

Mr. Bodwell—*Continued.*

Mr. Macdonald: It is time enough to discuss that when I take that position.

Mr. Bodwell: I want my position defined right now.

Mr. Ross: I will move that this Committee adjourn until Tuesday, 8 P. M., and in the meantime the Committee will take this matter into consideration.

Mr. Macdonald: I have no objection to the Committee taking it into consideration, but I think we ought to proceed with the taking of evidence, rather than continuing an academic question of this kind.

Mr. Ross: Your idea was not to go ahead with the evidence, though, this morning.

Mr. Macdonald: No, I told Mr. Fulton I would consent to any adjournment which would meet the convenience of Mr. Green, who, unfortunately, has been called away to attend the funeral of Mr. McBride.

Mr. Bodwell: What I am anxious for is that the Committee should thoroughly understand me and my position.

Mr. Macdonald: He can come here later if he thinks there is any unfairness.

Mr. Bodwell: That is where I object.

Mr. Macdonald: You cannot dictate to the Committee.

Mr. Bodwell: But the Committee must treat me with proper fairness.

Committee here adjourned till Tuesday, 13th February, 8 P. M.

TUESDAY, 13th February, 1906.

Pursuant to adjournment, the Committee appointed to inquire into the proceedings hereinbefore mentioned met at 8 P. M.

Present: Messrs. Garden (acting as Chairman), Young, Ross, Macdonald and Paterson.

Minutes read by Dr. Young, and, on motion, formally adopted.

Mr. Garden: Well, gentlemen, the Committee have not met to determine the scope of this Commission, but I am going to rule that everything touching the acquisition of these Kaien Island lands by the Grand Trunk Pacific Railway Company shall be admissible. I cannot take into account the high-spun arguments, if I may say so, of lawyers, and I think that the duty of this Committee is to search and get at the full facts, irrespective of any legal finesse that may be displayed. Therefore, I am going to rule, and I think I will be supported by the Committee, that all the matters touching this acquisition should be disclosed to this Committee.

Mr. Bodwell: Then, Mr. Chairman, it will be necessary for me to add something to the answer which I gave, in view of that ruling.

Mr. Macdonald: Well, Mr. Chairman, I think that Mr. Green is the witness in the box at the present time.

Mr. Garden: Well, at our last meeting, did we not discuss this point as to whether Mr. Bodwell should be heard?

Mr. Macdonald: We had Mr. Bodwell here to request that he be heard. It is very difficult to say what his request was, but he made some kind of a request, but we did not recall Mr. Bodwell.

Mr. Ross: That is another instance of legal finesse, Mr. Chairman.

Mr. Macdonald: I do not think there is any legal finesse about it. Mr. Green was the last witness we were examining under oath. I do not think that this Committee ought to be treated in this way, and that an informal witness should come in and say, without being recalled, that he has some explanation to make in the middle of the evidence of another gentleman. If we find it necessary to recall Mr. Bodwell later on, as I said the other day, he can be recalled; or, as I stated the other day, and I fancy you will all agree with me, if Mr. Bodwell wants to come back at some future time for the purpose of making any explanation with reference to his former evidence, I will have no objection to his doing it, or if the Committee wants to recall him we will have the right to recall him?

Mr. Ross: I will move, in order to cut short this discussion, that Mr. Green be asked to stand aside until Mr. Bodwell completes his evidence, and that Mr. Bodwell be now called.

Mr. Garden: I do not know anything about the rules of evidence, but Mr. Bodwell has come here and says he wants to explain something, and it seems to me only just, without going into the legal points at all, that he should be allowed to explain that which he has said here, which might convey otherwise a wrong impression; and on that ground I am going to vote that he now be heard.

Mr. Bodwell: Mr. Chairman, at the last meeting when I came here, I made an explanation with reference to an answer which I had given to Mr. Macdonald.

Mr. Eberts: Just one moment—

Mr. Bodwell: I am just going to make a parallel statement.

Mr. Eberts (Interrupting): I want to say that I have been retained in this case by Mr. James Anderson to appear for him, and I would like, Mr. Chairman, if you would just kindly take a note.

Mr. Macdonald: Well, Mr. Chairman, I do not see that Mr. Anderson is in any sense a party to this investigation. He may be a witness, but he has no status to appear here by counsel.

Mr. Garden: Would you say that the Government had a right to be represented here by counsel. You are acting as a prosecutor, and no one here is acting on the opposite side.

Mr. Macdonald: Pardon me—I am not acting as a prosecutor. I am here as a member of the Committee to see that every fact is brought out. But, surely, every witness who may be called here cannot be represented by counsel. Of course, if Mr. Anderson can appear here by counsel, every witness that comes here can appear by counsel.

Mr. Eberts: I can only call the attention of the Committee to the fact that the other day in the inquiry before the Commissioner, just the other day, with reference to the school matters, other counsel than myself and the counsel appearing for Miss Cameron were entitled to appear. Mr. Higgins appeared for a witness, Mr. Hanna, and asked to cross-examine on behalf of Mr. Hanna alone. Of course, if the Committee say Mr. Anderson is not entitled to be represented, I will retire.

Mr. Bodwell—*Continued.*

Mr. Macdonald: There is no reason why counsel should not be allowed to come here and advise Mr. Anderson from time to time, while Mr. Anderson is giving his evidence, but the idea of his taking part in the examination, or cross-examination, of other witnesses, it seems to me to be absurd.

Mr. Ross: Well, is there any good reason for refusing this, simply because my friend Mr. Macdonald seems to consider it absurd. Now, it is a position entirely new to me, and the reason offered by Mr. Macdonald does not seem to me to be sufficiently strong on which to pass a judgment. I do not know what the proper course is in a matter of this sort, and it seems to me that we ought to take advice. I would like to see counsel representing all the parties here, because the members of this Commission can hardly dare open their mouths except their motives are criticised severely, and that applies particularly to the members on the Government side of the House. It just places us in this position, that the moment we give judgment we are going to be rendered open to criticism, and in a great many cases unjust criticism; for if we do what we think is fair, the charge is made we are acting in a partisan way. We are really in the position of judges of the evidence, and if these questions are raised before us we ought to decide them on their merits.

Mr. Garden: It seems to me that as Mr. Macdonald is going to cross-question Mr. Anderson in a very severe manner, that he needs the benefit of counsel to rebut anything brought out. Isn't that what you call a strictly fair way of proceeding in an investigation of this kind?

Mr. Macdonald: I have just stated that, as far as counsel coming here during the time Mr. Anderson is in the witness box, I have no objection. But for him to come here and receive a status before this Committee which entitles him to examine and cross-examine other witnesses outside of Mr. Anderson, it seems to me that if that is Mr. Eberts' position it is untenable.

Mr. Garden: I am not going to decide that point. I think the majority of the Committee will rule in this matter.

Mr. Ross: The trouble is that we are getting a little sensitive in giving expression to our opinions, in view of the fact we have been subjected to such severe criticism.

Mr. Garden: I am not at all sensitive.

Dr. Young: I feel very much in the same way as Mr. Ross says. For my part, I have not got the advantage of a legal education, and I myself must claim some slight sensitiveness, because the motives which have been imputed to us in the press have been most unfair, and if we have to decide these points we have the disadvantage of being opposed by Mr. Macdonald, who is an eminent legal counsel, and if there is any way in which the Committee can be relieved of that responsibility—or, rather, any way they can be relieved of that without shirking their responsibility in this matter—I think that we ought to take that course.

Mr. Macdonald: I do not think that Dr. Young should say he is opposed by me at all. I am here simply to ascertain the truth. It is a matter of importance that we should get along with the evidence, and if we are to have counsel here representing every witness that is called it will be an endless task; and if Mr. Eberts can come here as counsel for Mr. Anderson, then counsel can come for every witness we choose to call, and where is it all going to end?

Mr. Garden: But it is not probable, is it?

Mr. Macdonald: They would have that right. If we permit it to one we must permit it to all.

Mr. Ross: It seems to me that the Deputy Attorney-General, Mr. Maclean, would be able to throw some light on this matter, and tell us what the practice is in a matter of this sort. While Mr. Wilson is a member of the Government his actions are under review, but if we were to take Mr. Maclean's advice I think we would be doing everything that is fair and proper.

Mr. Garden: Well, it is not likely we will reach Mr. Anderson's case to-night. What do you say as to the suggestion that we proceed now with Mr. Bodwell and Mr. Green, and we will be able to come to some amicable arrangement in the matter?

Mr. Macdonald: I will certainly facilitate the investigation in every respect. All I am anxious for is to get on with the investigation.

Mr. Garden: I am, too. Then there is no objection when a witness is in the box to his having his counsel?

Mr. Macdonald: No. If his counsel wishes to place any objection as to the relevancy of certain evidence it is only fair that he should be given a hearing.

Mr. Ross: Well, now, supposing there is evidence given by Mr. Bodwell which is unfair to Mr. Anderson—what then?

Mr. Macdonald: We are not trying Mr. Anderson or any other witness. That is not the scope of this Commission or inquiry.

Mr. Garden: Well, gentlemen, is my suggestion acceptable, that we proceed now with the evidence of Mr. Bodwell?

Mr. Macdonald: It is acceptable to me.

Mr. Garden: Well, Mr. Eberts, Mr. Anderson will not be called to-night.

