or not at the time I gave my evidence—it might possibly have been, because it was not absent from my mind, but I had determined it was not relevant to this inquiry, and I answered the question put to me, as a lawyer certainly would, to the effect I had made a full and complete statement as to the things which appeared to my mind to be material to the inquiry. I do not wish my answer understood in any other sense than that, and I would like to know for my own satisfaction whether it is necessary, in order to do my duty as a witness, to give any further explanation, and this is a matter I would like the Committee to determine.

Mr. Garden: How can we determine whether it is relevant or not? We do not know what is in your mind now.

Mr. Bodwell: But if you will determine for me the actual scope of this inquiry, as framed by the resolution. It is necessary that I should know whether all the proceedings that took place before the closing of this deal, which did not in any way form a part of the transaction, were relevant. I understand the scope of this Committee is to inquire "Upon what terms and conditions were these lands transferred from the Crown to the parties who received them?" Everything which explains that transaction has to be given in evidence, of course. Then, what were the terms and conditions? Then, were these lands transferred as the document purported to say, directly by the Crown to the Grand Trunk Pacific, and whether the terms of that sale are expressed in the deed itself, and as connected with that? What amount of money, if any, did the Company pay for the lands, and did they pay any other amounts of money, or did they become under any obligations to pay any other amounts of money, which obligations were carried into effect? That is to say, what was the real transaction, as completed by the parties concerned? Now, I have stated all those things, and if I am right in my understanding of the Committee's powers, that is all there is for me to say. If, however, the Committee's powers include an investigation of arrangements which were not carried into effect, which played no part whatever in the final transaction when it was completed, if the scope of the Committee goes to that extent, then there is another matter which perhaps I ought to refer to. I have no inclination in the matter myself. I want to do my duty as a witness, and I want to be perfectly frank with the Committee, but, to my view, any matter of that kind is not within the scope of the Commission, because it did not, or does not, affect the transaction, as it was completed. Now, that is the point, and I just want to make this explanation so that my answer will be thoroughly understood. And I may say that I am ready to take the ruling of the Committee; and then if I have any doubt in my own mind as to what is necessary for me to state, I would ask the privilege of consulting counsel, and not act on my own opinion. I do not know whether I ought to act on my opinion, but think somebody ought to decide for me. Up to the present, it has fallen on me to decide these questions of relevancy and otherwise, and I do not think that the matter of relevancy comes up in any of the questions that have been asked me at all, except in that general question which Mr. Macdonald asked me, which necessarily includes a review of the Constitution, and the question of the pertinency of any evidence which might be given before the Committee. That is my position, and I want it understood before I permanently leave the stand. I don't want it suggested in any way that I intended to mislead the Committee, because I have no intention of doing that. It seems to me, however, that I am bound to confine my answers to pertinent and relevant matters. I do not think I am entitled to travel outside of that. In fact, the Committee have no power to question me outside of that. The powers which the Committee have over me, as a witness, are limited, of course, by the terms of the resolution, and the proper construction of the language which has been used. If the Committee are going to adjourn now, I think that is a matter which might be considered, and I will attend at the next meeting of the Committee, and if you will inform me your views on the subject, then I am prepared to act in accordance with them. That is my reason for asking to be recalled.

Mr. Ross: The relevancy of that evidence would hinge very largely on these words, "on the acquisition, or attempted acquisition, of the lands."

Mr. Bodwell: Yes, or any dealings which resulted in the acquisition of these lands, with the Government. For instance, I do not think that the Committee are concerned with matters outside of the transaction which did not take place between the Government and the Company. And I doubt whether or not those words go beyond the date of the Order in Council, and include anything except those dealings with the Government, because that is the only matter which is of public interest. But they might include, and to that extent I have referred to them, what amounts were paid by the Company, either directly to the Government or indirectly to any other persons who came between the Government and the parties concerned; and according to the information I have, and as I said in my evidence, these lands were turned over to the Company on payment of the expenses, and I am not sure whether all the expenses were paid. And the Company have not paid, and, as I understand it, they are under no arrangement whatever by which they would be called upon to pay, any other sums with relation to these 10,000 acres of land. My information, as I stated the other day, was from the knowledge I had of the transaction.

