

Hon. Mr. Wells—*Continued.*

thing to this effect, that if the Canadian Pacific Railway Company wanted these lands as part of the Columbia and Western subsidy, for financial or other reasons, he certainly saw no reason why they should not be given them. I remember that conversation.

Q.—Can you call to mind about when that conversation was had? A.—No, I cannot.

Q.—Do you know whether it was about the 10th of August, 1901? A.—Well, I should think it would be previous to that date; I should think so.

Q.—You have told us that the Attorney-General's contention was that it would not make any difference, as you were dealing with one and the same Company? A.—Yes; that has always been his contention.

Q.—Now, do you recollect when that conversation was had? A.—Well, I could not connect any circumstance to fix the date in my mind.

Q.—Was that advice given to you by the Attorney-General as Attorney-General on your application to him to know whether this was a proper arrangement and to know whether it could be legally consummated? A.—Well, I won't say that I went to him for the purpose of getting his opinion; but I remember the discussion.

Q.—When did the discussion take place? A.—I cannot fix that upon my mind, either.

Q.—In the Attorney-General's room? A.—Very likely in his room.

Q.—Or in the Executive Chambers? A.—Very likely in his own room.

Q.—Well, were you very much moved by this act of the Executive in your absence? This is a matter pertaining to your own particular Department. A.—I remember I had this across my mind at the time of the meeting of the 10th of August, that I had nothing else to do but to carry out what had been arrived at as a settlement, although I was not favourable to it.

Q.—But, Mr. Wells, you were the responsible Minister in charge of the Lands and Works Department, and this was a matter concerning the Lands and Works Department? A.—Well, it was a matter of policy of the Government. It was not in detail an ordinary—

Q.—Well, when had that policy been arrived at, Mr. Wells? it must have been during your absence? A.—During my absence, on the 31st of July or 2nd of August.

Q.—You were not consulted in this matter at all? A.—No.

Q.—Now, what I want to get at is who is responsible? A.—The Executive who met on the 31st July and 2nd of August.

Q.—And you were not there at all? A.—And I was not there at all.

Q.—Can you tell us who were there? A.—I think I found out from the minutes that Mr. Turner and Mr. Eberts and Mr. McBride and Mr. Prentice were there.

Q.—You ascertained that from the minutes? A.—I think so.

Q.—So that the whole of this matter was consummated in your absence? A.—Yes, it was.

Q.—Have you any reason to suspect why that thing was put through during your absence, when it was a matter pertaining to your own Department? A.—Do you mean to say that it was my absence would be taken advantage of for that purpose? I would not say that by any means.

Q.—I am suggesting to you that there might be a reason why this thing was desired to be pushed through. A.—Well, it occurred to me at the time of the meeting of the 10th of August to be rather singular that this thing was pushed through in my absence.

Q.—Precisely. A.—That occurred to me.

Q.—You went away after an interview with the Attorney-General, where you came to the conclusion, both of you, that it was impossible to carry out an arrangement whereby the Columbia and Western should get these blocks of land? A.—That was the result of one of our meetings, I know.

Q.—Then you went away, and in your absence, on your return you found out that this thing had been put through? A.—This thing had been consummated.

Q.—Who was the moving party? A.—Well, I think Mr. G. McL. Brown, as far as I know.

Q.—Mr. G. McL. Brown. Upon whom was he bringing pressure to bear in order to carry this thing through? A.—I cannot tell you that, Mr. Helmcken.

Q.—Doesn't it occur to you, Mr. Wells, knowing your attitude towards this arrangement, that they should wish to take advantage of your absence? A.—I thought at the time it was rather singular that the thing should be consummated in my absence.

Q.—Did you mention that to any of your colleagues? A.—I don't know that I did.

Q.—But, notwithstanding your attitude, your previous well-known attitude in this matter, you signed this report of the 10th of August, 1901? A.—I did, yes; as giving effect to what had already been consummated at previous meetings.

Hon. Mr. Wells—*Continued.*

Q.—At neither of which meetings you were present. A.—Yes.

Q.—This report, then, was made by you. Did you prepare that report yourself? A.—No, sir.

Q.—Were this report and plan already in your office at the time? A.—They evidently must have been prepared, ready for me to carry out.

Q.—Did you inquire whether this matter had been presented to the Executive in the shape in which it came to you? A.—Well, I must have been satisfied at the time that it had.

Q.—And that what you were simply doing was— A.—Giving effect to it.

Q.—Carrying out the recommendation of the Executive? A.—Yes, sir; that is practically what it was.

Q.—Notwithstanding what had been arrived at by the Executive, you were still dissatisfied about the settlement? A.—I evidently was.

Q.—What was the basis of your dissatisfaction? A.—Well, that they had departed from what was plainly the directory features of the Subsidy Act.

Q.—Did you bring that aspect of the matter before your colleagues? A.—At the meeting of the 10th of August?

Q.—Yes. A.—I don't know that I did.

Q.—Did you have a meeting on the 10th of August? A.—Yes, we had.

Q.—Very well; did you discuss that aspect with any of your colleagues? A.—Well, I don't remember as to that, Mr. Helmcken.

Q.—Wouldn't you like to have relieved your mind at that time by asking the Attorney-General as to the right of the Government to depart from the strict letter of the Statute? A.—Well, I possibly did; I don't remember.

Q.—Well, have you any recollection that you did do so? A.—No; I cannot remember.

Q.—Did you discuss that matter with Mr. Turner? A.—Apart from that meeting?

Q.—Yes. A.—No; I cannot bring to my recollection any discussion with Mr. Turner about it.

Q.—Can you recall any discussion you had with any of your colleagues shortly after the 10th of August, 1901, with reference to the scope of this settlement? A.—Well, I remember having that discussion with Mr. Eberts; and whether that occurred previous to my going up-country or after this Order in Council, I won't be very clear.

Q.—I suppose such advice as that, coming from the Attorney-General, would naturally relieve you of responsibility? A.—Certainly it would.

Q.—And you were perfectly satisfied with the Attorney-General's—? A.—I don't know that I would be perfectly satisfied, but it would go a long way towards relieving me of any doubt.

Q.—Can you recollect exactly what the Attorney-General did advise you with regard to this exchange? A.—I don't know that there was any formal advice or opinion expounded to me in regard to it. I remember this discussion.

Q.—Were you discussing the matter with him as Attorney-General? A.—As a member of the Government.

Q.—Yes, certainly. You cannot call to mind any actual advice which he did give you? A.—Not in the nature of advice or opinion, formal opinion.

Q.—Well, what did you go to him for, if not for advice or opinion? A.—Well, I may have been in his room for some purpose or other quite foreign to this, and incidentally this came up; I cannot tell you as to that now.

Q.—You cannot tell the Committee whether you went there expressly for that purpose? A.—I cannot tell you whether I went to him for any advice or opinion about it.

Q.—At any rate, on the 11th of September you forwarded to Mr. George McL. Brown certified copies of reports of minutes of Executive meeting of August 10th, 1901, in reference to land grants of the Columbia and Western Railway Company, and also the B. C. Southern Railway Company? A.—Does the correspondence show that?

Q.—That is the letter, Mr. Wells (handed to witness). A.—He says, "In reply to your letter of the 31st of July."

Q.—This is your letter to him. A.—It appears here that he wrote on the 31st of July wanting reports of minutes of Executive meeting of the 10th of August. How could that be?

Q.—What letter are you reading? A.—Letter 11th of September. This says, "In reply to your letter of July 31st, I herewith beg to inclose you certified copies of reports of the

Hon. Mr. Wells—*Continued.*

minutes of an Executive meeting of August 10th, 1901, in reference to the land grants of the Columbia and Western Railway, and also to the B. C. Southern Railway." That is some days after that. How does that come?

Q.—That Order in Council of August 10th was not approved by His Honour until the 4th of September, 1901; and this is the 11th of September. A.—But this says, "In reply to your letter of the 31st of July." There is something wrong about that. How could he write for a report of the minutes of the 10th of August in a letter of the 31st of July?

Q.—In this copy of the letter of the 31st of July there is nothing stated about asking you to forward him copies of anything. A.—That is what I am coming at. I don't see how it comes.

Q.—This letter of the 31st of July, which is put in here, do you know whether that is the letter that is referred to as being the one under seal brought by Mr. McNeill into the Executive chamber? A.—Well, I presume it is, but I never saw that letter.

Q.—Then, if you never saw that letter, Mr. Wells, how is it possible to indict a letter like that on September 11th? A.—Well, I think there is a mistake about this. I think that refers to some other date. That is what I endeavoured to point out to you; I think that refers to some other date; the 31st of July is not the correct date. That is the only explanation that I can give to it.

Q.—Now, referring to your interview with Mr. Eberts, as to an opinion. Mr. Eberts says in his evidence, "I gave the opinion that the Government had power under the Act." A.—Who gave that opinion?

Q.—The Hon. the Attorney-General (reading from Hon. Mr. Eberts' evidence, page 134—page xci. of printed Report), beginning—" (Q.)—Well, as Attorney-General, were you ever asked to advise," etc., ending on page 135 with, " (A.)—Well, I think, probably, that was obtained after my view"—(Mr. Hunter's opinion.) A.—Oh, undoubtedly.

Q.—Well, does that recall your recollection to an interview? A.—Well, he may have given his opinion at one of those meetings of the Executive.

Q.—Exactly. But do you recollect that opinion being given to you on any application made by you to him for an opinion, or at any Executive where you attended? A.—I do not.

Q.—So that that opinion may have been given to the Government at those Executives where you were not present? A.—Quite possible.

Q.—Mr. Gordon Hunter's opinion was taken afterwards? A.—Yes.

Q.—Why was his opinion sought for? A.—Well, because I wished to get Mr. Gordon Hunter's opinion; I don't know of any other reason.

Q.—I know; we have the highest respect for Mr. Gordon Hunter, as is proved afterwards by his appointment to the high office of Chief Justice. A.—I certainly had grave doubts as to what our power was.

Q.—Notwithstanding what had taken place? A.—Notwithstanding what had taken place.

Q.—Do you recollect when you called Mr. Gordon Hunter in for advice? A.—I remember of bringing him to my office.

Q.—Have you any idea of the time when you brought him in? A.—No, I have not.

Q.—Did you lay a case before him for opinion, or did you simply discuss the matter with Mr. Gordon Hunter? A.—Well, I laid this matter before him just as it had occurred.

Q.—That is, you gave him verbal instructions in the matter? A.—Yes.

Q.—There was no case—as we call a case submitted for opinion of counsel? A.—No; not in that way.

Q.—Your idea in taking Mr. Hunter's opinion was to find out really your position? A.—Yes, as to the power of the Government.

Q.—Did you do that on your own initiative, or did you do it with the advice of the Executive? A.—I did it on my own authority.

Q.—It was perfectly proper? A.—Yes; I can go out and take an opinion any time.

Q.—And you still had doubt as to the legality of this transaction? A.—I certainly had, or I would not have asked for the opinion.

Q.—When Mr. Hunter's opinion was before you, were you then satisfied? A.—Well, I may have been satisfied as to the power of the Government, or authority of the Government to do this, but still, as a matter of policy, I was not satisfied altogether, and never was.

Q.—Mr. Hunter's opinion is dated the 24th of October, 1901. Do you know how long it was after you called Mr. Gordon Hunter in that he gave you that opinion? A.—No; I cannot tell you as to that.

Hon. Mr. Wells—*Continued.*

Q.—You had then, as the evidence shows, determined to explain matters to Mr. Dunsmuir? A.—Yes. It still occurred to me.

Q.—Now, before you determined to call in Mr. Dunsmuir, had you sought the advice of Mr. Gordon Hunter? A.—Oh, I think so.

Q.—Mr. Gordon Hunter took time, I presume, to consider his opinion? A.—Very likely.

Q.—You recollect that, I suppose? A.—Yes; and in the meantime I think that I had sent for Mr. Dunsmuir.

Q.—Now, why did you send for Mr. Dunsmuir? A.—Because I had doubts as to whether he had really understood this transaction properly.

Q.—Was Mr. Dunsmuir present at those Executives that you were not present at? A.—He was present at one of them, certainly.

Q.—Of course he could not be present at the 10th of August, because Mr. Dunsmuir was not here. But what made you come to the conclusion, or have any impression, that Mr. Dunsmuir might not possibly know the full effect of this settlement? A.—Well, it is pretty difficult for me to say just why I came to that conclusion, but I evidently did, and I wished to safeguard the delivery of these documents with the full knowledge that Mr. Dunsmuir fully understood the whole transaction.

Q.—You were impressed with the immense responsibility resting on your shoulders? A.—Well, it was a pretty responsible act, no doubt. I think I can intimate that from the fact that I think I gave instructions to the Department that before those Crown grants were delivered—not to deliver them until they were submitted to me; because, you see, they might have been delivered without submitting them again to me, you see.

Q.—You issued instructions to your Department, nothing to be done on that Order in Council without your being consulted in the matter? A.—Yes, that is what I say, that I think I must have given instructions not to deliver those Crown grants before they had been submitted to me.

Q.—Those Crown grants need not necessarily be signed by you, if they are signed by the Deputy Commissioner of Lands and Works? A.—No; but I think I took that precaution, knowing that they might possibly be delivered.

Q.—Knowing that the Deputy Commissioner of Lands and Works might have signed them and delivered them without your knowledge? A.—They could have been signed and delivered without referring to me again.

Q.—And they are dated on the 3rd of October, 1901? A.—Yes.

Q.—Now, why did you give instructions to have those Crown grants prepared at all? A.—Under that Order in Council of the 10th of August.

Q.—You still adhere to the resolution or the act of the Executive? A.—The act of the Executive.

Q.—And notwithstanding your feelings in the matter, you complied with the Order in Council? A.—Proceeding to.

Q.—Do you recollect you had the interview with Mr. Dunsmuir before Mr. Gordon Hunter's opinion? A.—The Order in Council having been passed, I don't know that any further instructions would be required by myself for the preparation of those documents. I don't know that they would. Possibly they would be proceeded with under the Order in Council.

Q.—Did Mr. Gordon Hunter give you a verbal opinion previous to his written opinion? A.—I don't remember; I don't think he did.

Q.—He took time to consider his opinion, and gave you that opinion? A.—That is my recollection of it.

Q.—And when did you leave for Montreal? A.—I left for Montreal the night of the 24th of October.

Q.—The opinion is dated the 24th. And you had your interview with Mr. Dunsmuir when? A.—Previous to that, I think.

Q.—How long previous to that? A.—Well, I cannot tell you as to that.

Q.—Well, what did you tell Mr. Dunsmuir on that occasion? A.—Well, I wished to know from Mr. Dunsmuir whether he—I said to him this: "Now, as these Crown grants are being prepared, or are prepared, I want to know whether you fully understand the purport of this whole transaction?" And I proceeded to explain it to him.

Hon. Mr. Wells—*Continued.*

Q.—Well, tell us what you told him. Did you explain to him your doubts with regard to the settlement, and that it exceeded the statutory powers? A.—Well, I don't know in what particular respect that I did, but I certainly had in my mind that we were varying what I call the directory features of the Act, as a matter of policy.

Q.—Put it that way; did you bring that home to Mr. Dunsmuir? A.—I think I did.

Q.—What did Mr. Dunsmuir tell you in response to that? A.—He told me at once it was not as he had understood it.