Mr. Eberts: You see, Mr. Chairman, I might have to raise some objections immediately. I could advise him to raise objections—

Mr. Macdonald: I don't concede that for a moment.

Mr. Bodwell: Well, nothing has happened yet, and I am waiting to go on.

Mr. Garden: I have made a suggestion, and if the Committee accept it I will ask Mr. Bodwell to proceed. We can refer this matter of counsel to the Attorney-General, and then to-morrow we will decide whether Mr. Eberts shall appear here as counsel for Mr. Anderson.

MR. BODWELL: When I was here at the last sitting of the Commission I explained to the Committee that a question had been put to me which involved the consideration by me of the scope of this Commission, or investigation, and that question I answered from the point of view I then had as to the scope, and I was not asked any question which would be outside the proper limits of this investigation. I should just like the Committee to note what was then in my mind, in order that I may be cleared of any suggestion that I was

Mr. Bodwell—*Continued.*

trying to withhold something from this Committee. I will not make a long statement, Mr. Macdonald. The acquisition of the lands from the Government is, I understand, the question before the Committee. The terms upon which those lands were acquired is the question which you have to consider.

Mr. Macdonald: Perhaps Mr. Bodwell would like to see the resolution?

Mr. Bodwell: No; I am going to answer now without reference to the resolution at all. The acquisition of these lands was made to the Company by the Government, so far as the transaction is complete—that is to say, so far as the Government is concerned. I mean by that, that when they had passed the Order in Council they had irrevocably appropriated this land to the Company, and the Company were bound to make the payment to the Government for the sale, and the lands were conveyed to the Company at that time—not conveyed, but acquired. There was no attempted acquisition. There was a real acquisition of these lands. It is questionable whether or not anything further was before the Committee, but to my mind the only other question that could possibly come before the Committee was as to what the actual amount was that was paid by the Company for those lands. That would be the only other question. However, as I said the other day, I do not wish to take the responsibility of defining the scope of this Commission, and the Committee has declined to take that responsibility for themselves, and it was practically agreed the other day that in view of this explanation my answer, as previously reported, should be withdrawn—struck out of the notes—and that I should substitute for it the answer which I then gave. Mr. Macdonald made that proposition to me and I accepted it.

Mr. Macdonald: No; I do not think so.

Mr. Bodwell: You said if I liked I could withdraw the answer.

Mr. Macdonald: No; I think I said if you had any modification to make you could make it later.

Mr. Bodwell: My recollection is very distinct on the point, because I did substitute the previous answer—

Mr. Garden: Which question is it you are referring to?

Mr. Bodwell: There were two questions I referred to—one was the question as to whether I had exhausted my memory, and the other was to the same effect, which, I think, was answered.

Mr. Ross: In order that there might not be any dispute, you might just state what page of the evidence it is on.

Mr. Macdonald (reading transcript): “That is your full and complete statement in the matter? A.—Yes, that is my full and complete statement in the matter, and it is not necessary to say anything further.” (Page xcii.)

Mr. Bodwell: The other one was, “You think you have told us everything?” and I said, “Yes, I have exhausted my memory.” (Page xc.)

Mr. Macdonald: Let us understand you thoroughly. Do you want to withdraw the answers to those questions?

Mr. Bodwell: I accept your previous offer to withdraw, and will substitute the answer I gave the other day.

Mr. Macdonald: You want to withdraw?

Mr. Bodwell: Oh, I don't know that I have any inclination in the matter.

Mr. Macdonald: Either you want to withdraw the answer or you don't.

Mr. Bodwell: That question is all over—you made me a proposition.

Mr. Macdonald: Which you did not accept the other day. As I understand it now, you are coming here and asking to withdraw your answers to those two questions, and to substitute other answers in their place?

Mr. Bodwell: That is just a question of words. What I want to do is to explain the answer I gave, and the meaning which I attached to the question when I gave it. It does not matter which way you take it, but the other day Mr. Macdonald said I could withdraw the answers if I chose; and I said: “Your question, then, is still unanswered,” and he assented, and then I said “I will substitute the answer which I now give,” and which I then gave.

Mr. Macdonald: Perhaps you had better have the notes turned up.

(Stenographer turns up notes and reads same to the Committee, which affirm Mr. Bodwell's statement. See page xcix.)

Well, if you answered it then, have you another answer still to make to-night?

Mr. Bodwell: I then asked the Committee to rule for me, to ascertain whether or not I should make a further answer. The Committee have declined to rule, except to say that I am not to draw any distinctions, as I understand the ruling. That being so, of course I can take no responsibility in the matter, and it is necessary that I should make a further statement, and I shall now proceed to do it, with the permission of the Committee. After the Order in Council was passed, after the surveys were returned to the Department, and when everything was ready for the issuance of the Crown grant, a matter occurred which, under your ruling now, Mr. Chairman, it will be necessary for me to mention.

Mr. Garden: Yes; it is the view of the Committee—not me alone.

Mr. Bodwell: Well, however, it does not matter to me. Mr. Anderson went to Montreal. I did not know he was going, but I received a telegram—

Mr. James Anderson: May I claim the privilege of this Committee? I claim that Mr. Bodwell has no right to divulge any communication that I had with him at the time I was interested with Mr. Larsen in this matter.

Mr. Garden: I do not think the Committee is keeper of Mr. Bodwell's conscience. If he wishes to disclose matters between you and himself, that is his business.

Mr. Bodwell: Well, of course, the position I am now in in respect to that is: I stated before the Committee that during the time these lands were being acquired, which was the period of time that was then referred to, I assumed, without knowing what was the real arrangement between Mr. Larsen and Mr. Anderson, that he was acting as their agent. I know now, or at the time I am now about to refer to, that

Mr. Bodwell—*Continued.*

Mr. Anderson claimed that he was associated with Mr. Larsen, and Mr. Larsen did not dispute that position of affairs. But I do not propose to state anything which occurred between Mr. Anderson and myself with reference to this particular matter. I have asked Mr. Larsen if he objected to my making any statement as his solicitor, because I anticipated that the Committee might rule in this way, and he said I could use my own judgment about it, and if I chose to do so I might. I won't refer to anything which Mr. Anderson said to me, or which I can be said to have known as his solicitor. Of course, if he was associated with Mr. Larsen, then I must have been his solicitor. That must be conceded, because I was representing Mr. Larsen, and naturally I would represent all his associates, and I should keep clear of anything Mr. Anderson said to me, or any confidential communications from him to me for the time being, leaving that to be disposed of hereafter when the case arises. I will only speak of matters that I know simply on account of my relations with Mr. Larsen, irrespective of my relations, whatever they may have been, with Mr. Anderson. I received a telegram asking me to go to Montreal, and I went to Montreal. Mr. Anderson was there. He made some communications to me, which, of course, under my present understanding of my position, I shall not refer to. In consequence of those communications, I had an interview with Mr. Hays, and Mr. Hays asked me what the position of affairs was with reference to these lands and to the Order in Council which had been made. I said to Mr. Hays that— Before telling of that I want to say this—what Mr. Hays said to me was this: I knew that there had been some suggestion made to him that Mr. Stevens had made some arrangement with Mr. Larsen and Mr. Anderson as to an interest in the lands. That is what I learned from Mr. Hays. I do not think that that comes within the line of communication. Mr. Hays asked me how the situation stood. Well, I said to Mr. Hays: "The Order in Council has been passed. The lands now belong to you—to your Company—and nobody has any right to the property except the Grand Trunk Pacific Railway Company. You are under no obligations"——

Mr. Macdonald (Interrupting): I must call the attention of the Chairman to the fact that all witnesses who were excluded during the taking of this evidence at our last meeting are now in the room.

Mr. Garden: You wish all witnesses excluded?

Mr. Macdonald: That was decided at the last meeting.

Mr. Bodwell: As far as Mr. Anderson is concerned, he does not know of anything I said to Mr. Hays. He does not know anything about it.

Mr. Garden: There was no ruling made on that subject before, but if it is your request I will ask all the witnesses to leave the room.

(Discussion then followed, and Mr. Macdonald moved that all witnesses leave the room).

Mr. Macdonald: I suppose it will be sufficient if Mr. Anderson does not waive any privilege he claims in any answer you may make, and it is a matter of opinion for the Committee as to how far you may go.

Mr. Eberts: I am not entitled to say anything, but I do not think that is the rule.

Mr. Macdonald: What is not the rule?

Mr. Eberts: That Mr. Bodwell may say what he pleases.

Mr. Macdonald: I think it is quite clear that a solicitor has no right to disclose any communication between himself and client if the client objects to his doing so, and it is sufficient for Mr. Anderson to say he objects to Mr. Bodwell divulging any communication between them. Therefore, I move that the witnesses be excluded. (Witnesses excluded.)

Mr. Eberts: Well, I claim the right as a citizen to be in the room, if not as counsel.

Mr. Macdonald: We are not questioning your right to appear as a citizen.

Mr. Eberts: I am only here to protect Mr. Anderson's interests. I can retire.

Mr. Bodwell: It would relieve me of a great deal of responsibility if you would stay, Mr. Eberts, because I don't want to have everybody's conscience to keep, as well as my own.

Mr. Macdonald: That is a part of your duty as a solicitor.