Mr. Macdonald: This is, of course, a repetition of the evidence, which I do not think at all necessary.

Mr. Bodwell—*Continued.*

Mr. Bodwell: Yes, but that is the point I wish to bring before the Committee, as I wish to be thoroughly understood.

Mr. Macdonald: I think if, later on in the investigation, any question arises as to the scope of the Commission, which will entitle Mr. Bodwell to come here and give any further explanation, then we should hear him then; but in the meantime I think we should proceed with Mr. Green.

Mr. Bodwell: I would rather be heard now, because I am now on the stand.

Mr. Macdonald: We cannot decide now just what is the scope of the Commission, or investigation, or what it will be, because we are not really bound to decide. It is for a witness to say, when he is asked a question, whether he will answer it or not. If he says that he does not think the question comes within the scope of the Commission, then as to that particular question the Committee must decide whether it does or not, just the same as in any other investigation.

Mr. Bodwell: You understand that I am giving my answer with that understanding?

Mr. Macdonald: That is what I understand you have come here to explain.

Mr. Bodwell: Do you understand that my answer was given with that impression in my own mind?

Mr. Macdonald: With reference to the resolution?

Mr. Bodwell: And with reference to the question of the Constitution and scope of the Commission. You understand—in fact, your question implies this—you have exhausted your memory and have made a full and complete statement as to all matters?

Mr. Macdonald: No, as to all matters within the scope of the resolution.

Mr. Bodwell: That means pertinent to the inquiry?

Mr. Ross: As you interpreted it?

Mr. Bodwell: Yes, as I interpreted it.

Mr. Macdonald: I do not know that it is for you to interpret it.

Mr. Ross: This is a matter which is liable to come up at any moment, and a great many times during the course of this investigation, and it should be decided what is relevant and what is not.

Mr. Bodwell: Yes, it has to be decided, because this is a matter which will come up with every witness that comes here.

Mr. Ross: I have no idea of what the nature of the evidence is that Mr. Bodwell has in mind, and it seems to me that there are a whole lot of things which might be brought under one interpretation of the order, and which would be excluded under another interpretation of the order. For instance, any dealings with this land, after it had been acquired by the Company, or any dealings with it after the Government had parted with their interest between parties, which perhaps do not ultimately appear on the record at all.

Mr. Bodwell: Or have any connection with it now.

Mr. Macdonald: Surely that arises when the question has been put to the witness.

Mr. Bodwell: The question has been put to me, and I answered it from a certain point of view, and if my point of view is wrong I should say something more.

Mr. Macdonald: That will all be covered by what I have just said. Later on in the investigation, if it should be found necessary to recall you, or you should think it necessary in your own interest to come back and make a further statement, you will be privileged to come back.

Mr. Bodwell: Why postpone that point if it arises now?

Mr. Macdonald: We are not postponing anything. We have completed your evidence, and we are listening to your explanation, and when that explanation is finished we presume we will proceed with the other witnesses; and if, later on, we want you to make any further explanation, then we will recall you; or if you wish later to come back, you will be able to do it.

Mr. Bodwell: I do not think I should be put in the position to either have to ask to come back or of being recalled, now that I am here.

Mr. Macdonald: This is an extraordinary position that you are taking, you see, Mr. Bodwell. The Committee have called a witness and ask him certain questions; he gives his evidence and he is done with. And then we find that witness coming back and asking the Committee to make a ruling as to the scope of the Commission, and stating that he, the witness, is in a false position with regard to part of his evidence. Now, that is rather an extraordinary position for a witness to take.

Mr. Bodwell: Well, I don't know that it is. I think it happens every day in our Courts when evidence is being given.