Q.—Did he tell you what he did understand as the settlement? A.—Well, I won't be very clear about that.

Q.—Mr. Prentice was present at the interview? A.—Was present, yes.

Q.—And you discussed these matters and further terms were arranged between you? A.—Yes; it was at that meeting it was decided that the Crown grants would not be delivered unless we got better terms.

Q.—Was there any occasion to call an Executive for the purpose of rescinding that Order in Council? A.—I would not say that there was.

Q.—Was your act looked upon in the light of an Executive or the act of the Premier? A.—The act of the Premier. I was prepared to take my instructions from him.

Q.—Then you went to Montreal on the 24th of October? A.—Yes.

Q.—Still under the impression that this settlement was not a settlement in the interests of the Province, which had been arrived at? A.—Undoubtedly.

Q.—Now, the Company were in possession of this Order in Council, as shown by Mr. Brown's letter. A.—I have no personal knowledge of that.

Q.—But there is a letter showing that they were. And you discussed these matters with Mr. Shaughnessy? A.—I did certainly, went there for that purpose.

Q.—Did you bring to bear to his knowledge the scope of this settlement, that it was in your opinion outside of what you were entitled to do under the Act? A.—I remember of proceeding with the discussion of the matter with Sir Thomas Shaughnessy in this way, that the Government felt a great deal of difficulty in carrying out the terms of the Order in Council and the surrender of those Crown grants under those terms; and I referred to a meeting just previous to my departure from here, at which it was understood that we were to have other terms, and what my instructions from Mr. Dunsmuir were. I know I laid a great deal of stress upon what my instructions from Mr. Dunsmuir were.

Q.—And what was Sir Thomas Shaughnessy's reply to that? A.—I cannot tell you what was his immediate reply; but I know what the result of it was, that he requested me to prepare him a memorandum.

Q.—Which is the memorandum you have sent in before us? A.—Yes.

Q.—And was it in contemplation that any arrangement of that kind should be submitted to Legislative sanction? A.—I don't think so. Well, what would have to be submitted to the Legislature would be the terms of the extension of this railway system.

Q.—The upshot, then, of that visit to Montreal was this, that those Crown grants were not delivered over? A.—Certainly.

Q.—Negotiations were off? A.—For the present. And I brought back the Crown grants.

Q.—You still have been negotiating with the Company, have you not, Mr. Wells? A.—How is that, sir?

Q.—You have still been negotiating with the Company? A.—Still been negotiating with the Company?

Q.—Yes. A.—There have been no further negotiations with him since that, that I know of. For a general settlement, you mean, of their land questions?

Q.—Yes. A.—Oh yes; I went to him purposely about that last fall.

Q.—Well, was this matter taken up at all, this matter of settlement? A.—The question of a general settlement of their land matters was taken up.

Q.—Yes; and what was the result of that? A.—The result was that whenever we were ready to do so Sir Thomas would send some one out here for that purpose.

Q.—That is for coming to a conclusion of the whole matter? A.—The whole matter, general land matters.

Q.—What matters were left still to be settled? A.—Well, there was in respect to section three still a large deficiency.

Hon. Mr. Wells—*Continued.*

Q.—But was not this settlement in respect to one and three? A.—Yes, but that was cancelled.

Q.—One and three, that was all cancelled? A.—That was cancelled; that was the settlement that was arrived at, including these two blocks, was cancelled.

Q.—There was an end to that matter; and the question would naturally arise as to section four, wouldn't it, or to the whole of the matters? A.—Well, section four; Mr. Dunsmuir had written a letter, so it appears now—I think I may not have been aware of it at the time—agreeing to bring down a Bill reinstating the Company in its subsidy rights acquired under the Act of 1896; but that was not discussed at the time at all.

Q.—At this interview that you had with Mr. Shaughnessy, was there anything mentioned with regard to sections one and three, and section four, and all that sort of thing? A.—Oh, I don't know as there was.

Q.—You did not go into particulars of that kind? A.—General land matters.

Q.—There are a couple of telegrams you sent in here, dated in November of last year, asking when it would be convenient to proceed with that matter. A.—Yes.

Q.—Do you recollect that? A.—Yes, I do.

Q.—And there is an answer back? A.—Yes; I remember those telegrams.

Q.—Did you have any further conversation after your visit to Montreal with Sir Thomas? A.—After last fall?

Q.—Yes. A.—I have never seen him since.

Q.—Now, having refused to give these blocks in respect of sections one and three, why should there be any anxiety to give the Company the very same blocks as a settlement of section four? A.—I don't know that there was any anxiety.

Q.—But, tell me, under the wording of the Act of 1902, could not the Company claim those Crown grants—I mean claim the lands for which those Crown grants had been issued? A.—I have given it as my opinion already that they could not; that is, that the Government should exercise their authority there, not to give those blocks.

Q.—But the Company might claim them? A.—They might claim them, but as to getting them, that is another thing; it is another thing for the Government to grant them.

Q.—Did any other member of the Ministry urge you to deliver up those Crown grants after your return from Montreal, and before the rescinding Order? A.—Yes.

Q.—Tell me who. A.—Mr. Eberts.

Q.—How often? A.—I won't say as to that; I remember one discussion over it.

Q.—Was not Mr. Eberts particularly eager that you should deliver those Crown grants up? A.—Well, his contention was that the Company should have them.

Q.—Well, what was his view? A.—Just as I say, that the Company should have them, carrying out that settlement; that that settlement should be carried out.

Q.—The settlement of the 10th of August, 1901? A.—Yes.

Q.—Did not Mr. Eberts know of the conclusion which had been reached by his Premier? A.—I think he did.

Q.—Do you know that he did? He must have known it, must he not, as a matter of fact? A.—I should think so. I don't know that I told him, but I should say that he knew.

Q.—A matter of that immensity? A.—He certainly knew that I was going to make an effort for the extension of this railway from Midway to Spence's Bridge.

Q.—Yes. A.—Because he has told me so.

Q.—Will you tell us the reasons which he gave to you for urging you to deliver up those Crown grants to the railway company? A.—No; I cannot say that he gave me any particular reason, but I know that his contention was that that settlement should be carried out.

Q.—That was his contention? A.—Yes.

Q.—But did he ask you to deliver those up? As a matter of fact, now, Mr. Wells, has not Mr. Eberts urged you to give those Crown grants up? A.—Well, you may call it urging if you choose.

Q.—Yes. A.—I know that he made pretty strong argument on that behalf.

Q.—Well, what is that argument; that is what I want to get at? A.—Well, that that settlement which had been arrived at should be carried out; I cannot go any farther than that.

Q.—What did he say about Mr. Dunsmuir's terms or alterations, and so forth? A.—Oh, I don't know that he referred to that at that time.

Hon. Mr. Wells—*Continued.*

Q.—He could not have urged you to deliver up those Crown grants knowing what you had been instructed to do was to go to Montreal and come back if your mission failed? A.—All I can say, Mr. Helmcken, is that that was his statement, that the settlement should be carried out.

Q.—Did he say it was a shame that the settlement had not been carried out? A.—I won't say that.

Q.—What language did he use in pressing upon you that those Crown grants should be delivered up? A.—It is pretty difficult for me to get on to the exact language that was used, but that was his contention.

Q.—The honourable gentleman might maintain such a contention, but did he urge that as a reason why those Crown grants should be given up? Was there any reason given by him other than you have said? A.—I don't know that there was. I don't know any particular reason, in the light of what you ask. I know he took pretty strong grounds.

Q.—Now, tell me those strong grounds, Mr. Wells. A.—Well, coming right back to what I have already said, that that settlement was arrived at, and he took strong grounds that that should be carried out.

Q.—Well, did he ever express any dissatisfaction with what Mr. Dunsmuir had done? A.—Well, I cannot say that he did; I cannot remember that particularly.

Q.—Now, when the Crown grants came back from Montreal, there was an end of the matter, wasn't there? A.—For the present.

Q.—Yes. And why should you listen to any person asking you to deliver up those Crown grants? A.—Well, I don't know that I could prevent, or refuse listening to any one.

Q.—Well, didn't you tell them that the negotiations were off? A.—I cannot tell you really what led up to the discussion.

Q.—Was there anything which you heard in Montreal which would give you the impression that something would still remain to be done, and you might deliver them up? A.—No; I cannot say that there was. I never heard any from Sir Thomas Shaughnessy or the Railway Company about it after that.

Q.—Those Crown grants, though, were not cancelled until the 18th of March, 1902? A.—That is the date.

Q.—Now, why didn't you have them cancelled before that? A.—Well, I didn't have the cancellation even then.

Q.—If it was good enough to cancel on the 18th of March, wasn't it good enough to cancel immediately on your return from Montreal? A.—Well, pressure was being brought to bear upon myself to surrender those Crown grants.

Q.—By whom? A.—By Mr. Dunsmuir.

Q.—Anybody else? A.—I don't know that any direct pressure was brought to bear upon me by anybody else. I remember the discussion with Mr. Eberts that I have already referred to.

Q.—You refer to Mr. Dunsmuir bringing pressure to bear on you. What was the nature of that pressure? A.—He came to me in the House and said that Mr. Brown was pushing again for those Crown grants, and why not deliver them.

Q.—Is that what you refer to as pressure? A.—Yes.

Q.—Mr. Dunsmuir did not tell you you would have to deliver those Crown grants up, but you ought to deliver? A.—He said himself, or someone has said, that Mr. Dunsmuir saw me different times, but I don't remember about that; I remember this particular incident. It is quite evident that Mr. Dunsmuir had made up his mind that those Crown grants should be delivered, from what he said to me on that day.

Q.—Well, had the Attorney-General made up his mind that the Crown grants should be delivered up? A.—I can say nothing further than what our discussion was in connection with it that I referred to.

Q.—You have used the expression that Mr. Dunsmuir brought pressure to bear on you; can you use the same expression with regard to the Attorney-General, that he brought pressure to bear on you? A.—I would not say pressure; I would not say it in that sense. But I say that Mr. Dunsmuir evidently made up his mind that the settlement should be carried out.

Q.—Would "pressure" be the proper term to use, looking upon Mr. Dunsmuir's interview with you? A.—Well, that was the impression at the time.

Q.—And notwithstanding Mr. Dunsmuir's pressure, you still held out? A.—Yes.

Hon. Mr. Wells—*Continued.*

Q.—And what did you say to Mr. Dunsmuir? A.—I said to him, “There are other things about this, Mr. Dunsmuir, that you better know, and you better leave the matter stand.”

Q.—Why didn't you tell him at once? A.—I told you yesterday I didn't think it was a very opportune time to go into it in the House; and I would not do it if I had the same thing to do over again, notwithstanding your suggestion.

Q.—All right; I only wanted to know what was done; the Committee want to know, and we are determined to get at the bottom of it. Now, the Montreal incident did not have very much effect on it, did it? You did not pay much attention to it? A.—The Montreal incident?

Q.—The Montreal Taylor incident. A.—Oh, I didn't pay very much attention to it, certainly.

Q.—But that was not the reason which led up to the cancellation of the Crown grants? A.—I think it had something to do with it.

Q.—Had it more to do with it than the fact that the settlement was one beyond the authority of the Cabinet? Now, really, wasn't that the reason? A.—Well, I cannot tell you as to that. Mr. Dunsmuir, I know, became very indignant when I conveyed to him the information that I did; and I think it had a good deal to do with his directing the cancellation of those grants.

Q.—Had not Mr. Dunsmuir every reason to be indignant after what you told him of what took place? A.—Well, he certainly was.

Q.—Well, hadn't he every reason to be indignant? A.—Well, I think I would have been if I had been in his place.

Q.—And was any exception taken to his act in the cancellation of that Order with regard to the issuance of the Crown grants? A.—No.

Q.—None at all? A.—No.

Q.—It was unanimous; it was the act of the Executive? A.—You are getting now at a matter of an Executive.

Q.—After the 18th of March was that discussed between any of the members of the Executive? A.—I have no distinct recollection of any discussion.

Q.—With any of the members? A.—No; I have no recollection of any discussion.

Q.—Did you mention the matter to Mr. George Brown that the Order had been rescinded? A.—Yes; I remember telling Mr. Brown that.

Q.—You remember telling him that? A.—Yes; in my own room; and I remember what he said.

The Committee here adjourned until 2.30 P.M. to-day, May 13th, 1903.

WEDNESDAY, May 13th, 1903.

The Committee met at 2:30 p. m., pursuant to adjournment.

Present, the full Committee.

HON. MR. WELLS in the witness-box, examined by Mr. McPhillips:—

Q.—In your examination, Mr. Wells, you made the remark that there were two elections pending when you were in Montreal? A.—Yes.

Q.—You mean elections to the Legislature of this Province? A.—Yes.

Q.—I would like you to tell me what those two elections were. A.—They would be the Victoria City election and North Victoria.

Q.—Now, you were in Montreal at what date? A.—November, 1901.

Q.—When did the Session following that commence? A.—20th of February, 1902.

Q.—Was not Mr. Speaker Booth still living at the time of the assembling of the Legislature? A.—Yes.

Q.—The 20th? A.—Yes; I quite see my mistake in that.

Q.—Therefore, there were not two elections pending? A.—There was only one election pending.

Q.—There was one election pending? A.—Yes.

Q.—In the City of Victoria? A.—Yes. My remark must have had particular reference to that election.

Hon. Mr. Wells—*Continued.*

Q.—Your remark had particular reference to that election. That constituency had been vacated from the third day of September, 1901, when Mr. Turner had resigned by accepting the office he did. His representation of Victoria terminated on the 3rd of September, 1901? A.—I think about that date.

Q.—Now, do you think it might have been that when you said there were two elections pending, that what you really meant was that there were two vacancies in the Cabinet at that time? A.—Well, I don't think so; I had in my mind the election.

Q.—You would not say that you might be wrong in that, and that it might have meant two vacancies in the Cabinet? A.—Well, possibly; I won't say positively about that.

Q.—It may have been that? A.—It may have been that.

Q.—In mentioning the fact that there were two elections pending, what was your reason for mentioning that? A.—In this way, that no matter what agreements or terms,—whatever the terms might be upon which we would carry out this proposal by which we would give those two blocks, there would be an election cry against us—there would be the usual election roar of giving everything away to the Canadian Pacific Railway Company.

Q.—But if, prior to an acute political situation of that kind, the Government had determined, for a consideration moving from the Columbia and Western Railway Company, that they having earned a land subsidy would be given certain Crown grants, subsequent political difficulties ought not to enter into the matter, ought they? A.—Well, you see, that particular proposal had fallen through, and what I said was—what I remarked to Sir Thomas was, that it would have to remain until taken up by the Executive again, and which would probably not take place until after the election.

Q.—That is, in your view, the giving of those two blocks 4,593 and 4,594 was not complete, and it was still a matter of negotiation? A.—Oh, the thing was all off, so far as that proposition was concerned.

Q.—Well, that is the view you put on it, of course? A.—Yes.

Q.—But still, you had those Crown grants with you at the time. A.—Yes.

Q.—Now, I would like you to be clear, Mr. Wells, as to when it was that Mr. Taylor first flashed this proposition on you? Was it before you had seen Sir Thomas at all? A.—Well, I am not very clear about that.

Q.—Was it before you wrote your memorandum that is in evidence, to Sir Thomas Shaughnessy? A.—I cannot say as to that.