Mr. Bodwell: I am relieved of any responsibility as far as Mr. Larsen is concerned, but not as regards Mr. Anderson, and I am trying now to distinguish, and I think I have been able to distinguish up to date, where their interests separate in the matter. But at the same time, it would relieve me of responsibility if Mr. Eberts would remain, because he could object if I got beyond the line. However, it is for the Committee to decide. I do not care.

Mr. Eberts: I am placed in the unfortunate position of only being lately instructed.

Mr. Bodwell: Well, where was I? (Requests stenographer to read latter part of statement) "and nobody has any right to the property except the Grand Trunk Pacific Railway Company. You are under no obligations"—— Yes, "You are under no obligations, and could not be under any obligations to anybody in this matter. No arrangement could have been made, and I do not understand that any arrangement was made (and then I am speaking of what I heard) which was to be carried out, except with your approval. I don't understand that any arrangement was made, or that anybody has attempted to speak for you in the matter, and it is not necessary, unless you choose, for you to consider anybody in this transaction. In so far as Mr. Larsen is concerned, I am perfectly certain he does not care anything about getting anything out of this transaction from you. I have always understood him to be of the opinion that these lands were to be obtained as they have been obtained, and to be turned over to this Company, and no stipulations whatever required of you, it being just a matter for you to consider. If you think there has been any work done for you which ought to be properly compensated, that is a matter for you to consider, but Mr. Larsen does not intend to make any such a demand, and I am certain that he does not care." I said he was a man of large means, this was not the reason he had for going into this transaction. From what I had heard, I knew Mr. Larsen had been there and seen Mr. Hays, and I said: "Notwithstanding that, I feel sure I am representing his real opinions in the matter and that you need not consider him at all; and so far as Mr. Anderson is concerned, he is here on the spot, and you can talk with him yourself, and you can come to any conclusion you like. I am only speaking of Mr. Larsen." I also told Mr. Hays—not at that interview, but at a subsequent interview, I think—something to this effect—it was as plainly put as this, although I do not remember the exact words: "I would like you to understand, Mr. Hays, that it was perfectly understood, as far as I

Mr. Bodwell—*Continued.*

know, that there was to be no attempt made to hold up your Company at all, and," I said, "there is no possibility of it. You cannot be compelled, or forced, to pay anything at all, unless you think it is a proper thing for you to make some sort of payment. That is for you to consider." Mr. Hays said: "Well, I would like you to advise us in the matter," and I said: "I cannot act for you in the matter. I am Mr. Larsen's solicitor, and I think I am going as far as I have any right to go in saying what I do, but I could not attempt to advise you in the matter at all, because in the situation which has arisen I could not certainly think of advising the Grand Trunk Pacific, and I could not act as your solicitor or take anything from you by way of professional fees in the matter. I am only stating to you what I think ought to be said under the circumstances." Well, then we began to discuss the question. We talked, in fact, about a great many things. It is difficult for me to recall the whole of the conversation, or the whole of any conversation, because I saw Mr. Hays more than once. I saw him twice—I do not think I saw him more than twice, but he was discussing how the business had been done, and it is only right that I should say this. I said to Mr. Hays, "Of course, this matter has been well managed. You have got what your engineers consider to be a very suitable and very appropriate townsite. You have not been asked to advance any money at all up to date, and you have not had any trouble in the matter whatever, and none of the complications have arisen which might have arisen if the business had been undertaken either directly by your Company or through some other means than have been chosen, and if you think it right you can consider that in your dealings with Mr. Anderson, because he is the only one who claims anything in this connection at all." Well, the matter went along, and Mr. Anderson had some interviews of his own, and the result of that was that an arrangement for the time being was entered into, based upon the conditions as to whether or not the Company would eventually acquire this terminus or take some other one. I stayed in Montreal until that was concluded, because the Railway Company asked me to stay, and also asked me a great many questions about the affairs in British Columbia, which have nothing to do with us here. After the conclusion of the negotiations—whatever they were, and I suppose I am allowed to state them—I returned to Spokane, and saw Mr. Larsen there, and he confirmed everything I had said. He said: "I don't want any money out of this thing at all. I won't take any money. If they want to spend that money for any other purpose except giving it to me, they can do it, but I won't have it. I did not go into it on those lines, and I shall never take any of the money which is arranged for." I afterwards saw Mr. Morse, when I was in Montreal on other business, and told him that that was Mr. Larsen's position; that he did not want anything of that part of the arrangement at all, whatever it was, and, as far as Mr. Larsen was concerned, they need not consider him in the transaction at all. Afterwards—that was last year when Mr. Morse came out here—I asked Mr. Larsen to come over, and the result of that was that Mr. Larsen made a personal settlement with Mr. Anderson. I do not know the terms of that settlement. I was not present, but Mr. Larsen personally settled with Mr. Anderson, and, as I said the other day, as I understand the conclusion of the arrangement, nothing was put into the account with reference to those 10,000 acres which related to Mr. Larsen's settlement with Mr. Anderson.

Mr. Eberts: Mr. Bodwell, I do not know how far Mr. Anderson and Mr. Larsen were associated, and I do not know how far the rule would apply.

Mr. Bodwell: I am only speaking now of what Mr. Larsen did with the Company. As I understand it, the conclusion of the arrangement is as I have stated the other day, that that was not brought into account. I do not know whether Mr. Larsen paid Mr. Anderson anything in that connection. I do not know that; Mr. Anderson will know. It may be that he did not; I cannot say; Mr. Anderson will know. I do not think that I asked Mr. Larsen, and if I did I am quite sure that he did not tell me, and I am quite sure that I did not ask him that. But as to these 10,000 acres, as I understand the arrangement which Mr. Larsen intended in the beginning, or certainly from the time somewhat closely anterior to the passing of the Order in Council, it was carried out in that result. I do not know what particular idea was in Mr. Larsen's mind when this began; I only know of conversations which we had during the course of the proceedings, which lasted for some time; but I know, as I said the other day, that long before the Order in Council was passed we both of us came to the conclusion that it was not politic to attempt to ask the Company for anything in this connection, as it would defeat rather than aid the proposed idea which he had in view. I do not think that anyone could say there was anything wrong, as a matter of morality, or ethics, or anything of that kind, in going to the Government and making a fair proposition to them, or one which they considered fair and proper, and making a profit out of the transaction, and turning it over to the Company. I do not consider there is anything ethically incorrect in that. However, that was not done, for, as a matter of business, Mr. Larsen did not think that was good business. He thought it would defeat his original object. I notice in the "Times" newspaper, which I do not think has always reported me as fairly as I would like to be reported, a certain comment on my evidence. I think I am in a bad enough position in having to be here as a witness, instead of being talked of in the newspaper. It has been suggested that I said Mr. Larsen was here as a philanthropist, to do good to the country. I never made any such a suggestion as that. I said his idea of these business operations was not to make a profit on this particular turn-over, but to get this land for the Company, and to convey it to them on terms which would be perfectly satisfactory to the Company. That would not exclude, of course, the idea of the Company making any payment to Mr. Larsen if they thought he ought to have something, even though he did not claim it, but it certainly includes the idea that Mr. Larsen was not to make any stipulations on that account. He was not to make it a condition of the transfer of this land to the Company that they should pay him, or give him any interest in the property. That was the idea that I tried to convey, and we certainly both thought that the proper thing to do, as a matter of business—and I am speaking now simply as a matter of business, not as a matter of ethics at all—that the proper way to carry out the transaction in question was to get the Order in Council, get the lands if we could, take them to the Company and say: "Now, here is your property, gentlemen; we have done this for you; we think we have got you something you want, and it is yours. If you like to repay the expenses connected with it, all right. If you think you ought to pay anything more, all right, but you don't need to pay us a dollar if you think it is not all right." That is the idea I am trying to convey,

Mr. Bodwell—*Concluded.*

and if I have said anything which has conveyed a different impression I would like to have my evidence explained on that point. It does not seem to me that there is anything out of the way at all in the other transaction if it was carried through, except that that was not our idea. And it is quite plain that Mr. Anderson had some other idea. The only thing though that I could do was to tell Mr. Hays that he could not possibly be under any obligation of that kind; that anything he did in the matter would be simply voluntary on his part; and that if he thought that the business which had been done for him, and especially on Mr. Anderson's part, was worthy of compensation, it was a matter for him to consider whether he would make it, or whether he would not make it, and I think that Mr. Hays acted with that idea in his mind. If he did not, I did all that I could to enlighten him, and I really think that I perhaps went a little farther than I ought to have done, in view of the fact I was simply solicitor to Mr. Larsen; but Mr. Larsen was not present, and I was quite sure what I was saying would be endorsed by Mr. Larsen, although he did not happen to be there at the time. I could not have communicated with him in time so that he could understand it in a way which would be of any use, so I took the responsibility of speaking for him in that matter, and as a result nothing happened. That transaction is as if it had never existed; it took no part, or it formed no part, in the arrangement with the Government, so far as I know. It was not a condition that Mr. Larsen intended to insist upon; it formed no part of the transaction as it was actually carried out, and but for the ruling which you have made, Mr. Chairman, I would have considered that it was really nobody's business. However, I am not going to decide, and I have made my statement.

Mr. Garden: That is your statement?