Mr. Macdonald: I do not think you have ever seen it happen in any Court.

Mr. Bodwell: Oh, yes.

Mr. Macdonald: A witness may come back and say as to a particular question he was mistaken, or was under a misapprehension, and, therefore, I wish to make this further statement—that is all.

Mr. Bodwell: In Court, you see, the position is different. A witness is being examined by counsel, and he is asked certain questions, and it is for his counsel to say whether or not the evidence is relevant or not. Here, I am not in that position, because I, myself, have to decide when questions are asked me whether they are pertinent to the inquiry or not.

Mr. Macdonald: Don't you consider that in giving your evidence here, and coming before this Committee, that you are exactly in the same position as any other witness?

Mr. Bodwell: No, I cannot say that I am. You see, when you ask me a question, I do not understand whether I am to answer it having regard to the scope of this Commission or not.

Mr. Macdonald: All we ask you would be to answer the question one way or the other. If you think it is not a proper question you can object, and the question is then decided as to its relevancy by the Committee, and whether it is proper or improper. If you answer it, then, of course, one assumes you give the whole answer, and that you are bound by that answer.

Mr. Bodwell: I do not think you want to be unfair to me. I think you want to be perfectly fair. But you just said a moment ago, when I made the answer I would be bound by that answer. Now, if it should

Mr. Bodwell—*Continued.*

be afterwards determined, or if I should be wrong in my construction of the scope of the Commission, you would then be in a position to say that I purposely withheld something which ought to have been stated. Now, I do not want to leave myself in that position.

Mr. Macdonald: We are leaving that open for you to come here again and say, "When I made that answer I did not think the scope of the Commission extended so far, and, therefore, I want to make another answer."

Mr. Bodwell: Well, I would like to recall that answer to say this. Now that I am here again, and before I leave the stand, I should like to have the Committee define the scope of the Commission, in order for me to be able to determine whether or not any further answer is needed; or, if the Committee prefer that I should adopt this course, I will be ready even to state that thing I have in mind, and leave the Committee to decide whether or not it is relevant. I will take either course.

Mr. Macdonald: I do not think you can ask the Committee to define its powers.

Mr. Bodwell: No, but I can ask for a ruling on the language, on the construction, of the resolution, can I not?

Mr. Macdonald: I think not. You might just as well have a witness go into Court and ask the Judge to define his powers, or define the scope of the action, and explain to him the pleading, and what they meant. Isn't this your position, Mr. Bodwell? You have made an answer to the effect that you have answered everything within your memory relating to the matter now under investigation. Now you come here and say, "When I made that answer I had in my own mind that the scope of the Commission was to be confined within certain limits, and, therefore, I want to state my understanding of those limits, and my answer was made in reference to the scope of this inquiry within those limits." Won't that amply protect you?

Mr. Bodwell: Possibly it would and possibly it would not.

Mr. Macdonald: If you wish to say, having reference to the question and answer you speak of, you gave that answer in reference to that resolution here, confining it within a certain scope, then you may state that, because we don't want to take advantage of you, Mr. Bodwell, or have you placed in a false position in the matter. Therefore, if you answered that question, having a certain thing in mind narrower than the full scope of the Commission, you could state that to us just now.

Mr. Bodwell: I do not know whether it is narrower or not—that is the trouble.

Mr. Macdonald: You certainly, know, though, what you had in mind when you answered the question.

Mr. Bodwell: Yes, I do.

Mr. Macdonald: Well, you can state that to the Commission now, and that settles it.

Mr. Bodwell: I think I have already stated it was with reference to the construction I put upon the scope of the Commission, but that I am not absolutely certain that my construction is right, and I am also uncertain as to whether or not it is for me to decide that point, and for that purpose, before I leave the witness stand, I would like to have that matter explained to me by the Commission, or I would like to have the Commission rule that I must answer, without any reference to my idea of the scope of the Commission. I will take either position, whichever suits the Committee; but before I leave the stand I want to have these matters disposed of. I will answer without any reference to my own idea as to the scope of the Commission if the Committee so decide, but I do not think that is the proper way to conduct the inquiry.