Q.—When did you write your memorandum, just before you were coming away? A.—I wrote it, I think, a couple of days before I received that reply.

Q.—Now, you told us your reply was addressed to you at Toronto? A.—Yes.

Q.—Therefore, that was towards the end, then, of your visit there, was it, that you wrote that memorandum? A.—Yes; I had about finished my—

Q.—You had about finished your work there when you wrote the memorandum. In fact, the memorandum was a sort of recapitulation of what you had discussed with him? A.—Of what we had discussed.

Q.—And he asked you to put it in writing? A.—The subject-matter of our discussion.

Q.—The memorandum and the letter were to be formal memoranda covering your visit to Montreal? A.—Oh, evidently; no doubt of that.

Q.—This interview, then, don't you think, this proposition made by Mr. Taylor preceded your writing the memorandum? A.—Well, I would think so.

Q.—You would think so in ordinary course? A.—I would think so.

Q.—That being so, when you wrote your memorandum to Sir Thomas Shaughnessy, if he had fallen in with your suggestion, there would have been no question about the Crown grants being delivered over, would there? A.—Well, they might not have been delivered then; because I mention in that memorandum that the proposition would have to be submitted to the Government.

Q.—You were proposing that some more railway should be built? A.—Yes.

Q.—And there would also be some aid in connection with it as well; you spoke of money subsidy to it? A.—Yes.

Q.—But if the Columbia and Western Railway people had fallen into line with your suggestion, whilst that agreement might have had to be chrysalised into some form or other later on, yet at the same time you would have felt justified in handing over the Crown grants, would you not? Because the Premier said, those further concessions given, and all right. A.—I think I would.

Hon. Mr. Wells—*Continued.*

Q.—And if you had handed them over, if you had got those concessions, you do not think your colleagues would have found fault? A.—I don't think so.

Q.—When you returned here to Victoria, did you, on an early occasion, advise the Premier? A.—Excuse me, would you follow that up—I think I know the drift of your question there—that I, in all probability, would not have had such a proposition from Mr. Taylor, that being the case—before I received Sir Thomas Shaughnessy's answer, that that proposition would not have emanated from Mr. Taylor—I think that is what you mean.

Q.—I don't know quite that. A.—I can give you an explanation of that. Mr. Taylor understood from me the position, the stand I was going to take with regard to this matter. I told him so.

Q.—He understood what you were going to demand of the Railway Company? A.—Yes. So that he would not have to wait until I was about leaving—until I had got Sir Thomas' final answer; he would not have to wait in order to make that proposition that I refer to.

Q.—But still, I don't think that matters, for the purposes I have in view. Mr. Taylor, though, had broached his proposition to you previous to the time you laid that written memorandum before Sir Thomas Shaughnessy? A.—I think so.

Q.—You did not broach the proposition Mr. Taylor made to you in the memorandum to Sir Thomas Shaughnessy? A.—Oh, no.

Q.—You do not think it was necessary. Therefore, at the time you wrote your memorandum you dismissed, so far as Sir Thomas Shaughnessy was concerned, any proposition that had come from Mr. Taylor? You did not communicate it to him, anyhow? A.—To Sir Thomas? Oh, no.

Q.—You did not make it a part in any way of your proposal to Sir Thomas? A.—Oh, no.

Q.—Either to influence him one way or the other? A.—No, sir.

Q.—You did not even acquaint him with it? A.—No; I never told him.

Q.—Well, later you returned to Victoria? A.—Yes.

Q.—About what date did you return, Mr. Wells? A.—The 11th of December, I think; well the 11th and 13th, about the middle of the month.

Q.—Well, then, did you acquaint Mr. Dunsmuir, the Premier, with your non-success with the Canadian Pacific Railway? A.—I did some time after that. I was absent from my Department, I know, for some time, I think until after New Year's.

Q.—Well, but then, you advised him before after the New Year. A.—Well, I can't tell you that.

Q.—You had some illness about that time, had you? A.—Yes.

Q.—Shortly after your arrival here? A.—Yes, very soon after.

Q.—But don't you think, in ordinary course, you would have advised the Premier? A.—I think so.

Q.—Having gone away with a special commission, you might say. A.—I think I did.

Q.—You think you did on your arrival, or soon after? A.—I would not say immediately on my arrival.

Q.—You would not wait, for instance, from the 11th of December until after the New Year, do you think? That would be considerable time. A.—I cannot say with any assurance as to that.

Q.—Don't you think it would be natural for the Premier to ask you how you succeeded in Montreal? A.—I should think so, yes.

Q.—And even Mr. Prentice may have asked you? A.—Mr. Prentice was away, I think, when I returned. The first intimation, I think, that I gave to Mr. Prentice of it was in my room. He came to see me when I was there.

Q.—Do you remember what day that was? A.—It would not be long after.

Q.—You cannot fix that, the time you told Mr. Dunsmuir? A.—No, I cannot.

Q.—Don't you think, Mr. Wells, at an acute period of time such as the political position was, the vacancy still existing in Victoria, that you would acquaint the Premier with the result of your visit to Montreal? A.—I think I did.

Q.—You don't think a month would elapse and nobody would know about it? A.—No, I don't think so; but, at the same time, I cannot give you any approximate date of it.

Q.—Well, if I may make a passing observation, if all that time elapsed, it would seem to me it was something the Government ought to have known. You went on a special mission to Montreal? A.—Yes.

Hon. Mr. Wells—*Continued.*

Q.—And if I may put it politically, you went there in search of a railway policy, didn't you? A.—That had a good deal to do with it.

Q.—And you virtually brought back a railway policy, didn't you? A.—What do you mean, the Canadian Northern?

Q.—Yes. A.—Well, I think I did.

Q.—Well, now, don't you think it would be a matter of such importance to a Government in more or less distress, that they would be immediately advised of the whole matter and how you progressed in Montreal? A.—I should think so, yes.

Q.—That seems reasonable, doesn't it? A.—Yes, it does.

Q.—Therefore it is reasonable to presume that the Premier got fairly early notification of the result of your visit to Montreal. Notwithstanding that, Mr. Wells, we have in evidence here from you that Mr. Dunsmuir pressed you to deliver over the Crown grants of these two blocks; that Mr. Eberts pressed you to deliver over the Crown grants of these two blocks—isn't that so? A.—Yes, if you call it pressing; I repeated exactly what took place between us.

Q.—Yes. You did not, as I understand it, broach this proposition to any of your colleagues, that was made by Mr. Taylor, till on or about the rescinding Order of the 18th of March, 1902? A.—I did not inform Mr. Dunsmuir of it, you say?

Q.—Broach the matter to any of your colleagues at all until near the date of the rescinding? A.—No.

Q.—Therefore, the first notification to Mr. Dunsmuir or any other of your colleagues only went to the length to say that you had not been able to get those further concessions? A.—I should think so.

Q.—But they did go that length, didn't they? A.—Certainly.

Q.—And they being aware of that, you had requests made to you by the Premier, and requests made to you by Mr. Eberts, to, notwithstanding that, deliver the Crown grants, hadn't you? A.—Yes.

Q.—You had? A.—Yes; well, that is exactly the way in which Mr. Dunsmuir put it; he said, "Mr. Brown is pushing for those Crown grants again; why not give them to him?"

Q.—Now, Mr. Wells, view this matter in this way; you had not advised Sir Thomas Shaughnessy of this proposition made to you by Mr. Taylor in that memorandum, nor verbally? A.—No; I had not.

Q.—He had refused to accede to your proposition as to further concessions, hadn't he? A.—Yes.

Q.—But, notwithstanding that, the Premier evidently was willing to waive it all and have you deliver over the Crown grants? A.—Well, as I said in my examination already, the conclusion that I came to was that the Premier had determined that, to carry out that settlement, for some reason or other which I did not know.

Q.—That may be. But at any rate, first we had this position, that you were going to Montreal to get further concessions? A.—Yes.

Q.—Notwithstanding you did not get them, and notwithstanding your advice to the Premier and your other colleagues that you had not got them, yet the Premier and your other colleagues apparently wished you to deliver over these Crown grants; isn't that a fact? A.—That is the fact.

Q.—In what way do you justify this treatment of the Columbia and Western Railway, or Sir Thomas Shaughnessy, when those Crown grants are afterwards dealt with in this way, that the Order in Council supporting them is rescinded for a reason that you do not explain to the people most interested, the Columbia and Western Railway and Sir Thomas Shaughnessy? You never acquainted him with the fact that Mr. Taylor had made such a proposition to you? A.—No; I did not.

Q.—But, yet, the Government act upon that, do they; you acquainted them with the fact? A.—Upon the information that I gave to Mr. Dunsmuir?

Q.—Yes. A.—Yes; I think I am safe in saying that.

Q.—That the Government did act upon a matter which had never been communicated to Sir Thomas Shaughnessy, and cancelled the Order in Council supporting the Crown grants? A.—Yes.

Q.—Therefore, the Order in Council cancelling the Order in Council supporting the Crown grants can only be justified on the ground of this proposition made to you by Mr. Taylor? A.—Well, Mr. Dunsmuir will give you his reason for that—for taking the action he did.

Hon. Mr. Wells—*Continued.*

Q.—Well, but Mr. Dunsmuir and Mr. Eberts and your other colleagues were willing to waive the further concessions, weren't they? A.—Yes.

Q.—Therefore, they are not going back of that? A.—That would be the position of it, certainly.

Q.—Therefore, the ground for the rescission Order of the 18th of March, 1902, must be the proposition made to you by Mr. Taylor? A.—That certainly would be the logical conclusion of it.

Q.—That is the logical conclusion. But that matter had never been communicated to the Columbia and Western Railway Company or Sir Thomas Shaughnessy? A.—No.

Q.—And they have never been asked their side of that story as yet, other than what is being developed here? A.—Not that I know of. Well, does the committee know exactly what I told Mr. Dunsmuir.

Q.—No; I think, Mr. Wells, if you could give us that— A.—Because there was something apart from this proposition of Mr. Taylor's that I mentioned to them, was the fact that Sir Thomas Shaughnessy had disclosed to me the agreement between their Company and the Crow's Nest Coal Company, by which it was evident that there was an obvious fraud—it was obvious that there was a fraud entertained, to take from the Crow's Nest Coal Company 10,000 acres of certain coal lands which they were entitled to under that agreement.

Q.—Yes, but you will remember, Mr. Wells, you said, in justice to Sir Thomas Shaughnessy,—you volunteered virtually that statement,—that Sir Thomas said, whilst that may be, there might be still a moral obligation on the part of the Company to recognise that agreement— A.—Yes.

Q.—Didn't he say that? A.—Did he say that?

Q.—Did Sir Thomas say that? I understood you to say that he said that? A.—I don't think I said that.

Q.—I understood you to say that he mentioned the fact that there would be still a moral obligation.

The Chairman: That was in a telegram.

A.—Well, he told me at our interview in November last that if he had known of an Order in Council giving these two blocks to the B. C. Southern, that he would at once have accepted it.

Q.—That is, he evidenced surprise and wanted knowledge of the fact that the Order in Council of the 19th of December, 1900, had given to the British Columbia Southern these two particular blocks of land; he evidenced surprise? A.—Yes.

Q.—And he did not know? A.—He did not know anything at all about it.

Q.—And you say he sent for the agreement with the Crow's Nest Coal Company also while you were there, and that Mr. Creelman came in? A.—No; I think I will have to correct that. I think it was at our first meeting, our meeting in 1901, that he told me he did not know of this, of the B. C. Southern.

Q.—That was the first meeting, in 1901? A.—Yes.

Q.—This was all in 1901—were you twice in Montreal in 1901? A.—No; I saw him last fall. My first meeting was in 1901, and the second in 1902. I think it was in the 1901 meeting that he told me he had no knowledge of this transaction.

Q.—But we have been dealing with the meeting of 1901, haven't we? A.—Yes; but I remarked a moment ago that it was in my last visit, 1902, that he told me. But there is this, because last fall, when I went down, I took him a memorandum of the Orders in Council so as to show him exactly what had taken place, because I know he had doubts, notwithstanding what I had told him at our previous meeting, that this Order in Council had never taken place; and I satisfied him as to that; I took a memoranda down last fall which satisfied him.

Q.—Now, we had better get that well separated. I have not yet dealt with that meeting of 1901. A.—But, certainly, at one of those interviews he told me that if he had known of this Order in Council giving them these two blocks as a part of the B. C. Southern subsidy that he would at once have accepted it.

Q.—Well, did he say anything about the agreement with the Crow's Nest Coal Company at either of these meetings? A.—It was at the first meeting that he spoke of the Crow's Nest Coal Company. He had the Crow's Nest Coal Company agreement out, and he read it to me.

Q.—And that agreement— A.——disclosed the fact that they were under obligations to the Crow's Nest Coal Company to the extent of 10,000 acres of selected coal lands.

Hon. Mr. Wells—*Continued.*

Q.—Didn't you tell Sir Thomas Shaughnessy at that time that at one time those blocks were by Order in Council set apart for the British Columbia Southern Railway Company?

A.—Did I tell him so?

Q.—Yes, at that time. A.—I don't remember that I did.

Q.—You don't remember that you did. Then why would he bring out an agreement when you were dealing with the Columbia and Western Railway Company matter? A.—I think the agreement was to this effect, that if they came into possession of lands in respect to the B. C. Southern subsidy, and that it was demonstrated that there were certain coal areas, the Crow's Nest Coal Company would be entitled to a selection of 10,000 acres.

Q.—But at this time, Mr. Wells, your proposition to him was in connection with the Columbia and Western Railway, wasn't it? These two blocks were in view as being land to be given in connection with the Columbia and Western Railway? A.—Yes.

Q.—Why would the question of an agreement between the Crow's Nest Coal Company and the British Columbia Southern Railway come up at such a meeting, when the land was to be given to the Columbia and Western Railway? A.—Well, I can scarcely explain that. I know that it did; that is all I can say about it.

Q.—Don't you think it is more consistent that at that time it was when you advised Sir Thomas Shaughnessy that these lands were at one time set apart for the B. C. Southern Railway? A.—I should think it would be, yes.

Q.—Yes. Then you made a remark something about that it seemed to you that some fraud was being perpetrated on the Crow's Nest Coal Company. When did that thought occur to you? after that agreement was read? A.—I was quite impressed with it.

Q.—After that agreement was read? A.—Yes.

Q.—But, then, that would hardly chime with Sir Thomas Shaughnessy being frank enough to produce that agreement and show you what his agreement was. A.—Why not?

Q.—Well, if he was dealing and you were dealing with one set of facts, and that was the Crown grants for these two blocks to the Columbia and Western Railway Company, why would an agreement be sent for or be under notice at the time, between the Crow's Nest Coal Company and the British Columbia Southern Railway Company? A.—Well, I may have raised the question that they could have had those two blocks of land as part of the B. C. Southern subsidy.

Q.—Well, at that time then, did Sir Thomas Shaughnessy say that whether they were received by the British Columbia Southern Railway Company or the Columbia and Western Railway Company, this agreement produced would be carried out? A.—He never told me that the agreement would be carried out.

Q.—Then, when you say you looked upon it as if some fraud would be perpetrated, did you then consider that Sir Thomas Shaughnessy or the Columbia and Western Railway Company were going to profit— A.—I was satisfied at once that Sir Thomas Shaughnessy never knew of this attempted—never knew of the reason why the Columbia and Western settlement or proposition was made substituting that for the other one.