Mr. Bodwell: Yes. And I don't want any more of these general questions. I will decline to go into a general search of my memory. In so far as the members of the Committee refresh my memory and call my attention to points, I will endeavour to give a fair and accurate answer, and it was only because I thought that this was a matter which did not really belong to the Commission that I did not mention it before, but when I went away the other day it occurred to me that perhaps I was wrong in that; that perhaps I was wrong in my construction of the Order, and in not explaining to the Committee matters which I did not consider to be pertinent to the Commission, and I, therefore, asked to be recalled in order that I might make myself perfectly clear on that point. That is all.

Mr. Macdonald: I would ask, Mr. Chairman, that you let Mr. Bodwell stand aside until I have had an opportunity of comparing more carefully the evidence he gave the other day and the evidence he has given here to-night, with a view to recalling him and perhaps asking him some further questions.

Mr. Bodwell: Well, is it necessary, because I would like to get through to-night? It is not very convenient for me to come over here day after day.

Mr. Macdonald: You will not need to come until we send for you. The situation which has developed here to-night is very different to that as indicated by your evidence the other day.

Mr. Bodwell: I do not think so. I told you the other day what had happened. I told you how the transaction was closed.

Mr. Garden: Will you be in the city for a few days?

Mr. Bodwell: Well, I don't want to be. In what way, Mr. Macdonald, do you suggest my evidence to-night differs from the evidence as given by me the other day?

Mr. Macdonald: I will make that suggestion in my questions when the time comes.

Mr. Bodwell: You must have the suggestions in your mind now.

Mr. Macdonald: I must object to being cross-examined by a witness. I think we have extended every courtesy to Mr. Bodwell, in allowing him to come in in the middle of another witness, and surely it is not unreasonable that we should ask him to return here to-morrow night for the purpose of answering any questions which might arise, owing to the difference between his present statement and the statement he made before.

Mr. Bodwell: I object to that statement being made by Mr. Macdonald. I do not think he should make a statement of that kind and not formulate it.

Mr. Macdonald: The statement I make is this: There must be some difference between your evidence of Monday, or whenever it was taken, and your evidence of to-night. Otherwise, there would have been no necessity for your withdrawing your answers and giving these other answers to the questions.

Mr. Bodwell: That is just exactly the point I don't agree with. You agreed with me the other day that my answer would be taken with reference to the pertinency of the evidence?

Mr. Macdonald: That you might withdraw your answer, and make other answers, and you have made your other answers to-night.

Mr. Bodwell: That necessarily implies my evidence is different now than then. The only thing is that now I have added something which, under the ruling of the chair, may or may not be pertinent to this inquiry.

(Mr. Bodwell stands aside, and Mr. Green's evidence is proceeded with.)

Hon. R. F. GREEN—Examination continued by Mr. Macdonald:—

Q.—I think you told us, Mr. Green, that you met Mr. Larsen in Seattle and discussed this matter of the Kaien Island terminus with him? A.—No, I did not tell you that, Mr. Macdonald, at all.

Q.—You met him in Seattle? A.—I told you I met Mr. Larsen on two occasions. That is, since I saw Mr. Larsen about the time that he had charge of the construction of the Nelson and Fort Sheppard Railway.

Q.—I am not asking you about that. You said you knew him for twenty years? A.—Yes.

Q.—I am speaking now of coming down to the point— A. (Interrupting)—If you will allow me, I am going to answer this question my own way.

Q.—Yes, I suppose you may do so, although it is usual for a witness to answer the question asked, and then make whatever explanation he wishes to make afterwards. A.—I told you I met Mr. Larsen twice since that time, since the early days. I want to correct that statement to a certain extent. I met Mr.



Hon. R. F. Green—*Continued.*

Larsen either three or four times since that. That is, the two occasions I have mentioned, and one other that I am sure of, and I think a second time. I told you that at that time I discussed the matters generally pertaining to British Columbia with Mr. Larsen.

Q.—On what occasion are you speaking of now? A.—I am speaking of the time I met Mr. Larsen in Seattle.

Q.—Can you fix the date of that? A.—No, I cannot.

Q.—Do you think it was about a year ago? A.—It was about a year ago, I think.

Q.—After the Order in Council was passed? A.—Yes, I think it was.

Q.—Are you sure about that?

Mr. Garden: You fixed the time before by saying that he had come up on the "Clallam," at the time of the disaster?

Mr. Green: That was another time, I think, Mr. Garden. That was two years ago. The only time I mentioned this matter to Mr. Larsen, or he mentioned it to me, I am fairly certain was after the Order in Council was passed. It must have been after the Order in Council had passed, because since I was in that chair before I remember one thing that Mr. Larsen asked me in that connection, and that was if the Crown Grants had issued yet, and I told him that they had not issued, and he asked me if they were going to issue, and I told him they were.

Q.—Yes. Do you think that was the first time you ever discussed the Kaien Island terminus with him? A.—With Mr. Larsen personally—I think it was.

Q.—Are you sure about that? A.—I am sure as I can be of anything in the way of recalling conversations that took place so long ago.

Q.—Isn't it a fact that you met him, and had a conversation with him in Seattle, about the 10th January, 1904? A.—It is possible I met him there.

Q.—And had a conversation with him? A.—If I met him there I had a conversation with him.

Q.—Do you remember where you met him? A.—I met him in Seattle, in the Hotel Butler; that would be the only place I would meet him there; and on one occasion, as I told you before, when I met him he was in the breakfast-room of the hotel when I went down, and I went over to him and shook hands, and sat down at the same table and had breakfast with him; and when I was coming back to Victoria from that trip, Mr. Larsen walked as far as the wharf with me.

Q.—On what occasion was that? A.—I think it was the second occasion.

Q.—Have you any recollection of what took place on the first occasion between you? A.—There was nothing except an ordinary conversation.

Q.—Have you any recollection of it? A.—No recollection, except that I recollect meeting the man and talking to him.

Q.—That was two years ago, was it not? A.—Well, it could not be two years ago, because—well, possibly it was nearly two years ago.

Q.—It was about the 10th January, 1904, wasn't it? A.—I do not know that it was. It might have been.

Q.—It was when you were on your way to Victoria to attend the meeting of the Legislature, after the Christmas adjournment. Isn't that right? A.—I don't know, Mr. Macdonald, whether it is or not.

Q.—You may have met him on that occasion? A.—I only met Mr. Larsen in Seattle twice.

Q.—You may have met Mr. Larsen two years ago on the 10th January, 1904? A.—It is possible I did. I do not know that I did at that time.

Q.—You don't recollect? A.—Pardon me—if you will allow me to ask a question—was it two years ago in January that the "Clallam" was lost?

Q.—Yes. A.—I did not see Mr. Larsen at that time.

Q.—The other day you said you did? A.—The other day I said I saw Mr. Larsen after the "Clallam" disaster.

Q.—Well, what did you mean by that? Of course, if you saw him yesterday, you would see him "after." A.—Well, I told you that the discussion I had with him then was principally about the disaster of the "Clallam." He had been on it, and I had come nearly being on it.

Q.—Well, that was the time that you came through Seattle—at that time? A.—The time I came through Seattle was the time I had missed the "Clallam."

Q.—And that was the time you saw Mr. Larsen? A.—No; I am positive it was not.

Q.—Well, how did you come to discuss the "Clallam" disaster? A.—Because Mr. Larsen was on the "Clallam," and it was the most natural thing in the world that I should discuss it with him.

Q.—I want to know now, when did you discuss the "Clallam" disaster with him? A.—The next time that I saw him in Seattle.

Q.—How long after the disaster would that be? A.—Oh, it would be some time after; I do not know how long; it was a few months.

Q.—That would be early, then, in 1904? A.—I do not know whether it was early or late, but it was some time after that time.

Q.—We want you to recollect. When you speak of these interviews we want you to speak of the time they occurred, if you can. A.—I cannot fix it closely at all, Mr. Macdonald. The reason I have, and the only reason I have, for fixing it that it was after the Order in Council was passed was because he asked me if the Crown grants were issued yet.

Q.—Is that all that there was said between you? A.—No; he said many things.

Q.—No, but with regard to Kaien Island, I mean? A.—Practically all; he asked me about the matter as to how it was getting along, and if the Crown grants were issued.

Q.—Well, if you had never discussed the matter prior to that time with him, wasn't that an abrupt way of entering into a conversation of this kind? A.—It might have been an abrupt way, and it might be possible that it was led up to by asking me something about it in a general way.

Hon. R. F. Green—*Continued.*

Q.—Yes, of course; anything is possible; but do you remember whether it was so or not? A.—No, I don't remember.

Q.—And where was that conversation held? A.—In the Butler Hotel, Seattle.

Q.—Do you know whether you made a trip specially to Seattle to see him at that time? A.—No, I don't remember.

Q.—Do you remember what your business was there? A.—No, I don't remember what my business was on that particular occasion.

Q.—Did you meet any of Mr. Larsen's associates on that occasion? A.—I don't know what you call his "associates."

Q.—Business associates? A.—I don't know who they are.

Q.—Do you mean to say that you at no time knew who any of Mr. Larsen's business associates were? Is that true? A.—Well, I might have known who Mr. Larsen's business associates were. I know Mr. Larsen associated with the Foley Brothers and Pat Welsh. I don't know that I can answer a general question of that description.

Q.—Well, you have just stated you knew he had business associates—did you meet any of them? A.—I do not think I did.