Mr. Macdonald: It is rather an extraordinary thing for a witness to come here and tell us the proper way we should conduct the inquiry.

Mr. Bodwell: I will withdraw that.

Mr. Ross: It is only fair to say that when I first looked at that Order a doubt arose in my own mind as to the scope of this inquiry, and did not know myself where the powers of the Commission would cease. I did not raise that point, because I considered that it might be thought by raising this question it would be thought I was taking a partisan stand, and when Mr. Bodwell left the witness stand without the matter having come up in cross-examination, I did not think it my place to raise this point. At the same time, the doubt still exists in my own mind as to what is the scope of the inquiry.

Mr. Macdonald: The House has settled that by the resolution. If the witness is asked a question, and he says that he does not think it comes within the scope of the Commission, then the Committee must decide whether it does or not. If we get into a discussion interpreting the resolution and defining our own powers, we will get into pretty deep water.

Mr. Ross: I think we should not be called upon to define this question, but that we should submit the matter to the Speaker of the House, in the form of a question, and get his ruling on it, and then we will not be called upon to take the onus of deciding the matter for ourselves.

Mr. Macdonald: I think I gave a very easy solution of the whole matter. Mr. Bodwell said, when he answered that question, he did not consider thoroughly the full scope of the Commission. That is to say, his idea of the scope of the Commission might be different to that of the Committee.

Mr. Bodwell: Yes, that may be so.

Mr. Macdonald: Well, then, as the inquiry goes on, and the question as to the scope of the inquiry may be decided from time to time, if Mr. Bodwell wants to come back, and we may want him to come back, I, for one, will be most happy to hear him; and if we decide to recall him, I think he will be willing to come back and make any further explanation as is necessary.

Mr. Bodwell: With all deference to Mr. Macdonald, I think I should be placed in the same position as if I had said then I wished the matter decided before I answered, instead of answering as I did then rather hurriedly and leaving the room immediately after.

Mr. Macdonald: The only thing is, if you desire to withdraw the answer then, you may have an opportunity of withdrawing it.

Mr. Bodwell: How do you mean to withdraw it—withdraw it altogether?

Mr. Macdonald: Yes.

Mr. Bodwell: Then your question would remain unanswered, and I would be able to answer it now.

Mr. Macdonald: If it is not the right answer, withdraw it, and state what should be said.

Mr. Bodwell—*Continued.*

Mr. Bodwell: The answer ought to have been framed in this way. The question involves the consideration on my part of the entire scope of this Commission. I wish to give every fact. I wish to state everything that I know about this transaction, in so far as it is pertinent to this inquiry, and I am ready to state everything I know, whether it is pertinent to this inquiry or not, if the Committee desire me to do so. But I think, and I submit this to the Committee for their consideration, that before I proceed any further with this answer that I should have a clear understanding in my own mind, not of my view of the scope of the Commission, but the Committee's view of the scope of the Commission, so that I may frame my answer in accordance with that; and I should like to have this question determined now before I leave the stand. I ask for this in order that I may do my duty by the Commission, and also that there may be no suggestion afterwards made that I have endeavoured to withhold anything from you, for I have not, and I have no desire to hold back anything which is relevant to this inquiry. I do not think that I am called upon to voluntarily give any statement which does not relate to the matter in hand, because I understand that this Committee sits to perform certain duties and examine certain witnesses with reference to a certain matter, and I would like to have the Committee's ruling for the purpose of completing my answer.

Mr. Macdonald: That is just what I have been objecting to. You are asking the Committee to define its powers and limitations under that resolution. I say that cannot be done. Questions may arise from time to time which will involve interpretation of that resolution, and they must be decided at the time they are raised, and the question either rejected or accepted.