Q.—You there and then became of that view? A.—Yes, I did.

Q.—You do not impute that Sir Thomas Shaughnessy was a party to that? A.—I do not for a moment.

Q.—In fact, he took the other ground, that he was not aware that the British Columbia Southern had ever had these lands set apart to them? A.—That is what he told me.

Q.—Then, did you carry away with you a notion that a fraud was going to be perpetrated if this matter was carried out in this way, on the Crow's Nest Coal Company? A.—Yes, I did;—well I don't know whether it forced itself on my mind at once, but it became impressed on my mind.

Q.—Did you raise that point with Sir Thomas Shaughnessy? A.—No, I did not.

Q.—Whom did you charge with that fraud, in your mind? A.—The formation of this company.

Q.—You connected that fact, then, with the proposal made to you by Mr. Taylor, did you? A.—I did; I looked upon that as—that would be the effect of it, at any rate.

Q.—And that Mr. Taylor and Mr. Brown were connected with that; is that it? A.—I came to this conclusion, that the reason why they wished the previous Order of the 19th of December, 1900, cancelled, and having those two blocks of land as part of the settlement in respect to sections 1 and 3,—I concluded that that would be the effect of it, to defraud the Crow's Nest Coal Company out of 10,000 acres of land.

Hon. Mr. Wells—*Continued.*

Q.—But, Mr. Wells, you did not advise Sir Thomas Shaughnessy in your memorandum of anything of that kind, though, did you? A.—No.

Q.—Well, was that another fact, then, that you— A.—(Interrupting). I don't know at what stage of these proceedings I became aware of that fact from Sir Thomas Shaughnessy.

Q.—It was on your visit in 1901, wasn't it? A.—Yes; no doubt about that.

Q.—Well, then, was that one of the facts that you shortly before the rescinding Order of the 18th of March, 1902, opened to Mr. Dunsmuir and your colleagues—that further fact? A.—I think I did.

Q.—Shortly before the rescinding Order of the 18th of March, 1902? A.—Yes, I think I did. Because I looked upon that always as an alarming danger, as an element of danger in carrying out any settlement at all.

Q.—But you did not mention that until shortly before the rescinding Order of the 18th of March, 1902? A.—Well, I don't know whether I mentioned that before, but I think I did then, at any rate.

Q.—Would you say that that fact was also a fact that operated in connection with the Government's action in passing the rescinding Order of the 18th of March, 1902? A.—Well, of course, Mr. Dunsmuir can tell you better about that.

Q.—But you were a party to the Order, were you not? A.—I know.

Q.—Speaking for yourself, it operated on you? A.—It certainly would govern my action in the matter very materially.

Q.—It governed your action. Now, Mr. Wells, speaking of the opinion of Mr. Hunter; who was it submitted the case, verbally or otherwise, to Mr. Hunter for an opinion? A.—I did.

Q.—You ran over the facts for him, did you? A.—Yes.

Q.—In your own office? A.—Yes.

Q.—And there was no stated case in writing put before Mr. Hunter? A.—No.

Q.—Do you remember whether you advised Mr. Hunter that there was a reserve in connection with the Columbia and Western railway, and that there were available lands in that reserve to fully comply with the Subsidy Act? A.—I presume I gave him all the facts that were necessary.

Q.—I want you to carefully try and recollect that. Do you recollect telling Mr. Hunter that there was a reserve, and that there were lands, we will say, within the purview of section six of the Columbia and Western Railway Subsidy Act that could be given to the Railway Company? A.—Oh, I must have told him that.

Q.—You must have told him that? A.—Oh, yes, I must have done so.

Q.—You must have told him, though, or did you, that it was in the idea of the Government—in fact, it was more than an idea at that time, for as a matter of fact the Government had decided to give these two particular blocks 4,593 and 4,594—? A.—Yes.

Q.—You did advise him of that fact? A.—Yes.

Q.—And did you advise him of how far the Government had proceeded? A.—Very likely.

Q.—Will you say you did? You see, at that time there was the Order in Council? A.—There is no doubt I gave him all the facts connected with it.

Q.—And at that time the Crown grants were also actually signed and sealed, because they bear date the 3rd of October? A.—Oh, yes.

Q.—Do you think you told him that fact, too? A.—Oh, I presume I did. I have no doubt but what I did.

Q.—And the fact of the matter is, then, Mr. Wells, Mr. Hunter was advised that the Government had proceeded so far as this: An Order in Council was passed giving these particular blocks to the Columbia and Western Railway, which had been followed up by the Crown grants being signed and sealed—? A.—Yes.

Q.—And all that remained was to make delivery of the Crown grants? A.—Oh, very likely.

Q.—Upon those facts Mr. Hunter gave an opinion, which we have here, you say? A.—Yes.

Q.—During your examination you have had occasion, as the facts were elicited, to change your view as to what lands were available in regard to the Columbia and Western Railway. I think at the outset you started off with the idea that there were no lands contiguous to the line of railway and that it was necessary to go afield some distance away? A.—No; we had

Hon. Mr. Wells—*Continued.*

sufficient land contiguous to the line of railway; we had alternate blocks which would have been sufficient to carry out that settlement.

Q.—But didn't you first, in your examination, indicate that your view was that there were not sufficient lands? A.—No; I think that was with respect to section four—that we had to carry out the promise to the Company with respect to section four.

Q.—Was there at any time any doubt in your mind but what there was sufficient to comply with sections one and three? A.—No, I had no doubt about that; that is, using alternate blocks.

Q.—And certainly it was quite within the purview of the Statute, anyhow, section six? A.—No doubt about that.

Q.—In referring to that interview you had with Sir Thomas Shaughnessy about the further concessions, you made reference to the fact that at some stage of the matter, if it was at all considered, Mr. Greenshields would come into the proceedings? A.—Yes.

Q.—What did you mean with respect to that? A.—Well, I wished to have Mr. Greenshields' assistance and advice in carrying out any settlement.

Q.—That is, if Sir Thomas Shaughnessy had looked with any favour upon your memorandum? A.—Supposing that we adopted a preliminary agreement with respect to the Midway-Spence's Bridge road, which might entitle them to the Crown grants, in my opinion, I certainly would have liked Mr. Greenshields' or somebody's advice apart from the officers of the Railway Company.

Q.—Was that necessary? Because Sir Thomas Shaughnessy did not consider your proposition? A.—It was Mr. Creelman that took particular exception to that.

Q.—What was the exception? A.—It was that they did not want Mr. Greenshields to take any part in the negotiations.

Q.—Through some dislike to him, or what? A.—Well, I cannot say that.

Q.—They exhibited restiveness when you mentioned that fact? A.—Mr. Creelman took exception to it at once.

Q.—What did he say, Mr. Wells? A.—I think he shrugged his shoulders, the first thing I remember.

Q.—He did not make any observations? A.—Not particularly so. It was evident, to my mind, they did not want Mr. Greenshields in, or have anything at all to do with him.

Q.—What did you deduce from that? A.—That they had some particular objection to Mr. Greenshields.

Q.—Your idea in having Mr. Greenshields, I suppose, was the fact that if it got into the question of an agreement you needed legal assistance? A.—Yes, I would.

Q.—Well, let me understand, from what you observed, was Mr. Creelman to act for both parties, or what? A.—Oh, no; for the Government. Are you speaking of Mr. Creelman?

Q.—When Mr. Creelman evidenced dissatisfaction with Mr. Greenshields. A.—That was in the interests of his own Company.

Q.—Did Mr. Creelman intimate that he could reasonably act for both the Government and the Company? A.—Oh, no; he did not intimate anything of that kind.

Q.—Then did he show any personal objection to Mr. Greenshields? A.—Oh, I would not call it personal objection.

Q.—Well, was it dissent on the part of the Company to your having legal assistance as such, or was it because of some particular objections they had to Mr. Greenshields? A.—Well, I think some particular objection they had to Mr. Greenshields.

Q.—That is, if you had suggested perhaps some other counsel, there might not have been so much objection. A.—Possibly not.

Q.—That is, you interpret it that way. They did not suggest any other counsel to act for you? A.—No, they did not.

Q.—Now, I want to direct your attention to this fact, Mr. Wells, that in your memorandum you never raised any question with Sir Thomas Shaughnessy as to the situation being that the Company was entitled to a land subsidy for sections one and three, did you? A.—No, I did not.

Q.—It is only with respect to section four? A.—As I explained that yesterday, I kept the two things quite distinct.

Q.—Now, you spoke there of this,—“favourably consider, first, the reinstatement of your land subsidies under the Subsidy Act of '96.” A.—Yes.

Q.—You meant there the reinstatement of their right to the land subsidy with respect to four, and, of course, of the other sections if built, didn't you? A.—Yes, undoubtedly.

Hon. Mr. Wells—*Continued.*

Q.—But, as a matter of fact, Mr. Wells, even in this memorandum you were conceding to the Company their land subsidy for section four, even if they did not build five and six, weren't you? A.—Yes.

Q.—So that there is common ground to this extent, the Company was entitled to its land subsidy for one and three— A.—Yes.

Q.—and even four? A.—Yes.

Q.—Because you go on and say in this memorandum: "Should this road be built either by the Government or by a Company other than the Canadian Pacific Railway, it would be imperative that the necessary running power be given over your road to Midway, or should the Coast-Kootenay road be extended beyond Otter Lake to Midway by the Government or a Company other than the Canadian Pacific Railway, your rights to all land subsidies would terminate, excepting in respect to section four." A.—Yes.

Q.—You intended to reserve four in any event? A.—In any event.

Q.—Even if they did not do anything more? A.—Is that the strict interpretation of it.

Q.—But you do say this: "but to which you would be entitled only upon construction of the Spence's Bridge road to a point at or near Otter Lake, reserving to your Company running power from Otter Lake to Midway." You did, then, perhaps, add on to four the requirement to build to Spence's Bridge? A.—Then, whatever the interpretation of that is.

Q.—You might look at that (handing document to witness). It is rather important, in view of the Statute brought down in 1902. A.—Well, this would imply that in any case they would have to build from Spence's Bridge to Otter Lake.

Q.—In order to get the subsidy for section four? A.—Yes.

Q.—My first notion was that you were virtually conceding to them the land subsidy for section four, without any further requirement on their part; but it would look as if you attached to the land subsidy for section four the requirement to build to Spence's Bridge? A.—Yes; it is evident from that.

Q.—And your memorandum would so read? A.—Yes.

Q.—But there is no doubt about this, that your memorandum did not attach any requirement on the Company's part to build any further line of railway to earn a subsidy for sections one and three? A.—Oh, no; that had been provided for under the previous settlement, under the other proposition.

Q.—And the only thing on that was whether you would deliver the Crown grants of blocks 4,593 and 4,594? A.—Precisely.

Q.—But if you were not right in withholding blocks 4,593 and 4,594, and if you were entitled, in accordance with the Statute, to give 4,593 and 4,594, the land subsidy for sections one and three were earned right enough? A.—Oh, yes; there is no doubt about that.

Q.—Now, I would like you to tell me, Mr. Wells, if you can, how much of a line of railway that would have been, from Spence's Bridge to Midway—how many miles? A.—I think about 180.

Q.—Had you any estimate about the cost of it per mile? A.—No.

Q.—You spoke about a survey, you know, being completed, in this memorandum. A.—Yes.

Q.—Weren't you aware of any estimate per mile? A.—Oh, that is a different road. That is through the mountains.

Q.—But, if you were asking the Company to build a railway 180 miles long, and you being Chief Commissioner of Lands and Works of British Columbia, wouldn't it be a natural inquiry, perhaps, to be advanced by Sir Thomas Shaughnessy to you, on a matter that you would both have to understand, about what the cost of that railway would be per mile? A.—Oh, I may have had an estimate in my mind, about.

Q.—Speaking generally, how much do you think it would be? A.—Oh, I have heard different estimates of it; I have heard all the way from \$20,000 to \$40,000 per mile.

Q.—Well, what would you put it at off-hand, in a generalised way? A.—I don't know that I should give any opinion on that.

Q.—It would not exceed \$40,000 a mile? A.—I don't think it could.

Q.—Would it exceed \$30,000? A.—I don't think it would, or should—from any knowledge I have of railroad construction, which is very limited.

Q.—Well, if it was \$30,000 a mile, it would mean an expenditure of about \$6,000,000, as I figure it. A.—I suppose it would.

Hon. Mr. Wells—*Continued.*

Q.—But, speaking in round figures, it would make about \$6,000,000 if it was put at \$30,000 a mile? A.—Yes.

Q.—That was rather a big proposition, wasn't it? A.—Calling for an expenditure of \$6,000,000, it is.

Q.—And the policy of the Government at the time was a policy of giving a money subsidy, wasn't it, per mile? A.—Yes.

Q.—And that was how much a mile? A.—\$4,000.

Q.—So that it would practically mean something of about \$5,000,000 on the undertaking of the Railway Company, even if they got the cash subsidy of \$4,000 a mile? A.—I suppose that is the way it would figure out.

Q.—That is, putting it at \$30,000 a mile? A.—Well, I have not figured it out.

Q.—You can assume that these figures are about correct. The Company would practically have to expend on its own account something in the neighbourhood of \$5,000,000, even if they had a cash subsidy of \$4,000 a mile to start with. Was not that a difficult portion of road to build? A.—From Spence's Bridge to Midway?

Q.—Yes. A.—No; I have always understood it was comparatively an easy road, as compared with the Coast-Kootenay road, at least.

Q.—Now, Mr. Wells, on the 10th of September, 1900, the British Columbia Southern Railway Company was definitely settled with, wasn't it, by that plan which has been produced here? A.—Of the 10th of September—

Q.———1900, not giving blocks 4,593 and 4,594? A.—Yes.

Q.—The British Columbia Southern were definitely settled with, and they were not to get blocks 4,593 and 4,594, were they? A.—No.

Q.—And as far as the British Columbia Southern Railway is concerned, the matter was at an end; that is, at an end if the matter had been consummated. A.—That would have been in complete settlement in respect to the British Columbia Southern.

Q.—And, as a matter of fact, on that very plan which accompanied that Order in Council of the 10th of September, we find the writing of Mr. George McL. Brown; so that there is no doubt he knew of the Order in Council? A.—No doubt of that.

Q.—And whatever his views might have been, he was taking an active part in that settlement being arrived at? A.—Yes.

Q.—He put his own writing on the plan? A.—Yes; I remember he was endeavouring to make a settlement.

Q.—And the settlement was exclusive of blocks 4,593 and 4,594? A.—That was the settlement, yes.

Q.—Now, I suppose that the Executive, in coming to that decision on the 10th of September, 1900, came to it, as they thought, in the public interest? A.—No doubt.

Q.—And also in alliance, as they thought, with the statute law that was governing them? A.—Yes.

Q.—Now, I think the Committee would be greatly interested to know what the argument was that was adduced between the 10th of September, 1900, and the 19th of December, 1900, to cause a change in the policy of the Government in respect of the matter? A.—Well, I can only speak from my own standpoint on that. The inducement to myself, or at least what I considered was an inducement, was the concession in point of area, which I understood to be several hundred thousand acres.