Q.—Are you sure? A.—Well, I will tell you a man that I met occasionally over there, and that I met on that occasion. I don't think he is an associate of Mr. Larsen's in a business way, but he possibly does some business for Mr. Larsen, and that is Mr. Mathews.

Q.—And Mr. Mathews was very intimately connected with the Kaien Island transaction, was he not? A.—I do not think he had anything to do with it.

A.—He had something to do, at all events, with some other lands on the Mainland, to your knowledge, just opposite Kaien Island? A.—Yes.

Q.—You knew that? A.—I knew that, yes.

Q.—By the way, a number of lots were granted on the Mainland. Do you know to whom they were granted by the Crown? A.—No.

Q.—They would go through your Department? A.—Yes.

Q.—And the records of the Department would show? A.—Yes.

Q.—Mr. Mathews was in some way connected with the acquisition of those lots, wasn't he? A.—I knew Mr. Mathews was at one time, yes.

Q.—Yes. As an associate of Mr. Larsen? A.—I do not know whether it was as an associate or simply as an employee of Mr. Larsen's. That depends entirely on what the word "associate" would cover in that connection.

Q.—Well, did you know Mr. Larsen in connection with the transaction at all? A.—I simply knew Mr. Larsen in the transaction from being told that Mr. Larsen was behind the acquisition of certain property on the Mainland there.

Q.—Yes. Who told you that? A.—I think both Mr. Anderson and Mr. Mathews told it to me.

Q.—Did Mr. Larsen himself tell you that? A.—I do not think Mr. Larsen ever told me.

Q.—Now, you say you met Mathews on one occasion in Seattle? A.—Yes.

Q.—When was that? A.—I met him there nearly every time I went to the Butler Hotel. He lives there.

Q.—When first? A.—I do not know.

Q.—When did you first meet him in connection with these lands there that I have just spoken of? A.—I think the first time I met Mr. Mathews in connection with these lands was when he came into the Department and asked me if the land, or the applications, were in in due form for the land, and whether they would be likely to go through.

Q.—That, you say, would be the first discussion you ever had with regard to those lands? A.—Yes, I think it was.

Q.—I don't want you to think. Are you pretty positive about it? A.—Yes, as positive as one can be under such circumstances.

Q.—What was the date of that interview? A.—I don't know.

Q.—Would it be early in 1904? A.—No, I do not think it would be very early in 1904.

Q.—About what time in 1904? A.—Well, I cannot say, Mr. Macdonald. I did not burden my memory with the meeting of Mr. Mathews any more than meeting with anyone else.

Q.—Didn't you hear of other applications being in for the same lands before Mr. Mathews' application? A.—I do not think, as a matter of fact, that Mr. Mathews ever made an application.

Q.—Well, who made those applications? A.—Mr. Anderson.

Q.—And to whom were the grants made? A.—I do not think they were made to Mr. Anderson.

Q.—Not to Mr. Anderson? A.—No.

Q.—Do you know of any being made to Mr. Mathews? A.—I think there was, but I am not positive about that. I would not like to say. That can be gotten from the Department, or I can get it for you.

Q.—Are you aware that these lands were first staked with the idea of purchasing them from the Government, under the Land Act? A.—By whom?

Q.—By anybody? A.—Well, there was—I do not know whether it was a question of purchase. I think, if I recollect right, there was some question of purchase, or some question of a pre-emption, and that later they sought to cover the pre-emption with South African scrip.

Q.—But, however, the purchase and pre-emption was allowed to be passed over, and the land was later taken up under South African War scrip. Is that so? A.—Yes, I think it was.

Q.—When was the reserve removed from those lands? A.—There has been no reserve removed that I know of.

Q.—There was a reserve placed on in 1891, was there not? A.—If there was a reserve placed on there I did not know.



Hon. R. F. Green—*Continued.*

Q.—You did not know that? A.—No.

Q.—You know that it was by Order in Council made in 1891? A.—Well, I know, Mr. Macdonald, as a matter of course, it was by Order in Council, but I cannot fix the year.

Q.—Did you not refuse repeated applications for land on Kaien Island, and on the mainland there, on the plea that it was under reserve? A.—I have refused applications on Kaien Island, and also on the mainland where it was covered by the reserve.

Q.—On that plea? A.—On what plea?

Q.—That the lands were under reserve? A.—Undoubtedly.

Q.—Now, can you tell me when the reserve that you claim existed there was removed? A.—It has not been removed yet.

Q.—I see. So that up to the present time there has been no removal of, or any rescission of that Order in Council placing a reserve on the Tsimpscan Inlet? A.—Not that I have any knowledge of.

Q.—Well, you say there were grants made to Mathews and others of land on that peninsula? A.—No, I did not say anything of the kind.

Q.—What do you say, then? A.—I say certain applications were made and grants were made out, but I said further, when you asked me about the other applications that had been refused within the reserve, that they are still refused within the reserve, as far as I know, and no applications, except those lands conveyed to the Grand Trunk Pacific, have been dealt with within the reserve.

Q.—Would the reserve cover this portion now shown as Lots 505, 450, and the other lots mentioned here? A.—No, I think not. That reserve reaches from Work Canal—

Mr. Garden (Interrupting): The green shows the reserve.

Mr. Green: I even refused applications in here (indicating on plan). Not on account of being a reserve, but because they were too close to the reserve, and I would not deal with them.

Q.—So you say that the only lands you have dealt with which were under reserve were those lands conveyed to the Grand Trunk Pacific? A.—Yes.

Q.—And as to those lands, the reserve was never at any time taken off? A.—No.

Q.—You were aware, were you not, that the reserve covered only the peninsula, or a portion of the peninsula—that it purported to cover only that? A.—It read "Tsimpscan Peninsula."

Q.—And Kaien Island is not the peninsula? A.—Well, the old chart that I had did not show any island.

Q.—Now, when applications were made by these other people prior to the deed granting this portion of the island to the Grand Trunk Pacific, you were then aware that that was an island? A.—I presume I was told so at that time.

Q.—So that, with the knowledge that that was not a part of the peninsula, and did not form part of the reserve, you refused applications for land on the island? A.—Well, I refused them, certainly. I refused them whether it was with that knowledge or not.

Q.—Refused it because you claimed it was under a reserve? A.—Yes, I refused, claiming it was all under reserve.

Q.—I want to know whether you had the knowledge when you refused them? Did you know when you refused those applications that Kaien Island was not a part of the Tsimpscan Peninsula as mentioned in the reserve? A.—I did not know, because I claimed that it was, and had a second reserve put upon it.

Q.—You knew it was an island? A.—It is called Kaien Island.

Q.—And those who were applying for land there, both for purchase and under scrip, told you it was an island? A.—Yes.

Q.—They claimed it was an island? A.—Yes.

Q.—And you refused those applications, knowing it was an island? A.—Yes, I did.

Q.—Did you take that position with reference to your old friend, Mr. Larsen? A.—I took that position with regard to my old friend, Mr. Larsen, if you will persist in calling him that.

Q.—Well, you have known him for a number of years, you have told us? A.—I have told you that, and I told you also that any acquaintance I had with Mr. Larsen was twenty years ago, and from that time it was a very casual acquaintance. As far as Mr. Larsen is concerned, I would be very proud to feel I was a friend of his, and to feel that he was a friend of mine, and to feel I was a friend of such a man as that.

Q.—Well, you did not refuse Mr. Larsen—I will put it that way—on the ground that Kaien Island was under a reserve? You did not refuse his application? A.—I do not know that Mr. Larsen ever made an application. If he had, I would certainly have refused Mr. Larsen.

Q.—You say that you did not know that Mr. Larsen was Mr. Bodwell's client in this matter? A.—I knew Mr. Larsen was Mr. Bodwell's client in the first proposition, or presumed he was, but in the second proposition Mr. Bodwell was representing the Grand Trunk Pacific.

Q.—Who was Mr. Bodwell's first client? A.—I presume it was Mr. Larsen, from knowledge that you and I both have.

Q.—And now it is claimed that Mr. Anderson was also a client of Mr. Bodwell in the same connection. Did you know that? A.—He might have been.

Q.—Did you know it? A.—I did not know it.

Q.—Not at that time? A.—No.

Q.—No suspicion of it at all? A.—I knew Mr. Anderson was being employed by them, or was with them in some way, but I did not know that he was a client of Mr. Bodwell's.

Q.—Did you know that he was associated with Mr. Bodwell in an endeavour to get a profit out of the location of the Grand Trunk Pacific terminus? A.—I do not know that I did.

Q.—Well, if you want to think it over, think about it, and then let us hear your answer. Isn't it a fact that you did know it? A.—I knew at some time in the history of this transaction that Mr. Anderson was apparently associated with Mr. Larsen.

Q.—Yes; but can you not fix the time when you first knew that? A.—No.

Hon. R. F. Green—*Continued.*

Q.—Can you tell us who told you that? A.—No.

Q.—You cannot tell us that? A.—It might have been Mr. Anderson, or it might have been Mr. Bodwell. I do not know who told me.

Q.—You say it might have been—well, now, aren't you aware as to who told you that? A.—No.

Q.—No recollection at all? A.—I have that recollection that it was either one of them.

Q.—And it was no other person? A.—I do not think it was any other person.