Mr. Bodwell: The question arises now with regard to that question; the point comes up immediately.

Mr. Macdonald: I should have thought that if you had said you had given the Committee everything you knew about this transaction, within what you considered to be the scope of this inquiry, that would have been sufficient. And then, had I wanted to pursue the examination further, I could do so.

Mr. Bodwell: That might be an answer, but it does not seem to me to be a correct answer, as it does not suggest to my mind what is the scope of the Commission, and it would not be fair to the Committee that I should leave the witness stand without knowing what is the scope; and then, after I leave the box, there may be questions arise on which the Committee will have to decide the same question.

Mr. Macdonald: We are prepared to give you a chance later to make any subsequent explanation you wish.

Mr. Bodwell: I don't want to make any subsequent explanation. As to the matter which is present to my memory now, I want to make the explanation now, or not at all. If the Committee desire me to go on without any reference in my mind as to what is the scope of the Commission, I am ready to go on. If they want me to interpret my answer with reference to Mr. Macdonald's idea as to the scope of the Commission, then with regard to that idea I would want some more exact information as to the scope of the Commission. That seems to me to be fair. Don't you think so yourself, Mr. Macdonald?

Mr. Macdonald: No, frankly, I do not. I think I have put the matter very plainly before the Committee. You say you have answered that question having in mind certain conditions, which you believe to be within the scope, and those only. Now, if you say that is so, that makes your position perfectly clear.

Mr. Bodwell: You see, there is the difficulty. That calls upon me to pledge my oath to an opinion, instead of to a matter of fact.

Mr. Ross: Every other witness will be in the same position as Mr. Bodwell, and it might as well be decided now, as most of the other witnesses will not have the benefit of the legal knowledge that the present witness, Mr. Bodwell, has. And I think it would only be fair to the other witnesses that the scope of the Commission should be clearly defined.

Mr. Macdonald: I do not see that there is any unfairness in the plan I have suggested. The witnesses are here to state facts; he either knows it or he does not know it; and if there is any doubt as to whether he ought to tell it or not he can appeal to the Committee, and if the Committee decide that the question is within the scope of the Commission, then the witness should answer it.

Mr. Ross: We will never get down to business until we settle this question once for all, and I should say that, instead of taking the responsibility of settling this ourselves, we should frame a question to find out what the scope of the Commission really is and how far we should go, and lay it before the Speaker of the House to decide.

Mr. Macdonald: There is no man but knows that an investigation of fact should be conducted in the same way as an action in a Court of Justice, and no one knows better than Mr. Bodwell how an investigation in Court is carried on. If the counsel thinks a certain question asked a witness is not a relevant question, he objects then and there, and the Judge then decides, after looking at the pleadings. He does not give a dispensation on the scope of the inquiry—

Mr. Ross: There is always in a case of that kind a definite issue, and in this case there are no issues. It seems the witness has to decide for himself whether the question is relevant or not.

Mr. Bodwell: I appeal to the Committee now for a distinct ruling. I have not been examined in chief by any counsel, but I have been cross-examined, and a question is asked me which involves a review of the whole situation on my part, and that question necessarily implies that someone has to decide whether or not there is anything which ought to be said, or not said, and implies a knowledge of the scope of the inquiry? Who is to decide that?

Mr. Macdonald: You have to decide it before you answer it.

Mr. Bodwell: If I am to decide it, I must know the scope of the Commission.

Mr. Macdonald: You must know what your idea is as to the scope of the Commission.

Mr. Bodwell: I must know more than that.

Mr. Macdonald: If you cannot answer it, or bring it within the scope of the Commission, and it is not decided for you, then all you have to say is "I don't know what the scope of the Commission is."

Mr. Bodwell: Then they will say I ought to know, because there is the resolution there. You might say—"Mr. Bodwell ought to know; he has the language before him, and if he is wrong in the position he has taken he came to it knowingly."