Q.—But we find that that only figures out 167,000? A.—Yes; and I was disappointed at the result; I remember that.

Q.—Didn't you think, though, that you ought to be well satisfied on the question of area? You thought it was a matter of three or four hundred thousand acres? A.—Yes, I did.

Q.—Who was implanting that notion in your mind that there would be a difference of area of that kind? A.—It was Mr. Brown. He evidently had it figured out, because I remember making that remark to him when I went into the room: "I understand, Mr. Brown, that the Government will make a saving of several hundred thousand acres by this?" and he said "Yes" to that.

Q.—But, as a matter of fact, you did not have the estimate of the Deputy Commissioner of Lands and Works? A.—Not at that time.

Q.—When would you say he did figure it out? A.—Previous to the passing of the Order.

Hon. Mr. Wells—*Continued.*

Q.—The logical sequence of that, I suppose, would be, that although Mr. Brown had advanced that proposition to you that it would be a saving of three or four hundred thousand acres, you found, before the Order in Council of the 19th of December, 1900, was passed, that it only meant a saving of 167,000 acres? A.—That is right.

Q.—Now, how did you lend your mind, then, to the changed action on the part of the Government? A.—There may have been other reasons which were brought before the Government to them appeared adequate reasons for making the change.

Q.—Well, do you know of any? A.—I don't know of any just now; I don't remember any.

Q.—You don't know of any? A.—No, I do not.

Q.—Then what would you say was the argument that influenced you, as one of the Executive, to consent to this change? A.—It was the action of the Executive; they concluded to give the grants.

Q.—Isn't it on your recommendation that the change is done? A.—It was decided apart from that. I carried into effect what was the decision of the Executive.

Q.—But, Mr. Wells, if you, as Chief Commissioner of Lands and Works, were being asked to recommend this change, and if the operating matter in your mind was a saving of three or four hundred thousand acres of land to the country, how did you come to lend your consent to it when you found that the saving was only 167,000 acres? A.—Well, it was fully considered by the Executive, and that was the conclusion.

Q.—Will you say you were a non-assenting party to it? A.—I cannot say as to that; but I know I was very much disappointed at the time.

Q.—Well, will you say that you were imposed upon or over-reached by the Columbia and Western railway people, or the British Columbia Southern Railway people, in that way? A.—Well, I certainly felt that there had been a little injustice in that respect.

Q.—Do you think, Mr. Wells, that the fact was that you really never had the area computed, but went on the assumption that there was a saving of three or four hundred thousand acres? A.—Yes, up to the time it was actually computed.

Q.—Was it computed previous to the Order in Council being passed of the 19th of December, 1900? A.—Yes; no doubt about that.

Q.—But if it was, that was the time for you to change your recommendation, and say, "Why, this is not as I thought"? A.—Possibly I did.

Q.—Possibly you did? A.—Possibly I may have taken that stand.

Q.—But, notwithstanding, the thing was carried through? A.—Carried through the Executive.

Q.—Well, now, at this time, on the 19th of December, 1900, were you not aware that these two particular blocks of land, 4,593 and 4,594, had some peculiar value? A.—Well, they may have had a problematical value; but, as I stated, I never had an extravagant idea of the value of those lands.

Q.—Didn't you hear they contained coal and petroleum? A.—Not any coal; I heard that there were certain indications of coal oil; but we have had those indications all over the country, without amounting to much. They have been digging in Athabasca for indications of oil, and not finding anything. But I heard nothing about coal here.

Q.—I think you rather took a different view from that which was elicited here from Mr. Prentice. Mr. Prentice would appear to have been, in September, 1900, under the idea that these particular lands had a particular value. A.—That is what Mr. Prentice says.

Q.—But you did not have the same view? A.—I had not.

Q.—Not at that time? A.—No.

Q.—Now, Mr. Wells, there have been a number of letters produced here which came from the office of Lands and Works, running away back to 1897, 1898, 1899 and 1900, and coming up to almost the present time, which have reference to applications for a right to gain some position with regard to these lands in this particular block 4,593; you knew that, as a matter of fact? A.—Well, no; personally, I won't say that I did have any knowledge of that.

Q.—Personally, you won't say that you did have any knowledge. But look at this return which is brought here, and you will see this is having reference to 4,593, Group I; you will see applications to record for coal or oil within the boundary of this particular block 4,593. You will see there that in 1900, commencing with the 12th of October, there are ten applications under that date? A.—Yes.

Hon. Mr. Wells—*Continued.*

Q.—For licences to prospect for coal or oil within the boundaries of that block? A.—Yes.

Q.—Were you aware of that fact? A.—Not at all likely.

Q.—Well, don't you know, as a matter of fact, dealing with one applicant, Mr. Watt—? A.—Oh, I remember that.

Q.—You remember his application? A.—I remember his.

Q.—Wasn't he pressing to get some legal position in respect of lands in that block 4,593? A.—Yes, he made an application—he did not complete his application, making it a legal application at all; he had not paid his money; but it was refused, nevertheless.

Q.—Was the money paid and returned? A.—Oh, yes; I think it was. Yes, I think it was tendered; I don't think it was accepted.

Mr. Duff: There was a cheque; the letters show it. A.—I was under the impression that he had not paid his money.

Mr. McPhillips: Now, Mr. Wells, wasn't it a fact that, not only these applications that are covered in this return, but there were many other applications that were not followed up in all cases by the payment of money; but was not the uniform practice in your Department to advise those people that the Government would not deal with lands in block 4,593? A.—That appears to have been the policy of the Government previous to my coming in at all.

Q.—Then you continued it, didn't you? A.—Yes.

Q.—You uniformly refused to recognise these people? A.—Yes.

Q.—You know that, as a matter of fact? A.—There is no doubt about that.

Q.—And not only these applicants, but others that applied? A.—Yes.

Q.—And they found from you, as representing the Government in your Department, that, so far as the policy of the Government was concerned, it would be futile to go on with their applications under the Statute; that is, they would not get leases even if the licences were taken out; and even if the Government chose to issue them, the Government would not go on and grant leases in pursuance of the Coal Mines Act? A.—If we issued licences we would be bound to go on.

Q.—But up to that time you would not issue licences? A.—No.

Q.—That is up to what time,—you have not issued licences to-day? A.—No, we have not.

Q.—Do you propose to issue any? A.—I cannot tell you that; that has not been determined upon.

Q.—I notice a great number of applications also made in respect of this same block on the 13th of November, 1901. Was there any change of policy of the Government then? A.—No; no determination with reference to the matter.

Q.—On the 6th of November, 1902, any change of policy? A.—No.

Q.—Nor in the year 1902 there was no change of policy? A.—There has never been any up to this time that I know of; there has been no determination to change the policy with regard to it.

Q.—On the 14th day of April, 1903, it would appear that the applications got, you might almost say, into the hundreds, bearing on this same block 4,593. What was the occasion for that, do you know? A.—I cannot tell you.

Q.—Did you intimate, officially or otherwise, that a different policy would be pursued with respect to this block 4,593? A.—No; I did not.

Q.—Do you know that any official in your department undertook to intimate that any different policy was to be pursued? A.—I don't know of any.

Q.—Have you made any inquiries? A.—No; I have not.

Q.—Don't you think it would be wise to ferret that out? A.—Possibly it would. What good would that do, though?

Q.—It is a rather extraordinary circumstance that on the 14th day of May, 1902, we should have these applications going into the hundreds; it would appear strange, would it not? A.—I don't know that there is anything very strange about it. There must have been some incentive for it, I suppose.

Q.—What have you done with those applications? Have you received the moneys and given them receipts for them, or have they been dealt with officially? A.—The moneys have all been returned.

Hon. Mr. Wells—*Continued.*

Q.—And the applications returned or kept? A.—I don't know exactly how the applications have been treated, but from the fact the moneys have been returned I suppose the applications have been declined.

Q.—You say there is no change of policy up to date? A.—There is nothing determined at the present time.

Q.—And there is no intention to give any of these applicants priority one over the other, or even to recognise them? A.—There has been no determination in that respect at all.

Q.—I think it would be a good thing if these applications were brought before the Committee. A.—Yes; there is no difficulty about that. You want to see the applications?

Q.—We want to see the applications. A.—Those applications were made at the Fort Steele office.

Q.—Would the application itself be retained there? A.—Possibly it would; I don't know what the practice has been.

Q.—At any rate, if it is possible, if they are in your office you will have them produced, Mr. Wells? A.—Yes.

Q.—Now, looking at Bill 87, Mr. Wells (handed to witness), and shortly dealing with it in regard to its frame, you don't know who drafted it? A.—I do not. The first recollection I have of this Bill was the Deputy Attorney-General bringing it to me in the House.

Q.—Did the Deputy Attorney-General advise you as to its legal effect? A.—Not that I know of.

Q.—Did the Attorney-General? A.—The Attorney-General has to this extent, that, in having regard to the selections made by the Company, the Government could exercise full control over them.

Q.—He told you in effect? A.—Yes.

Q.—That if that Bill were passed—— A.———that we would not have to concede any particular block of land that we might take exception to.

Q.—You understood from the Attorney-General, and he expressed that opinion to you? A.—Yes.

Q.—As Attorney-General; that the Government would have control over the selection of the lands? A.—He stated that as his opinion several times.

The Chairman: Not over the selection, but over the granting? A.—Not over the selection, but the result of the selection.

Mr. McPhillips: You understood from the Attorney-General, or did you have his opinion, that the Government would be enabled to select and grant the land if they saw fit, under this Bill? A.—Oh, I am speaking now of any particular block of land which they might select, that if we took exception to it and refused to grant it, that we had that power, and could exercise that power properly.

Q.—Under this Bill the lands could be selected in the Districts of Yale and Kootenay anywhere; is that it? A.—Yes. As a matter of fact, the Company would have to go outside of the line of railway, because they could not get lands there contiguous to the line of railway to compensate them in respect of section four.

Q.—Why couldn't they? A.—Unless you went back to the mountain tops; possibly you might then.

Q.—Could not the "Columbia and Western Subsidy Act, 1896," be carried out in its terms and land given in pursuance of it, without recourse to any further legislation? You would not like to say that it could not? A.—No, I would not say that.

Q.—That would not be so. A.—But if you wanted to tie the Company down to lands contiguous to the line of railway you could not carry out that settlement.

Q.—There is a provision in the Act of 1896, the Columbia and Western Subsidy Act, whereby the lands— A.—There is a large reserve, but I don't think it would have been fair to have compelled the Company to make the selection within that reserve.

Q.—But now, Mr. Wells, that is not the point; the statutory contract made with the Columbia and Western Railway Company in the "Columbia and Western Railway Subsidy Act, 1896," was ample enough in its terms to entitle the Company to get lands,—whether they were good lands or not is not the question now. A.—You could, of course, define it upon a map sufficiently to give them their area.

Q.—Yes. And what would actuate the Government, especially, it would appear to me, when the Company were not seemingly coming up to your expectations as to what they should

Hon. Mr. Wells—*Continued.*

do with regard to the construction of their road,—what was there to actuate you in the stretching out to them a friendly hand, and extending their privileges to such an extent as to give them the whole of the Districts of Yale and Kootenay to select their lands in? A.—I don't see that we did extend them any friendly hand at all. I have told you that I didn't know anything at all about that Bill until it was brought down to me in the House.

Q.—But what I say, Mr. Wells, is this, that Mr. Eberts said to you,—you say his opinion was that even if this Bill 87 passed, that the Government would still have the right to indicate what lands should be taken by the Railway Company? A.—Well, I think he was speaking in respect to any particular selection. Generally speaking, of course, the Company could select under that, select their own lands. But, for instance, if they made a claim to these particular blocks 4,593 and 4,594, I think the Government would step in and say, “No; we cannot give you those two blocks, for particular reasons.”

The Chairman: You understood you had that power under Bill 87? A.—We had that power, not under the Bill, but we had that power.

Mr. McPhillips: Mr. Wells, with the knowledge that the Columbia and Western Railway Company wanted particularly to get these lands,—you must have had that in your mind,—blocks 4,593 and 4,594 at this time in 1902— A.—Yes.

Q.—you must have known that; that was impressed on your mind? A.—That they wanted these two blocks?

Q.—Yes. A.—And that this Bill was paving the way for them to acquire them? I had nothing of that kind in my mind.

Q.—But knowing that they did want those two particular blocks 4,593 and 4,594, would not your mind be active to not allow anything to be done, legislative or otherwise, which would accomplish that end for them? A.—Well, I stated in my previous evidence that I noticed what I thought might leave the door open to acquire these lands, but I satisfied myself afterwards that the Government could exercise sufficient control over them.

Q.—I want to know how you satisfied yourself? A.—I cannot tell you about that.

Q.—Did you take the opinion of the Attorney-General? A.—I might have gone to the Attorney-General.

Q.—Well, did you? A.—I cannot tell you.

Q.—Here is a matter of such moment to the Province you had thought it was in the public interest on the 18th of March, 1902, hadn't you, to rescind that Order in Council whereby these particular blocks were to be given to the Columbia and Western Railway? You thought that was in the public interest, didn't you? A.—Undoubtedly.

Q.—Then, later,—because this was on the 22nd day of May, I think, 1902,— A.—Of course, I am speaking of the Executive action; they did it presumedly in the public interests.

Q.—Then, on the 22nd of May, 1902, don't you think, if you were seemingly vigilant in the public interest, that you should see there was no legislation passed that would give them a position which had previously been taken from them? A.—Because, as I say, I was satisfied they could not acquire—

Q.—How were you satisfied? A.—I cannot tell you that, Mr. McPhillips; but I had become satisfied; I know that.

Q.—You have spoken to Mr. Eberts, and I would like to know what Mr. Eberts said on the Bill? A.—I cannot tell you that I went to Mr. Eberts for his opinion,—

Q.—What did he say dealing with the Bill at all? What did he say with reference to it? A.—Well, he has spoken at different times with regard to the exercise of any authority by the Government, that is to say, that we could debar them of the right of selection of any particular block of land,—those two particular blocks of land.

Q.—I want to understand that. His opinion to you was that the Government would be entitled to the control—put it that way? A.—Yes.

Q.—To control the Company as to any particular lands that they might take? A.—That has been his opinion, invariably, whenever he has said anything about it.

Q.—And you had that from him? A.—It is very likely I had.

Q.—Did you put this question to Mr. Eberts: “Here, we know very well what this Railway Company is after, all along; it wants these two blocks 4,593 and 4,594; you know the Company is still agitating that matter; I want it clear that this Bill 87, if passed, would not entitle them to get those lands by any question of chance of any kind”? A.—I possibly had that discussion with him, but I don't remember.

Hon. Mr. Wells—*Continued.*

Q.—Do you think you did put that to him? A.—It is not at all improbable.

Q.—You do not remember of putting it? A.—I do not remember.

Q.—Don't you think it would have been a right thing to have put to him? A.—I think it would.

Q.—Don't you think it was a thing that he ought to have considered himself? A.—I do.

Q.—But you have no recollection of discussing it with him or any other member of the Cabinet? A.—I don't recollect discussing it in that way at that time.

Q.—But that being so, how do you explain, Mr. Wells, the fact that you don't know who drew this Bill, and, after all, have no recollection of even the Attorney-General telling you its legal effect? A.—How do I explain that?