Q.—Well, now, are you sure that no other person than the parties you mention told you? A.—No, I am not sure that any other person told me, in the same way that I would have no more information than a man on the street would have, unless I got it from Mr. Bodwell or Mr. Anderson.

Q.—Well, Mr. Bodwell would not tell you that because he regarded Mr. Larsen as his only client? A.—I don't know anything about that.

Q.—That won't help you at all? A.—No, I did not know that.

Q.—Now, you spoke of meeting Mr. Mathews over in Seattle? A.—Yes.

Q.—Did you go over purposely to see him? A.—No, I never went there specially to see him.

Q.—How many times did you meet him over there—I am speaking now of the period of time between 19th January, 1904, and the date of the grant to the Grand Trunk Pacific? A.—I met him there several times.

Q.—In fact, you took a large number of trips over to Seattle, didn't you? A.—I went there, Mr. Macdonald, just as often as my business, or my pleasure, called me there.

Q.—You did not go there on official business in connection with your Department, did you? A.—I went there on official business on more than one occasion.

Q.—On official business in connection with Kaien Island? A.—No.

Q.—And on most of the occasions you met Mr. Mathews? A.—I don't know how often I met him. I met him several times there.

Q.—By appointment? A.—No.

Q.—On no occasion by appointment? A.—No.

Q.—That is to say, you never had any communication with him to let him know you were coming? A.—I do not remember ever communicating with Mr. Mathews to let him know that I was coming.

Q.—Are you prepared to say that you did not? A.—I think I am. I have no recollection of it.

Q.—Did you receive any communication from him asking you to go over there to see him? A.—No.

Q.—Are you quite clear about that? A.—Yes.

Q.—You are more clear about that than the other. How is that? A.—Well, I am clear about it in this way, Mr. Macdonald: You see I am asked by people as to when I shall be able to meet them, and if I can meet them at certain places, and one thing and another, and naturally a man in a Department such as I am gets these requests from day to day. As far as my recollection is concerned—and I am not saying that to equivocate or to elude the question at all—I have no recollection of ever asking Mr. Mathews to meet me, or of my receiving any communication from him to meet him at Seattle.

Q.—Did you have any other business with Mr. Mathews? A.—No, I had not any business with Mr. Mathews.

Q.—Do you know Mr. Russell? A.—What Mr. Russell?

Q.—He is also associated, I think—he was here about a year ago with Mr. Morse—I do not know his initials? A.—I know a Mr. Russell who was here with Mr. Morse.

Q.—Did you know him before he came here with Mr. Morse? A.—No, I didn't.

Q.—By the way, Mr. Mathews is one of your old townsmen, from Kaslo, is he not? A.—Yes, Mr. Mathews came from Kaslo.

Q.—Now, then, the other day you were not able to fix very clearly your first interview with Mr. Bodwell with regard to the proposal that he was making to acquire the lands in question—was that in 1903? A.—It was shortly before the date of this letter of his.

Q.—The letter was dated the 19th January, 1904? A.—Well, it was shortly before that.

Q.—Was it not more than two months before that? A.—No, I think not.

Q.—Are you sure about that? A.—My recollection is that it was not more than two or three weeks before that.

Q.—You had, as a matter of fact, though, talked the matter over with Mr. Anderson before that? A.—No, I had not.

Q.—Had you no word at all with Mr. Anderson before you met Mr. Bodwell in connection with that transaction? A.—No talk or conversation with Mr. Anderson until after I had talked with Mr. Bodwell.

Q.—Did you have any conversation with Mr. Anderson before the 19th January, 1904? A.—Is that the date of that letter?

Q.—Yes. A.—Well, I don't recollect of it at all.

Q.—Did Mr. Anderson not tell you he was forming a syndicate, or was a member of a syndicate formed for the purpose of attempting to get a townsite in order that they could deal with the Grand Trunk Pacific Railway? A.—No, I do not think he did.

Q.—Well, when you say that you don't think he did, can you say positively that he did not? A.—I think Mr. Anderson never said anything of the kind to me.

Q.—Are you positive about that now, Mr. Green? A.—I am positive that he said nothing of the kind at that time.

Q.—That is to say, that prior to the writing of that letter of the 19th January, 1904, that he never told you he was forming a syndicate, or had formed a syndicate? A.—I am positive about that.

Q.—He told you that, didn't he? A.—No, he did not tell me anything of the kind.

Q.—Not before that letter was written? A.—No.

Q.—Well, you had some conversation with him before that? A.—I do not think I had.

Q.—Then, if he says you had, he is mistaken? A.—Very likely.

Hon. R. F. Green—*Continued.*

Q.—Do you say he is mistaken? A.—I say, Mr. Macdonald, that I had no conversation, to my recollection now, with Mr. Anderson before that letter was written.

Q.—Mr. Anderson is a married man, isn't he? A.—I guess so.

Q.—Yes. And his wife is a pretty good business woman, is she not? A.—I don't know whether she is or not. You are in as good a position to answer that question as I am.

Q.—Do you think I am? A.—Well, we will leave it to you to answer.

Q.—You know her very well? A.—Yes. I know her.

Q.—And you know she is a very good business woman? A.—Mr. Macdonald, I want to say to you —

Q. (Interrupting)—Just answer my question, Mr. Green. A.—I am not going to answer your question, and I appeal to this Committee to ask whether this kind of cross-examination has anything to do with this inquiry.

Mr. Garden: I do not think it is very pertinent to the matters that we are trying to arrive at. I, for one, cannot see the bearing it has on it.

Mr. Macdonald: I think it is as pertinent as anything Mr. Anderson might have to say.

Mr. Green: If you want my opinion of it, I think it is very impertinent on your part to ask me such questions.

Mr. Macdonald: I do not think you have any right, Mr. Green, to come here and make a statement of that kind. Perhaps I will press this question a little farther than I had first intended if you continue in that tone. Now, will you answer the question? A.—I won't answer the question.

Q.—You say you won't answer it. Well, all right; that is all I want. Now, did you ever have any talk with Mrs. Anderson about this Kaien Island matter? A.—No.

Q.—Did you not? A.—No.

Q.—In any shape or form. A.—No.

Q.—That is to say, you have never spoken to her about it, and she has never spoken to you about it?

A.—She may have spoken to me in a casual way about it since this matter came up.

Q.—No, but long before this matter came up, in the beginning of 1904? A.—She may have spoken to me, yes.

Q.—On a good many more than one occasion? A.—No. She may have spoken to me at times, yes.

Q.—And you knew from her that she and her husband were engaged in this enterprise of getting a terminus for the Grand Trunk Pacific? A.—I did not know it from her.

Q.—You had never had any talk along that line with her? A.—No.

Q.—Had she never given you any hint of that? A.—I do not know what you mean by giving me "any hint." We never had any conversation along those lines.

Q.—That, directly or indirectly, she and her husband were interested in this Kaien Island matter? A.—No.

Q.—Well, will you tell us what she did say to you about the matter, because you have already admitted that there was some conversation? A.—I do not recollect, Mr. Macdonald, that she said anything—I want to answer the questions I am asked as fairly and accurately as possible, and I will say this: I have been spoken to by a great many people at one time or another on matters of this kind, some in a jocular way, and some in an inquiring way, and any conversations that I ever had with Mrs. Anderson in that connection were conversations of that description.

Q.—That is, in a jocular way, do you mean, or in an inquiring way? A.—I do not know—one or the other.

Q.—Was it in a jocular way? A.—I don't know.

Q.—You don't know? A.—No.

Q.—Is it not a fact to your knowledge, Mr. Green, that Mrs. Anderson took even a more prominent part in this business transaction than her husband? A.—Not to my knowledge.

Q.—It is not to your knowledge? A.—No.

Q.—And that she came to the Department to see you with regard to it on more than one occasion?

A.—She never came to my Department to see me about it.

Q.—In this building here? A.—No.

Q.—On no occasion? A.—She never came to see me in connection with that.

Q.—Did she come to the Department? A.—Not to my knowledge.

Q.—But you say she never came to see you in connection with it? A.—No, never.

Q.—And she never discussed it with you in your office? A.—No.

Q.—Well, where did these conversations take place that you had with her, in a jocular or inquiring way? A.—I do not know that they ever took place. If they did take place it was either on the street or at Mr. Anderson's house.

Q.—She claimed, did she not, that Mr. Anderson was one of the syndicate, of which Mr. Larsen was another? A.—I don't know what she claimed.

Q.—Didn't she claim that to you? A.—No.

Q.—And that Mr. Bodwell was one of the syndicate? A.—She never made any claim to me as to who was in the syndicate, or anything of the kind.

Q.—Did she ever make any statement to you that Mr. Bodwell was in that syndicate with herself and her husband? A.—I have no recollection of her saying that.

Q.—Well, she may have done so? A.—I do not think she did.

Q.—And if she said she did she would be mistaken? A.—I do not know anything about what she would say.

Q.—Who drew up the Minute in Council, or Order in Council, of the 30th April? A.—Mr. Maclean, I think. I am not sure.

Q.—Was it not Mr. Bodwell? A.—I do not think it was.

Q.—Are you sure about that? A.—No, I am not sure. I told you a minute ago that I am not sure who drew it up. I think, though, it was Mr. Maclean.