Q.—Yes; it was introduced under your auspices as the Honourable the Chief Commissioner of Lands and Works by Message from the Lieutenant-Governor? A.—Well, it came from the Attorney-General's office. And when a Bill comes from the Attorney-General's office, in my opinion, that is a stamp upon it which would lead to the conclusion that it was a proper Bill.

Q.—How do you know this Bill came from the Attorney-General's office? A.—Mr. Maclean brought it to me, and that is the first time I ever saw it.

Q.—In a drafted form? A.—Yes; and brought the Message down all ready to produce to the House.

Q.—But you don't remember telling Mr. Eberts, or any other of your colleagues, as to whether or not there were not some fear that if such a Bill were passed at the request of the Columbia and Western Railway Company, you might become again troubled with the same question that you had dealt with before as to blocks 4,593 and 4,594? A.—Well, I don't remember. The strong probability is that I would have discussed it with Mr. Eberts.

Q.—Now, Mr. Wells, look at this plan; a plan covering this Yale and Kootenay Division—Yale and Kootenay Districts (showing map to witness). Now, leave aside the question of blocks 4,593 and 4,594, wouldn't it have been possible, under this Bill, for the Railway Company to have gone to other points where it is common knowledge that there is coal, outcroppings of coal in commercial quantities, and have selected lands covering those areas? A.—I think it would.

Q.—For instance, here in the Similkameen, they might have gone there? A.—I think so.

Q.—And taken coal areas there? A.—They certainly would have to go somewhere.

Q.—Well, they could have gone to many other points that are known to be coal areas and selected lands, couldn't they, under this Bill No. 87? A.—I think so.

Q.—And don't you think that that is a most extraordinary thing that a company that you had found fault with, would not make the proposition to the Government to build a further line of railway, and, in fact, a company that you evidently thought were guilty of perpetrating a fraud on the Crow's Nest Coal Company, should be treated in such a handsome manner? A.—I never said that the Canadian Pacific Railway were perpetrating a fraud at that time. I imputed nothing at all of the kind to the Canadian Pacific Railway.

Q.—Well, the moving parties, anyhow? A.—In that subsidiary company?

Q.—Yes. A.—That is a very different thing.

Q.—If these people had any authority— A.—Well, I never said that they had any authority.

Q.—Well, you admit, Mr. Wells, that certainly— A.—(Interrupting.) Now, as a matter of fact, if they had selected lands in the Similkameen country it would be a further incentive to build a road through there. I don't see that the Government could take any particular exception if they had acquired lands there.

Q.—But, Mr. Wells, as a matter of fact, the reserve put upon that territory down there contiguous to the Columbia and Western Railway was put on at whose instance? A.—At the instance of the Canadian Pacific Railway Company.

Q.—Or, more properly, the Columbia and Western Railway Company. How could they complain about your confining them, then, to that area? A.—They would have no right to complain; but, at the same time, if that reserve contained utterly valueless lands, I don't see that it would have been fair to confine them to that reserve.

Q.—But now, Mr. Wells, why should you do a turn to the advantage of the Railway Company, and voluntarily add a term to the detriment of the Province? Just explain that matter; I cannot see how you mean? A.—It might be a fair term, a fair proposition for both parties.

Hon. Mr. Wells—*Continued.*

Q.—Now, Mr. Wells, you are familiar with the granting of lands in aid of railways. You know, as a matter of fact, that it is not outside of history to make a term that the lands shall be arable lands, agricultural lands; in some cases that was done in Canada, wasn't it? A.—That they should not be arable lands?

Q.—No, that they should be. A.—A stipulation to that effect with the Railway Company?

Q.—Yes, in the history of railway subsidies in Canada; in other portions of Canada; in some cases it was to be agricultural or arable lands that the company could only be required to take. A.—Yes.

Q.—I think that was carried out in the North-West Territory and in Manitoba. But in that respect there is nothing in the "Columbia and Western Subsidy Act, 1896," which says that they shall be entitled to any particular class of land? A.—No.

Q.—Then, what argument have you got against the interest of the public and the country that when a contract is made with the Company you voluntarily go to work and extend the contract to the detriment of the public? A.—I don't think that the public is divested of all spirit of public honesty in a matter of that kind.

Q.—But the Legislature speaks for the public; and the Legislature had contracted statutorily, hadn't it, with the Company, and the Company had of its own volition put a reserve on the lands? A.—Yes.

Q.—And why should you expand their right to go afield through two districts? A.—Well, now, if the Government became satisfied, if they were satisfied that those lands were utterly valueless for the purpose that they were intended, do you not think it would have been fair for the Government to give them a wider scope?

Q.—I cannot see any shadow of right to do so, with all deference to your opinion. The Legislature did not say that they should be arable lands, agricultural lands, coal-bearing lands, petroleum lands.— A.—The intention of the Legislature was to give them something that was utterly worthless?

Q.—I don't say that. But the reserve was made. A.—I think they intended to give the Company something as a subsidy. They could not say they would give them something with one breath and in the next say they would not give them anything.

Q.—But if you had a survey of those lands you would find, instead of their being classed as valueless, they would be classed as valuable. A.—I venture to say, if you take that reserve that extends away from the foot of Okanagan Lake eastward, that the land for agricultural purposes is worth nothing.

Q.—Now, Mr. Wells, let us go into actual facts. You know, as a matter of fact, that the Company itself had, in the previous time when the policy of the then Government was somewhat different, put a value on those lands, that they were entitled to 20 cents an acre. Now, if the Company valued those lands at 20 cents an acre, and was willing to reconvey them to the Province at 20 cents an acre, why should you go to work and give them lands that may be worth say \$5 an acre? Under what line of reasoning could you be called upon to do that? A.—These lands may not have been worth 20 cents an acre, worth nothing at all.

Q.—But the Company itself could have put them at 20 cents an acre, and the Government would have had to pay them? A.—Those blocks contiguous to the railway, those are the particular lands that they designated as being worth 20 cents an acre. And you go north of that 100 miles and where do you get to? You get right in the mountains.

Q.—But in the public interest there is a contract made and what was to actuate the Government, after that contract was settled and in the authority of the Statute, to go to work and give them a larger right, against the interests of the public? A.—I don't say we had any particular motive, never did; but, as a result, I don't think it would be unfair.

Q.—And as a natural result to my questions put to you, Mr. Wells, and your answers, it means this, that in the introduction of Bill 87 you did purpose to extend the powers of the Company? A.—That would be the effect of it.

Q.—Yes, and you were not averse to doing that? A.—Apparently not.

Q.—You were not averse to doing that? A.—Apparently not.

Q.—And you took no care to satisfy yourself that the Company would not have the Government really put into this position that they would be compelled then to give them lots 4,593 and 4,594? A.—I didn't think we could be compelled to give those two blocks; that they were not ordinary lands of the country.

Hon. Mr. Wells—*Continued.*

Q.—Then the conclusion must be this, if you want to drag it to the other length, that you could have made them take absolutely valueless lands in these two districts themselves, and they would not have been able to complain? A.—Do you mean under that original Subsidy Act?

Q.—No, under this Bill, if it had passed. Your view is, then, if you had passed Bill 87 you could have made them take valueless lands? A.—The Government could have compelled them to take anything, I suppose.

Q.—Therefore, they were not accomplishing anything under that Bill; is that right? A.—No, I don't say that.

Q.—Then the natural conclusion is that it was expanding their rights? A.—It was, apparently, from that Bill.

Q.—And that was the intention of the Government? A.—I won't say that was the intention of the Government.

Q.—But in your view of it they were expanding their rights? A.—By that Bill, yes.

Q.—Was it your intention that it should be done? A.—I don't think it was, in so far as I have any knowledge of it.

Q.—It was not your intention to do it? A.—No; evidently not; because I have already explained, my attention was drawn to that feature of it—.

Q.—Now, did you tell your old Premier, Mr. Dunsmuir, or the new Premier, Mr. Prior, of the effect of what you proposed to do under this Bill 87? A.—I said the other day that I don't remember the Bill being discussed in the Executive at all.

Q.—Well, do you remember telling them individually what was really the intention of this Bill 87? A.—What the effect of it would be?

Q.—Yes. A.—No, I do not.

Q.—What the policy would be in your Department as to the probable lands to be given for section four? A.—I don't remember of discussing with them individually.

Q.—You did not tell them anything about it? A.—Not that I remember.

Q.—Did they ever ask you anything about it; Mr. Dunsmuir or Colonel Prior? A.—Not that I remember of at all.

Q.—Now, you brought these two Crown grants back from Montreal, and after you had brought the Crown grants back, and after that rescinding Order of the 18th March, 1902, this Bill 87 was brought in? A.—Yes.

Q.—And Mr. Dunsmuir, the then Premier, was absent in England, wasn't he? A.—No, not at that time. This Bill was brought in on the 22nd of May, wasn't it?

Q.—Yes. A.—He was here then.

Q.—He was here then? A.—Yes.

Q.—Now, Mr. Wells, I ask you this question, it may be within your knowledge, was it the intention, by passing Bill 87, to get the Government out of the difficulty it was in with respect to blocks 4,593 and 4,594, so as to entitle the Government— A.—(Interrupting) Certainly I had no intention, and I don't know that the Government had.

Q.—So as to get the Government out of political difficulties? A.—No, I don't think there was such intention.

Q.—And so as to be able to meet the Legislature and say the Company was entitled to these two blocks under section four, by reason of the passage of Bill 87— A.—I don't think there was such intention at all, or any such motive.

Q.—Not in your mind? A.—No, there was not.

Q.—You say there was not? A.—Certainly not.

Q.—But don't you think, again, that when you were in this position, as you find to-day the Columbia and Western Railway people claiming the right to these two blocks 4,593 and 4,594, that it would have been a most dangerous piece of legislation to have passed? A.—Well, as you say, they claim that the title has already passed to them, and had at that time, then why would they have any such intention under that Bill? They cannot blow hot and cold about it.

Q.—Only, like anybody else, out of abundance of caution, they wanted a more impregnable position, perhaps. A.—Possibly they might say that.

Q.—There was some foundation for that, you know. Did not Mr. Brown write to you and say that it was the intention of the Government,—that it had been stated that the Government were going to rectify the position by passing legislation and giving those two blocks 4,593

Hon. Mr. Wells—*Continued.*

and 4,594 under this Bill 87? A.—He attributed to me some assurances there which I never gave him. I don't know what Mr. Brown could have had in his mind, or what could have led up to any such conclusion.

Q.—Mr. Brown, in a letter of March 22nd, 1902, says: "The President of the Company may be able to appreciate your contention, in conversation with me on the 19th inst., that political expediency necessitated the Government's present action in this matter, but, frankly, I cannot, particularly in view of your assurances to me, also of 19th inst., that you would see that these two blocks, for which grants have already issued but not delivered, would go to the Company in settlement of the subsidy in respect of the fourth section." A.—Well, I certainly never gave Mr. Brown any assurance which would lead him to come to any such conclusion.

Q.—He made that statement, and it is in bold terms. A.—Yes; it was a very bold statement to make.

Q.—It is in very bold terms there. A.—Yes, and I gave him just as bold an answer.

Q.—I don't see that there is any answer to that letter at all, Mr. Wells, in strictness? A.—Yes, there is.

Q.—There is an answer, but there is no reference to the letter of the 22nd of March.

Mr. McCaul: It cannot refer to anything else, that letter of the 3rd of April. A.—It is in answer to that; there is no doubt about it.

Q.—It says this, "I am in receipt of your letter of the 23rd ult." You do not refer to the letter of the 22nd in terms. A.—Where is the letter that refers to it as "political expediency"? That is the letter to which mine is a reply; there is no question about that.

Q.—You say that your letter of the 3rd of April covered the letter of the 22nd of March as well? A.—There is no doubt about that.

Q.—Still, if it does, and I am not questioning your statement in that, Mr. Wells, you overlooked the fact that that letter making that bold statement was a letter of date the 22nd of March. A.—Well, I think that my letter was intended to be a reply to that.

Q.—Still, you had a letter of the 22nd and one of the 23rd. A.—I might have got the two dates confused, but that letter is evidently in reply to that particular letter.

Q.—On March 22nd, 1902, you had it brought graphically and pointedly to your mind what Mr. Brown's notion of matters was? A.—Evidently, yes.

Q.—There was no question of a doubt? A.—No.

Q.—Mr. Brown flashed on you this; and not only did he do that, but he tried to make evidence against you, as you say, for he says that you had agreed that the Railway Company would be reinstated as to these blocks 4,593 and 4,594 by legislation which would have reference to section four. A.—I don't know how Mr. Brown came to gather any such information from anything I said. I certainly never made the statement.

Q.—But he said it? A.—Yes.

Q.—He says, "Your assurances to me, also of the 19th inst., that you would see that these two blocks, for which grants have already issued but not delivered, would go to the Company in settlement of the subsidy in respect of the fourth section." A.—And he got it back pretty straight, too.

Q.—You denied that they were promised in settlement of subsidy in respect of the fourth section? A.—I denied that they were promised in settlement of the subsidy of the fourth section; and I intended that Mr. Brown would not play off any such thing on myself, by that letter.

Q.—Let us see what you said in the letter. "Your reference to our private interview is quite uncalled for and may say incorrect, that is, in so far as the assurance which you state I gave you in respect to settlement of the land subsidy for section four, C. and W. Ry. I would have no authority to commit the Government to any settlement other than provided for by the legislation which it is intended to bring down." A.—Yes.

Q.—Well, now, Mr. Wells, you read that letter and read the Bill which was brought down, and within the four corners of that Bill Mr. Brown's proposition could have been carried out? A.—That Bill was not down at that time at all.

Q.—No, but it was subsequently brought down? A.—Yes.

Q.—And within the four corners of that Bill that could have been accomplished that Mr. Brown stated had been promised? A.—Under that Bill?

Q.—Yes. A.—It may have been his intention.

Hon. Mr. Wells—*Continued.*

Q.—But don't you see it might have been accomplished? A.—I don't think it could. I think the Government would have put its foot down at once and precluded any such settlement.

Q.—Perhaps all have not such confidence in the Government as that. A.—We would be a pretty poor Government if we had not confidence in ourselves.

Q.—I call your attention to the fact, Mr. Wells, that you do not say in your letter what I would have expected you to say, namely, that Mr. Brown had formulated something which really shocked your sense of propriety, in reference to this interview that you had with him. You did not put it that way, but you put it this way: "I would have no authority to commit the Government to any settlement other than provided for by the legislation which it is intended to bring down." A.—Correct.

Q.—And the Government did bring down legislation? A.—I probably did not know what the purport of that legislation would be, the full purport of it. I did not bring down the Bill. I knew the Premier had given his assurance that a Bill would be brought down, but further than that I cannot say.

Q.—But here is the Bill, headed the Hon. Chief Commissioner; didn't you bring it down? A.—Yes, but it was not in existence at the time of that letter. You cannot hold me at that time responsible for this particular Bill.

Q.—But you said yourself you were quite agreed; let me call your attention to the fact—whether designedly or not—"I would have no authority to commit the Government to any settlement other than provided for by the legislation which it is intended to bring down." A.—Do you infer from that that this was the intended legislation?

Q.—Certainly I do. A.—I say it may not have been.

Q.—It did follow. A.—It did follow, but I may not have intended that at the time I wrote that; because, as a matter of fact, I say I never saw that. You would have to make me directly responsible for that legislation in connection with that letter, and I am not.

Q.—I would like to find who is responsible. A.—You will have to prove it by somebody else.

Q.—Now, you wrote a letter to Mr. Brown on the 21st of March, 1902. A.—Yes.

Q.—And Mr. Brown, of course, had your letter, I suppose, before he wrote the letter of March 22nd—he may or may not have. In this letter you say: "Replying to your letter of yesterday's date in respect to the above subsidy, I beg to inform you that, in accordance with a letter which I understand was given by the Premier of date June 15th last, the purport of which was that a Bill would be brought down to the House reinstating the Company in their right with regard to the construction of section four of the Columbia and Western Railway, I beg to inform you that it is the intention of the Government to bring down a Bill this Session which will provide for a settlement of the land subsidy question." A.—Yes.

Q.—Now, you had pointed out to Mr. Brown that that was going to done? A.—Yes.

Q.—And Mr. Brown follows that up by a statement to the effect that the two blocks for which grants have already issued, but not delivered, would go to the Company in respect to the subsidy with regard to the fourth section. Now, do you think that Mr. Brown manufactured that out of whole cloth? There was never any scintilla of evidence upon which to base any such statement? A.—I certainly gave no reason or occasion for making that statement.

Q.—Why didn't you say then, in response to Mr. Brown, that the Government's intention never would be and never could be the giving of those two blocks to him? A.—That may be your style of writing a letter, but the other was mine; that is all I have got to say.

Q.—But you had had a good deal of difficulty about these blocks 4,593 and 4,594? A.—Other people think I wrote a good letter there.

Q.—It may be a good letter. I want to find out what it means? A.—Only one meaning to it.

Q.—You put it quite guardedly, that you would have no authority to commit the Government to any settlement other than provided for by the legislation which it is intended to bring down? A.—That is perfectly correct.

Q.—You do not tell him what the intention is? A.—What the particular legislation will be? No, I do not tell him; I don't have to tell him.

Q.—Why didn't you tell him without any withholding of the fact at all? A.—I think the inference would be plainly, taking the whole of my letter, the inference was our intention

Hon. Mr. Wells—*Continued.*

was not to give them any opportunity to get those two blocks. I think it is quite clear. You take his letter; it conveys the impression that he was to get those two blocks. But the inference from my letter is that that is entirely incorrect, that I did not intend to give him those two blocks.

Q.—Then Mr. Brown had laid a trap for you on March 22nd, 1902; you don't hesitate to say that? A.—I don't think that those were my words; Mr. Duff put those words; he characterised the thing—

Q.—What would you characterise it? Was he a man that would do such a thing? A.—I would not like to accuse Mr. Brown of laying a trap.

Q.—What do you say?

Mr. Duff: Sinister was the word that Mr. Wells used, and afterwards he adopted the language I suggested.

Q.—Well, do you say it was a sinister action on his part? A.—It might have been.

Q.—Well, was it? This provoked righteous indignation on your part? A.—I was quite incensed at the letter at the time.

Q.—Would you say it was righteous indignation on your part? A.—What is that?

Q.—Was it justifiable indignation? A.—I think so.

Q.—Well, then, it was justifiable indignation, and you knew the motive that was actuating Mr. Brown then in getting this legislation, didn't you? A.—Oh, his letter implies that motive, certainly; there is no doubt about that.

Q.—There was the motive, that the Columbia and Western people were going to circumvent the action of the Government which is said to be in the public interest? A.—He might possibly want to draw from me an expression of opinion as to that.

Q.—But he wished to rehabilitate his Company in respect of these two blocks? You saw his motive at once and intention in that letter, didn't you? and you say you hurled the matter back at him? A.—That is a good word.

Q.—Did you do that? A.—Yes.

Q.—You threw it back in his teeth, didn't you? Did you? A.—I wrote him, anyway; there is my letter there, it shows for itself.

Q.—You say that some people say it is a good letter. Would you say you hurled the imputation back upon him? A.—I could use more elegant language than that, if I saw fit.

Q.—But you don't say you think you used guarded language? A.—Well, it was sufficient, anyway.

Q.—We are on common ground, perhaps, anyhow, that from the 22nd March, anyhow, you were well apprised that Mr. George McL. Brown's efforts were going to be directed to getting these two blocks, 4,593 and 4,594, by hook or crook,—we will put it that way; isn't that it? It is plain from his letter? A.—Yes, that would be the inference from his letter, that he had a design on those two blocks.

Q.—From the 22nd March, 1902? A.—No doubt about that.

Q.—And he spoke of legislation to be brought down? A.—Yes.

Q.—Now, don't you think, Mr. Wells, that with that in your mind, that you ought to have brought this letter of the 22nd of March, 1902, to the notice of your colleagues? A.—Oh, not necessarily so.

Q.—But you did not? A.—I don't remember of it. Mr. Prentice reminds me that he knew something about it. So, if that is the case, I must have brought it to the attention of my colleagues.

Q.—Do you say, then, that you brought this letter of the 22nd of March to the attention of your colleagues? A.—I won't say that; but I remember Mr. Prentice told me the other day that he remembers the circumstance.

Q.—Did you bring this letter, you think, to the knowledge of the Executive as such, or to any member of the Cabinet? A.—I have no recollection of doing so, nor have I any reason for saying so, except for the remark of Mr. Prentice, made to me the other day.

Q.—Did you bring it to the knowledge of the Attorney-General? A.—I cannot say that I did.

Q.—Would you say that you did not? A.—I won't say I did not.

Q.—Don't you think, Mr. Wells, that when you saw Mr. Brown's object on the 22nd of March, 1902,—a sinister object, as you put it— A.—Yes.

Hon. Mr. Wells—*Continued.*

Q.—that it was your duty to bring it to the notice of your colleagues, and especially the Attorney-General or the Deputy Attorney-General? A.—Well, I certainly did not think that those two blocks of land were in any danger at all.

Q.—But here is Mr. Brown saying the Legislature is to give them, and yet you did not think it was a matter of such importance as to draw it to the attention of the person drafting the Bill that was subsequently brought down? A.—I don't say that I did not.

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

Q.—Will you say you did or did not? A.—I won't say either way.

Q.—Then it could not have been a matter of much importance in your mind? A.—I cannot attach very much importance to it. I certainly did not consider we were in any danger in that respect.

Q.—When you had an expression of opinion from Mr. Eberts on this Bill 87, didn't you say to him, or shouldn't you have said to him, "You must recollect that Mr. Brown is after those two blocks 4,593 and 4,594, and he has told me that the object of the legislation that we are to bring in is to give them to them"? A.—I suppose that would depend upon what apprehension I had as to those two blocks.

Q.—Well, did you do that? A.—I don't know as I did.

Q.—And you allowed a Bill to be brought down under your own name, the very legislation that would have permitted Mr. Brown to accomplish his ends? A.—I don't think it would.

Q.—You say you don't think it would? A.—No.

Q.—Now, about Mr. Taylor; you say that Mr. Taylor did act in connection with the Columbia and Western Railway matters—at least, you think so? A.—Well, only from the circumstance in Montreal. I don't remember of Mr. Taylor having anything to say about it until I met him in Montreal.

Q.—Well, you mentioned that Mr. Taylor saw you one day in your office here, before you went to Montreal, and suggested a land company, and I think your remark was you wondered how the C. P. R. would come out in any such thing? A.—Oh, that was in 1900.

Q.—Yes, when the matter was first mentioned to you by Mr. Taylor? A.—Yes.

Q.—He mentioned a land company being formed? A.—Yes.

Q.—And you seemed to wonder as to how the Canadian Pacific Railway Company would come out? A.—I know I did have that in my mind, how the Canadian Pacific Railway Company were going to be benefited by turning over the lands.

Q.—How could you have formed that view unless Mr. Taylor had outlined to you what was proposed to be done? A.—Well, he did.

Q.—What was it? A.—To form a company and put these lands into it.

Q.—A company would be formed to take over these blocks of land, 4,593 and 4,594? A.—Yes.

Q.—And who were to be the company? A.—Well, I don't know that he told me or gave me any other names, but I have this recollection of it, that it included some who were prominently connected with the Canadian Pacific Company.

Q.—But were any names mentioned at all? A.—I don't remember that there were.

Q.—How did you come to the conclusion that you were in doubt as to how the Canadian Pacific Railway Company would come out, because the formation of a land company might merely be the Canadian Pacific Railway Company under another name, might it not? A.—Possibly.

Q.—How, then, did you come to the conclusion that you were in doubt as to how the Railway Company would come out? A.—I cannot tell you about that, but I know that I did think in my mind as to how they were going to be particularly benefited by turning over their lands to somebody else.

Q.—You know, as a matter of fact, that sometimes that is done by companies, operating for one purpose? A.—I have heard that expressed by a dozen people, so that I am not single in that respect.

Q.—But if there was nothing to charge your mind with the fact as to what the position of the Company was going to be— A.—I know it struck me at the time as not being a very proper object to the Canadian Pacific Railway Company.

Q.—And you cannot go any further than that? A.—No; it was a pretty complicated sort of proposition.

Hon. Mr. Wells—*Continued.*

Q.—If it was complicated, it must have been outlined to you in some manner? A.—Well, it was.

Q.—In what way? A.—I cannot say.

Q.—Was Mr. Taylor to be in it? Was Mr. Eberts to be in it? A.—I heard nothing about Mr. Eberts.

Q.—Mr. Taylor was to be in it? A.—Certainly.

Q.—He was to be in it? A.—No doubt about that.

Q.—Was Mr. Brown to be in it? A.—Oh, I cannot tell you.

Q.—There is no doubt about Mr. Taylor being in it? A.—No doubt about Mr. Taylor.

Q.—Did he propose you were to be in it, then? A.—No.

Q.—Did he propose that any supporters of the administration, then, were to be in it? A.—I don't think so.

Q.—He did not. Did he mention any gentleman's name who happened to be a member of the Legislature at the time? A.—I don't think he did.

Q.—And that is all you can say about that, Mr. Wells? A.—Well, I said more about it in my previous examination, I think. He afterwards brought a draft of an Order in Council.

Q.—He had a draft of an Order in Council there then; that was preceding the change to the Columbia and Western Railway, was it? A.—Preceding the rescinding of the first settlement? No, after that.

Q.—And before the Order in Council of the 19th of December, 1900; and he had a draft Order in Council then to make the change? A.—I don't know that he had then, but he had subsequently at some time.

Q.—That draft Order in Council was giving these blocks of land to what Company? A.—The British Columbia Southern.

Q.—So that it was in the mind of Mr. Taylor, then, to form a company taking the lands over from the British Columbia Southern? A.—Yes.

Q.—Then it was subsequent to that, of course, that Mr. Taylor had wired Mr. Eberts as you say? A.—Oh, yes; that was the following spring or following summer.

Q.—Suggesting a change, and to give these lands to the Columbia and Western? A.—Yes.

Q.—Did you see that telegram? A.—I think I did.

Q.—Was it in cipher or did it have the name of Mr. Taylor to it? A.—Well, I don't remember of seeing the telegram or reading it, but I know what the purport of it was.

Q.—You are unquestionably clear that the telegram was from Mr. Taylor to Mr. Eberts? A.—Well, that is what Mr. Eberts said.

Q.—That is what Mr. Eberts said? A.—There is no doubt about that.

Q.—And after considerable debate, the final word was "impossible." A.—Yes, he wrote out at least a couple of telegrams and was not satisfied with the reply, and finally he boiled the thing all down and wrote the word "impossible."

Q.—Now, I will go from that and come to the time when you told Mr. Eberts that to carry out this transaction to give blocks 4,593 and 4,594 to the Columbia and Western Railway Company would mean your defeat. A.—I did make that statement to him.

Q.—You made that statement to Mr. Eberts? A.—To Mr. Eberts.

Q.—That would be before the cancelling of the Order in Council of the 18th of March, 1902? A.—There is no doubt about that.

Q.—And Mr. Eberts said, "Let us go," or words to that effect? A.—Well, that was in answer to my question—I said that the Government would have to go, and he said, "Well, let us go."

Q.—Was not that a most extraordinary statement for Mr. Eberts to make? He is not noted for making statements of that kind, is he? A.—He made it that time, at any rate.

Q.—He has never evidenced it in his political career, has he? There was a time before when he was supposed to go, wasn't there, when Mr. McBride resigned? A.—Not that I know of.

Q.—He did not go then, did he? A.—No.

Q.—And there was another time when he was supposed to go, when Col. Prior was called in as Premier; he did not go then, did he, either? A.—Evidently not.

Q.—And he is still there? A.—Still there.

Hon. Mr. Wells—*Continued.*

Q.—But he seemed to be anxious to take the consequences, then, at this time? A.—That is the remark he made, “Let us go.”

Q.—He was willing to commit his political fortunes to the granting of these two blocks, 4,593 and 4,594, to the Columbia and Western Railway Company, apparently, wasn't he? A.—That is your impression of it.

Q.—Did you really believe Mr. Eberts to mean at that time that he was willing to commit his political fortunes to the action of the Government in giving these two blocks, 4,593 and 4,594, to the Columbia and Western Railway Company? A.—Yes, I would think so.

Q.—You would think so? A.—Yes, from what he said.

Q.—And that would be previous to the cancelling Order of the 18th of March, 1902? A.—Yes.

Q.—Now, Mr. Wells, knowing that to be a fact, also with the statement of Mr. Eberts made here under oath that it was a majority decision on the 18th of March, 1902, I think you are at liberty, are you not, to say that Mr. Eberts was averse to the passing of that Order in Council of the 18th of March, 1902? He says it was a majority decision. A.—There is no doubt about that.

Q.—Wasn't he a dissenting party to that? A.—Have I any right to say so?

Q.—You have not any right to say so? A.—Have I a right to say so?

Q.—Well, he said it was a majority decision. Well, go outside of the Council—and your oath only covers what is debated in Council—are you at liberty to say that Mr. Eberts dissented from the action of the Government as a whole—that he personally dissents from that action? A.—That he personally dissents now from what took place at that time?

Q.—Yes. A.—I would judge that he did.

Q.—That although, for instance, you, Mr. Wells, yourself, have stated that you conceived it your duty to be that you could even make a recommendation, when personally, perhaps, you were not favourable to it—A.—Yes.

Q.—because the majority of the Cabinet so determined—A.—Yes.

Q.—Mr. Eberts on his part may be in like position? A.—Quite possible, yes.

Q.—Wouldn't you say, now, apart from Council, that Mr. Eberts does not approve of the action of the Government in depriving the Columbia and Western Railway of those two blocks 4,593 and 4,594? A.—That is my opinion of it; I think he does.

Q.—He does disapprove of it? A.—I think so.

Q.—There is no question about that? A.—No.

Q.—Would you say, Mr. Wells, that Mr. Eberts has or has not at any time, outside of the Executive, expressed himself to be of that view—made the statement? A.—Well, I have never discussed it much with Mr. Eberts, or at all that I know of, since then.

Q.—He did not approve of the passage of Bill 16, did he? He did not vote for it, did he? A.—He did not vote for it.

Q.—He was present in the House at the time, or nearly up the time, of the voting on the Bill? A.—Yes.

Q.—He did not vote? A.—He did not vote.

Q.—He retired from the House? A.—He did.

Q.—He never made any speech in favour of the passage of the Bill? A.—Not that ever I heard.