Hon. B. F. Green—*Continued.*

Q.—And before that Minute of Council was drawn up you had a good many interviews with Mr. Bodwell and Mr. Anderson in regard to the matter, didn't you? A.—I had interviews with them, yes, on several occasions.

Q.—Do you remember Mr. Larsen coming here and seeing you with Mr. Bodwell? A.—No, I have no recollection of that—

Q.—About that time? A.—No, I have no recollection of that.

Q.—You have no recollection of Mr. Larsen being in Victoria about that time? A.—I certainly recollect Mr. Larsen being in Victoria, but he did not come to me with Mr. Bodwell or with Mr. Anderson in that connection.

Q.—Did you see him yourself? A.—I saw Mr. Larsen when he was here with Mr. Morse; I saw him at the Driard Hotel.

Q.—Was it about the time the Minute in Council was passed—it was, was it not? A.—It might have been.

Q.—You remember that you did see him then? A.—No, I don't remember that I did.

Q.—Well, do you think you would have met Mr. Larsen at the time this business was before you as a Minister and not remember the fact, he being the principal behind Mr. Bodwell in the matter? A.—I did not discuss the matter with Mr. Larsen.

Q.—Well, that is hardly an answer to my question. Wouldn't you remember if you had met him at the time? A.—I would remember if I had discussed the matter with him at that time, but I may or may not have met him on his visit to Victoria.

Q.—Well, if you cannot remember even meeting him, although you say you may have met him, how would you recollect what he said? A.—I would recollect it if he talked about this particular thing.

Q.—Wouldn't you recollect if he was talking about any other particular thing? A.—Yes, if he was talking about anything of particular importance sufficient to impress my mind.

Q.—Wasn't it here in Victoria that you talked with him about the "Clallam" disaster? A.—No; in Seattle.

Q.—That was in Seattle? A.—Yes.

Q.—Where did you meet him here in Victoria? A.—At the Driard Hotel.

Q.—How many times? A.—Once.

Q.—Sure of that? A.—Yes, only once.

Q.—That was when Mr. Morse was here? A.—Yes.

Q.—And during the time Mr. Larsen and Mr. Morse were here, last winter, you only met Mr. Larsen once? A.—That is all I remember meeting him here.

Q.—And that was at the Driard Hotel? A.—Yes.

Q.—You did not meet him at Mr. Bodwell's house, then? A.—No.

Q.—You have a distinct recollection of that? A.—I do not think I ever met Mr. Larsen at Mr. Bodwell's house; in fact, I am sure I did not.

Q.—You are sure? A.—Yes.

Q.—Nor at any other body's house? A.—No.

Q.—Quite sure of that? A.—Yes.

Q.—Isn't it a fact that you met him at Mr. Anderson's house? A.—No.

Q.—You met Mr. Morse there? A.—I never did.

Q.—Nor at Mr. Bodwell's house? A.—I met Mr. Morse at Mr. Bodwell's house on more than one occasion.

Q.—You met Mr. Morse at Mr. Bodwell's house on more than one occasion. You met Mr. Mathews there too, did you not? A.—At Mr. Bodwell's house?

Q.—Yes. A.—No, I did not.

Q.—You did not? A.—No.

Q.—Now, at the time the Order in Council was passed, was Mr. Anderson satisfied with its terms? A.—I don't know, I am sure.

Q.—Oh, you must have discussed it with Mr. Anderson? A.—I do not know whether Mr. Anderson was satisfied with the terms or not.

Q.—Do you remember discussing it with him at all? A.—I discussed it with him on certain occasions.

Q.—Was he before the Executive Council? A.—No.

Q.—Mr. Bodwell was? A.—Yes.

Q.—After the Order was drawn up, how long had you it in your hands before it was signed? A.—Several days.

Q.—During those several days, did you show it to Mr. Anderson? A.—No, I did not.

Q.—Did he see it, to your knowledge? A.—No, not to my knowledge.

Q.—You had it in your possession all the time? A.—No; I think Mr. Gore had it in his possession.

Q.—Did Mr. Bodwell have it away with him at all? A.—Just a moment—I do not think Mr. Gore had it in his possession, not until after it was signed. It was either in my possession or in the possession of the Premier.

Q.—All the time? A.—Yes.

Q.—It was never in the possession of Mr. Bodwell? A.—No, not to my knowledge.

Q.—Did you discuss its terms with Mr. Anderson at all, before it was signed? A.—No.

Q.—Are you sure of that? A.—Yes.

Q.—You did discuss it with Mr. Bodwell? A.—Yes.

Q.—And didn't you meet Mr. Bodwell and Mr. Anderson on more than one occasion while this matter was being discussed? A.—I am not sure whether I did or not. I met them on more than one occasion.

Q.—Before the Order in Council was signed, I am speaking of. A.—Yes, I know. I met them on more than one occasion, but whether it was before or after the Order in Council was signed, I don't remember.

Hon. R. F. Green—*Continued.*

Q.—Well, as far as you know, Mr. Anderson was making no objection to its terms. Is that right? A.—I have no knowledge of Mr. Anderson making any objection.

Q.—I suppose it is true what Mr. Bodwell stated here the other day, that it was decided to keep the matter secret? A.—No question about that at all; that is absolutely true.

Q.—That is absolutely true. In fact, it was arranged between Mr. Bodwell and yourself that the Order in Council should not be signed—should not be drawn up and signed until after the survey was made up in Kaien Island. Is that not so? A.—It was not so arranged.

Q.—It was not so arranged, eh? Then can you understand what Mr. Bodwell meant by this answer (reading from transcript): "But they were completed eventually. The lands were designated, and then the time for the Order in Council to be passed had arrived, according to our arrangement with the Government." A.—No, I cannot understand that.

Q.—You cannot understand that statement? A.—No.

Q.—It was not arranged, then, after the letter of the 19th January, 1904, had been written and considered, that the Order in Council should not be passed until a later date? A.—That is not my recollection, no.

Q.—But you do say it was intended to be kept secret? A.—Undoubtedly.

Q.—Now, this is what he says in another part of his evidence: "And what I thought would be a substantial advantage to the Government, it would also be lost; so it was arranged that although the terms were virtually settled, the Order in Council was not to be passed then, but we had the Government's permission to survey the land." Do you understand what was meant by that? A.—Well, I don't understand it. That is not my recollection of it. Mr. Bodwell may have had such an arrangement with the Premier, but, as far as I recollect, and as far as my knowledge is concerned, that was not the arrangement.

Q.—Now, you were, of course, claiming that the island was covered by that reserve? A.—Yes.

Q.—Well, can you tell me what was the necessity for your keeping the matter secret from the House, for instance, that had been sitting at that time? A.—Well, the necessity for keeping the matter secret to me was very apparent. The deal was not completed, and, naturally, if the matter were made public we would have all sorts of complications, and the very fact that it was talked of publicly might bring about a change in the feeling of the Grand Trunk Pacific people, and they might decide or might be approached by other people to bring their terminus to some other place. That was one very good reason why, to my mind, it should have been kept secret.

Q.—But you had a reserve there? A.—Yes.

Q.—That is true? A.—Yes, that is true.

Q.—Well, why didn't you take the House into your confidence and say, "We propose to give this piece of land to the Grand Trunk Pacific, or to Mr. Bodwell for the Grand Trunk Pacific, to induce them to bring their terminus there?" A.—Because I did not think it would have been wise for us to do it until the arrangement was fully completed with the Grand Trunk Pacific people.

Q.—Well, you were dealing with Mr. Larsen? A.—I was not dealing with Mr. Larsen.

Q.—You were dealing with Mr. Bodwell, as representing Mr. Larsen? A.—Mr. Macdonald, the Government did not deal with Mr. Bodwell as representing Mr. Larsen. The first proposition that was made by Mr. Bodwell to the Government, and which the Government did not deal with, was made by Mr. Bodwell on behalf of Mr. Larsen, or some other client. That proposition we never dealt with. We never dealt with the matter until Mr. Bodwell convinced us that he was making this deal for the Grand Trunk Pacific.

Q.—Yes, but Mr. Bodwell says that the matter was virtually settled; the Order in Council was not to issue until the preliminary surveys were made? A.—I cannot help what Mr. Bodwell says. That is the position of the Government.

Q.—Why did you leave it open in your Order in Council for Mr. Bodwell to convey the lands to some other person, or corporation, or company, who should induce the Grand Trunk Pacific to locate their terminal there? A.—We thought it possible that the Grand Trunk Pacific would handle their terminus by a subsidiary company.

Q.—You did not say so—"or any other contemplated company." Why did you leave it open, if what you have just said is true, in your Order in Council for Mr. Bodwell to convey that to some other person, company, or corporation, who would satisfy you that the Grand Trunk Pacific terminus would be located there? Can you explain that? A.—The only explanation I can give is this: The Order in Council is drawn up as dealing with Mr. Bodwell, as the representative of the Grand Trunk Pacific Railway Company. I do not know why it was worded in that particular way, but I have no hesitation in saying, I believed then, as I believe now, that the Grand Trunk Pacific wanted it that way.

Q.—Well, what evidence had you of that? A.—We had the statement of their solicitor, Mr. Bodwell.

Q.—But you were not satisfied with that, were you? You got a telegram from Mr. Hays on the 29th April, didn't you? A.—No.