Q.—And never advised on the legality of the passage of the Bill, as Attorney-General, to your knowledge? A.—I don't think he gave any formal opinion about it.

Q.—Do you know that he assisted you and your colleagues in passing Bill No. 16? A.—The Bill was drafted in his office.

Q.—It was? A.—If you call that assistance, yes.

Q.—But the Bill was materially changed in the House? A.—Was it materially changed?

Q.—It was changed to some extent? A.—Yes, to some extent; I would not say materially.

Q.—Well, the Premier seemed to think so? A.—It was changed, at any rate. I think we accepted an amendment of yourself.

Q.—Yes, a couple of amendments. You would not pretend for a moment, Mr. Wells, to state here under oath that Mr. Eberts was agreeable to the passage of Bill 16? A.—I don't think he was.

Q.—No. A.—I am quite positive he was not.

Hon. Mr. Wells—*Continued.*

Q.—There is no doubt about? A.—There is no doubt about it.

Q.—And if he was not agreeable to the passage of Bill 16, it can hardly be said that he was agreeable to the passage of the rescinding order of the 18th of March, 1902? A.—I don't think he was.

Q.—Now, with those facts within your knowledge, Mr. Wells, don't you think it would have been a matter of wise precaution to have been most careful about this Bill 87 when it was brought down? A.—You are speaking of something that took place during this Session; now you are going back?

Q.—I am only going back to Bill 16; because Bill 16 confirmed the passing of the Order in Council of the 18th of March. A.—Yes.

Q.—From your knowledge of Mr. Eberts' view of that matter, don't you think that that Bill 87 ought to have been most guardedly framed in the public interest? A.—That is, that I would attribute to Mr. Eberts some sinister motive in drafting that Bill?

Q.—We cannot find out who drafted it; we cannot say who drafted it. A.—No doubt drafted in his office—I am not prepared to go that far.

Q.—But you knew Mr. Eberts' view? A.—Yes.

Q.—And you know ever since he has been consistent in that view? A.—Yes.

Q.—Don't you think that that Bill 87 ought to have been drafted by somebody that you were able to turn to? A.—I think Mr. Eberts may have acted from honest motives, from sincere motives, in drafting that Bill, nevertheless.

Q.—I am not imputing that, Mr. Wells. In the public interest, don't you think it would have been a wise matter to have had Bill 87 drafted in the most careful way, and that the Government would have been at once enabled to say, this Bill carries out our policy, and was brought down in such a careful manner that there can be no question about Mr. Brown working out his sinister motive? A.—Yes, I think it would.

Q.—It would have been a fair thing to pursue that course? A.—Yes a proper thing to do.

Q.—And isn't it a very singular thing that the Committee cannot find who drafted this Bill, up to the present time? A.—In my opinion it was drafted in the Attorney-General's office; there is no doubt about that in my mind.

Q.—And can you prove that it was? A.—Well, it came from the Deputy Attorney-General to myself.

Q.—We have the evidence here that Mr. Brown brought it in typewriting form to the King's Printer, and the Deputy Attorney-General swears that he never drafted it, and it never was submitted to him, and he never saw it until after it was printed? A.—Then it must have been wholly between Mr. Brown and Mr. Maclean.

Q.—At least, I would not say until after it was printed—but he never had anything to do with it; he said he never had anything to do with it, he never was asked its legal effect. A.—Then that narrows it down to Mr. Brown and Mr. Maclean.

Q.—Mr. Maclean has said he had nothing to do with it; he never drafted it; he may have put those side-notes on. You may take it for granted on the evidence that Mr. Maclean is out of this question of Bill 87, he did not draft it? A.—He is not responsible for it?

Q.—No, he disclaims responsibility; he disclaims responsibility for it entirely. Therefore, who have we got left in the Government to turn to as being the responsible party for having drafted this Bill? A.—Well, I cannot tell you as to that, Mr. McPhillips, at all.

Q.—You do not know that the Attorney-General drafted it? A.—I do not know.

Q.—He has never come here to say who drafted it. A.—I cannot tell you about that.

Q.—But we have evidence that Mr. Brown was the one who took it in typewriting over to the King's Printer, and it was set up and proof-read? A.—That would certainly give the appearance that Mr. Brown was the one that manipulated the Bill, if there was any manipulation about it.

Q.—Don't you think Mr. Brown must have known a good deal about it, because he wrote to you and wanted to know whether the Bill was going to be brought in as drafted? Now, what idea did that convey to you? A.—What it would convey to anyone's mind is this, that he had drafted the Bill—took particular interest in drafting the Bill, and wanted to know whether it would be in that form.

Q.—Don't you think that would immediately put the Government or you upon the alert, because you knew what he wanted to accomplish; he wanted to get blocks 4,593 and 4,594,

Hon. Mr. Wells—*Continued.*

and have, beyond a question of a doubt, this Bill in such form that he could work his ends? A.—Well, I don't know that I would necessarily connect those two things, or that idea with it at all.

Q.—Those two blocks and the letter— A.—Just repeat what you said a moment ago.

Q.—You knew very well what Mr. Brown's idea was, to accomplish his ends by getting legislation passed which would entitle the Company to get blocks 4,593 and 4,594 in respect of section four? A.—Yes.

Q.—You knew that? A.—Yes. And that letter of his of the 22nd of March?

Q.—Yes; and he wrote to you afterwards wanting to know if the Bill was going to be brought in as drafted? A.—Yes.

Q.—Don't you think that that ought to have put you on the alert to be sure that no legislation would accomplish his ends? A.—Possibly I did.

Q.—What ear-marks it in any way? You do not appear to know who drafted the Bill, who is responsible for the Bill? A.—No, I do not, either.

Q.—Where do you think the responsibility lies? A.—I think it lies with the Attorney-General's office, if you ask me.

Q.—I think you did tell me Mr. Eberts pressed you to deliver over those Crown grants after you came back from Montreal,—requested you? A.—During the Session—whether you call it a request or not, I know he took the ground that they should be delivered.

Q.—Now, reverting to that change of policy as to the giving of these lands, between the 10th of September and the 19th of December, 1900, did Mr. Eberts ever press upon you the advisability of making that change? A.—As between the settlement of September, 1900, and the 19th of December?

Q.—Yes. A.—No, I cannot connect Mr. Eberts with it.

Q.—You do not remember whether he did or not? A.—No, I do not.

Q.—Now, when the Order in Council was passed of the 10th of August, the 4th of September, that is, 1901, I suppose it was the giving of those two blocks to the Columbia and Western Railway,—you were away a short time before that, but you were here then? A.—I was here on the 10th of August.

Q.—When that Order in Council was passed you were here? A.—Yes.

Q.—And you were in the Executive, weren't you? A.—Yes.

Q.—Did you, or did you not, then point out to Mr. Eberts how this action chimed with his positive statement to you that it was impossible to do this—at the time he wired Mr. Taylor? A.—Well, I didn't see that there was very much necessity for any discussion at that time; I took it as a consummated matter, and it was brought to me as such, for the purpose of giving effect to what had been concluded at the previous meetings. I would not consider that I had very much control, if any, over it.

Q.—Didn't you protest to Mr. Eberts then? A.—You are asking me something that occurred in the Executive meeting.

Q.—If it occurred in there I cannot perhaps ask you. But did you protest out of the Executive against the change of front on the part of the Government? A.—I don't know that I did, after the thing was done. I know I had my own opinion about it; and I took action accordingly.

Q.—You thought that because the thing had been done, well, there was no use, let it go? A.—I thought there was nothing for me to do but to give effect to what had already been agreed upon.

Q.—It was your ethical view, then, I suppose? A.—Yes.

Q.—Now, let me show you how you changed your ethical view a little later on. Before you went to Montreal you knew that the Columbia and Western was entitled to these two blocks, 4,593 and 4,594, and you took those Crown grants down to Montreal; but before you went you had an informal meeting, and in that informal way you take instructions, which engraft upon the Order in Council of the 4th of September, 1901, giving those two blocks to the Columbia and Western Railway, other onerous conditions—didn't you? That is what you took away with you? A.—Certainly.

Q.—Now, how does that agree with your ethical view about that which had been decided upon the 10th of August? A.—I evidently had reasons to be satisfied that Mr. Dunsmuir had not properly understood this transaction.

Hon. Mr. Wells—*Continued.*

Q.—Well, wouldn't you have like reasons to tell the Government, "I was away, and if I had been here I would have been able to have told you that Mr. Eberts and I met in his office and Mr. Taylor wired from Montreal wanting these two blocks of land changed from the British Columbia Southern to the Columbia and Western, and Mr. Eberts was positively of the opinion that it could not be done, that it would not be in accordance with the law, and he wired Mr. Taylor 'impossible.'" Why didn't that provoke you to tell those facts to the Premier and your colleagues, so that they could set aside that Order in Council of the 4th of September, 1901? A.—You mean explain to the meeting on the 10th of August?

Q.—Yes. A.—Well, in effect I did that.

Q.—You did do that? A.—In effect I did do that. I sent for Mr. Dunsmuir, and that was the effect of it.

Q.—Did you tell him then that Mr. Eberts had wired Mr. Taylor "impossible"? A.—I don't know whether I did or not.

Q.—Well, but that is a most important thing. A.—I know I went pretty fully into the matter at the time with him.

Q.—Then why didn't you send for Mr. Eberts at that time, as well as for the Premier? A.—I wanted the Premier.

Q.—Did you tell the Premier then that you had suspicion that this was not right, because of what had taken place? A.—I told the Premier, before going any farther with this, I wanted to know whether he understood it fully.

Q.—Well, but what did you tell him? Did you tell him this, that Mr. Eberts had previously told you that it was impossible to do such a thing? A.—Perhaps I did.

Q.—You don't remember? A.—I don't remember.

Q.—What did you tell Mr. Dunsmuir? I would like to know exactly what you did tell him? A.—I have repeated it; that I did not think that he understood this.

Q.—That would not convey anything to him. A.—I went fully into the explanation of the transaction.

Q.—I want to know exactly what you told him? A.—I cannot tell you word for word.

Q.—The effect of it. A.—I can tell you what the effect of it was. The effect of it was Mr. Dunsmuir did determine not to carry out that settlement.

Q.—I know, Mr. Wells; that is all right. But I want to know what you told Mr. Dunsmuir which provoked him to take that line of action? A.—I cannot tell you word for word what I did tell him. But I know what my object in having Mr. Dunsmuir come to my office was.

Q.—You know you could not raise in Mr. Dunsmuir's mind the desire to have something further from this Company unless you really threw some light upon why he should proceed in that way. I want to know what you told Mr. Dunsmuir? A.—I cannot tell you what I told him, but the effect.

Q.—What was that? A.—Whether he fully understood this before it was carried out.

Q.—And then what did you say? A.—I went fully into the discussion of the transaction.

Q.—And what did he say? A.—He said he did not understand it.

Q.—What did you tell him about it that should change him? A.—I cannot tell you any more than what I have.

Q.—I want to get at what you told him. A.—I had my doubts whether he understood this transaction or not, and I went into it fully with him, the whole transaction; got out the maps and everything else and went fully into it.

Q.—I know— A.—You asked me to explain it to you, and I am doing it. I got out maps and went fully into an explanation of the whole transaction; and his reply finally was, "I never understood it in this way."

Q.—I know; but what was the explanation, Mr. Wells? Put it in a short form; what did you outline to him? A.—One idea was, I know, that we were departing from what was the intention of the Act.

Q.—Although you had the opinion of Mr. Hunter? A.—I had not the opinion of Mr. Hunter at that time.

Q.—But you had the opinion of the Attorney-General? A.—Well, yes; I think I had.

Q.—You had the opinion of the Attorney-General? A.—Yes.

Hon. Mr. Wells—*Continued.*

Q.—Therefore, I don't think that the Premier ought to have laid great stress on that; you had legal opinion from his law adviser. A.—I cannot tell you about that; but I am sure of this expression, that he never understood it in that way before.

Q.—Now, that is one thing. What else did you tell him? Did you say, for instance, "Are you aware, Mr. Dunsmuir, that these blocks 4,593 and 4,594 are most valuable land?"

A.—No, I don't know that I did."

Q.—You did not tell him that? A.—I don't know that I did.

Q.—But did you? A.—I cannot say whether I did or not.

Q.—I would like to know what you did tell him. We cannot form any idea of what operated on Mr. Dunsmuir's mind if we don't know what you communicated to him. A.—Wouldn't Mr. Dunsmuir tell you what it was?

Q.—But your evidence is the first evidence; not what Mr. Dunsmuir heard you say, but what did you say? The Committee must know that; that is a salient matter here? A.—Well, I had the impression that the action of the Executive had gone beyond a proper understanding on the part of Mr. Dunsmuir as to the whole transaction.

Q.—In what respect had it gone? A.—I have told you one particular respect, that it had gone outside of the authority of the Act.

Q.—Yes; but what else? Did you tell him then anything about your suspicions, and about what Mr. Taylor had opened to you? A.—No, I don't know that I did.

Q.—Did you tell him that the lands were of particular or peculiar value, and that you ought to get a very good contract out of them if you gave those lands? A.—I think very likely I may have done so.

Q.—You think you did so? A.—I think so.

Q.—Well, do you recollect anything else that you told him? A.—No, I cannot.

Q.—But, again, Mr. Wells, your view was that the decision of the Government of the 10th of August, 1901, was a completed matter, and you felt that you were not justified in upsetting it; that was your view evidently? A.—In upsetting it?

Q.—Yes, at that time. A.—Upon my own responsibility?

Q.—Yes. A.—Certainly.

Q.—But then, later on, and informally as you say, with the Premier, you thought you were justified in upsetting it, or at any rate in adding a term to it? A.—I think I was perfectly justified in ascertaining whether Mr. Dunsmuir really understood the transaction.

Q.—Did he then express to you the statement that the matter was put to him in an entirely new light? A.—Yes, he did.

Q.—In entirely new light? A.—Quite so.

Q.—And he considered then it was right to make those further demands of the Company?

A.—I made that suggestion myself.

Q.—And he chimed in with it? A.—Fully accorded with it.

Q.—Now, in your trip you went to Hamilton, Mr. Wells? A.—Yes.

Q.—And in Hamilton you met Mr. Brown? A.—Yes.

Q.—But Mr. Brown says that no business was talked between you? A.—I don't remember that there was.

Q.—Do you agree with that? A.—Yes.

Q.—How did it come about that you should happen to arrive in Hamilton and meet Mr. Brown? Was it pure accident? A.—I don't think that I had any engagement with Mr. Brown, or any appointment to meet him. I knew that he was there.

Q.—You say it was not to open any matter between you? A.—No, it certainly was not.

Q.—And you never did open any matter? A.—No.

Q.—Still, it is a circumstance; there it is for what it is worth. A.—It is a fact for what it is worth, that I met Mr. Brown in Hamilton. I remember of his standing on the street waiting for a hack; and I did speak to him about Mr. Taylor.

Q.—Now, when Mr. Eberts asked you to deliver those Crown grants over to the Columbia and Western Railway Company, after your return to Montreal, what was your answer to him why you would not? A.—I don't remember of saying anything other than what I have already repeated.

Q.—What is that? A.—That if we handed over those Crown grants to the Company under those conditions, that the Government would have to go.

Q.—That is all? A.—That is all I remember.