Q.—Was that telegram not sent to you? A.—I saw a telegram that was sent to Mr. Bodwell, but I got no telegram from Mr. Hays. There was one sent to Mr. Bodwell.

Q.—Exactly. Did you see any other authority than that as stated in the telegram? A.—No.

Q.—Then the only information that you had from the Grand Trunk Pacific as to their wishes in the matter was contained in that telegram sent by Mr. Hays to Mr. Bodwell? A.—Yes, stating that Mr. Bodwell was to act for them.

Q.—And, therefore, you were willing to leave it open that he could transfer those lands to any other person, company, or corporation, provided only that such person, company, or corporation should satisfy you that the Grand Trunk terminus should be located there? A.—No; the Order in Council does not read like that. I may not be able to read it understandingly, but, as I understand it, the Order in Council deals with Mr. Bodwell, as representing the Grand Trunk Pacific Railway Company.

Q.—Well, I will just read the clause to you, and see if you can explain it.

Mr. Ross: What page is that?

Hon. R. F. Green—*Continued.*

Mr. Macdonald: I have not found it yet. Yes, it is paragraph 9 of the Order in Council (reads same): "The said grant, when so executed and delivered as aforesaid, shall also be deemed to have been issued subject to the following conditions: The said Ernest Victor Bodwell shall not dispose of the said lands to any person, company, or corporation, except for the purpose of establishing thereon the western terminus of the Grand Trunk Pacific Railway Company." A.—Then read the balance of that, where it says, either before or after that, that Mr. Bodwell was acting in his capacity as representative of the Grand Trunk Pacific.

Q.—Why was it put in that way? A.—I do not know why it was put that way.

Q.—It left it quite open, did it not, for Mr. Bodwell, with the consent of the Grand Trunk Pacific, to convey that land to John Smith, or Jones, or anyone else? A.—Yes, I presume so.

Q.—Now, your idea, of course, in passing this Order in Council, was to induce the Grand Trunk Pacific Railway people to build their terminus there? A.—Yes.

Q.—You were not merely to give them terminal facilities, but you were also willing to give them a townsite? A.—We gave them a townsite to induce them to establish their terminal there.

Q.—And you regarded that townsite as having very great potential value, did you not? A.—If they established their terminus there, yes, undoubtedly.

Q.—In fact, I think it was suggested in the House that the Government's share might be worth millions of dollars? A.—Yes.

Q.—And, of course, the whole of the island would be worth very many more millions? A.—Yes; but it would be worth nothing if they did not establish the terminus there.

Q.—No, of course not. Up to the time the Order in Council was passed you did not come in contact, then, with any of the officials of the Grand Trunk Pacific? A.—I think not, Mr. Macdonald. I am sure I saw none of them in any other connection either—I am quite satisfied.

Q.—You saw none, at any rate, in this connection? A.—No.

Q.—Therefore, you had no talk with any official of the Grand Trunk Pacific in connection with this transaction, no dealings or any bargaining with them at all? A.—No, absolutely none.

Q.—And as I understand Mr. Bodwell, you had no bargaining with him? A.—No; that is, except in so far as the bargaining as shown in that Order in Council is concerned.

Q.—Yes, except that. He made his proposition and you accepted it? A.—Oh, we talked it over, naturally, and discussed all the different points, and finally entered into the agreement as is evidenced by that Minute in Council.

Q.—I suppose Mr. Bodwell explained to you that, so far as he was concerned, he had no personal interest in it? A.—I don't know that he did.

Q.—Did he explain that to you. You know he has told us here that he was doing all this for nothing; did not get a dollar out of it; did not even get his disbursements back? A.—I do not think I went into that question with Mr. Bodwell.

Q.—He never told you that? A.—No.

Q.—Nor did he tell you that Mr. Larsen was also doing it out of the goodness of his heart? A.—No; I do not think that Mr. Bodwell ever discussed this matter with me at all.

Q.—You did not know that Mr. Larsen was doing all this for the purpose of getting on friendly terms with the Grand Trunk Pacific? A.—I may have known it, but I have no recollection of Mr. Bodwell mentioning that to me.

Q.—You say you may have known it? A.—I cannot recall every conversation that we had, but I have absolutely no recollection of any such a conversation, or any such a statement made by Mr. Bodwell to me.

Q.—Had the Government, Mr. Green, made any investigation with regard to the suitability of this place for a townsite, or for the purpose of a harbour, prior to your making the grant of this land to the Grand Trunk Pacific? A.—No.

Q.—So the Government made no such investigation at all? A.—No.

Q.—Had the Government made any such an investigation with regard to Kitimaat? A.—No.

Q.—Or Port Simpson? A.—No.

Q.—Or any other place? A.—No.

Q.—So you were dealing in this matter in the dark as to the value of the property you were dealing with? A.—Well, of course, we had all the information that was general, and I presume we had some specific information, but we made no specific investigation.

Q.—Did you make any investigation? A.—Oh, I presume that we did investigate it.

Q.—I don't want you to presume—did you, as a matter of fact? A.—We made no specific investigation.

Q.—Did you make any sort of an investigation at all? A.—We certainly talked over the suitability of those other points and the likelihood of the Grand Trunk Pacific going to those other points.

Q.—Did you ever call in any person to give you any information about it? A.—I do not think we did.

Q.—Did you have any documents before you that gave you any information? A.—I think we had some reports on Kitimaat, but I am not positive on that.

Q.—You are not positive? Did you know anything about what land the Government owned at Port Simpson? A.—No, but I understood that they did not own any there.

Q.—You understood that they did not own anything. Have you not discovered, since that, they own one-half of the townsite of Port Simpson? A.—No.

Q.—You have not discovered that yet? A.—No.

Q.—Now, don't you think, that in a matter of such importance as this is, the establishment of a Pacific port terminus by the Grand Trunk Pacific Railway, that it was a matter which should have been laid before the Legislature in order to ascertain their views on the subject? A.—No, I don't.

Q.—You think it is done better behind closed doors? A.—I think it was better to have done it in the way it was done. I do not think it would have been done at all if it had been made a public question.



Hon. R. F. Green—*Continued.*

Q.—Why not? A.—Simply because there were people who were interested in other places and wanted the terminus some other place, and people of that description would have used every effort to have it brought to the other places.

Q.—Well, you knew, as a public man and a business man, that the Grand Trunk Pacific would go to the place that suited their purposes best, and that they must have a harbour suitable? A.—Yes, I knew that they must have a harbour suitable.

Q.—And that was the paramount consideration of the Grand Trunk Pacific, good harbourage? A.—Yes, but harbours being equal, they might go to other places.

Q.—But you knew that the harbour question was a paramount consideration? A.—It would undoubtedly be a very large factor in the selection of their terminus, yes.

Q.—And that they could select no place as their terminus without first receiving the consent of the Dominion Government? A.—Yes.

Q.—You knew that? A.—Yes.

Q.—And yet, knowing that, you made no investigation at all as to whether or not the Grand Trunk Pacific Railway Company were not practically bound to go to Kaien Island? A.—We were perfectly satisfied with the deal.

Q.—I am quite satisfied that you were perfectly satisfied with the deal, but that is not an answer to my question. I am asking you this—you made no investigation to find out whether or not the Grand Trunk Pacific were not practically bound to go to Kaien Island, as being the best place for a terminus? A.—No, we made no specific investigation.

Q.—Now, what reason had you to fear, if you had brought in a Bill in the Legislature, which was then sitting—it was sitting between November and the 10th April, 1904—enabling the Government to deal with the Grand Trunk Pacific in building its terminal at that place, that the transaction would not have gone through? A.—We had no reason; we did not think it was necessary to bring in a Bill.

Q.—You had no reason; you did not think? A.—No, sir.

Q.—Had you applications from any other person for land there, on the promise that the Grand Trunk Pacific would take their terminal there and establish their townsite there? A.—Not that I know of, Mr. Macdonald.

Q.—You were not approached with any other proposition of that sort? A.—Not that I know of. I have absolutely no recollection of anyone approaching me.

Q.—Were you aware that the Grand Trunk Pacific had offered large sums of money for land there prior to this letter of the 19th January, 1904? A.—No, I was not aware of that fact then, nor am I aware of that fact now.

Q.—You were not aware of it? A.—No.

Q.—You saw Mr. Larsen, I suppose, several times when he was here last winter? A.—That was the time when Mr. Morse was here?

Q.—Yes. A.—I think I saw Mr. Larsen once.

Q.—Can you recollect what conversation you had with him as regards this matter? A.—I do not think I had any at the time.

Q.—No conversation at all with him about it? A.—Not that I can recollect of now.

Q.—That subject was not mentioned between you? A.—I don't recollect that it was.

Q.—You are prepared to say it was not? A.—Yes, I am prepared to say it was not mentioned in any way that would impress itself upon me.

Q.—No inquiry made? A.—No inquiry made that I know of; I cannot say that it was not mentioned casually. If it were mentioned it was mentioned in the most casual way, but, as a matter of fact, I do not think it was mentioned at all.

Q.—At that time it was decided, then, to convey the lands direct to the Grand Trunk Pacific? A.—When Mr. Morse was here, yes.

Q.—Did you have any conversation with Mr. Morse about that? A.—About the transfer?

Q.—Yes. A.—Yes.

Q.—Was it explained to you what arrangement had been made between him and Mr. Larsen and the Grand Trunk Pacific? A.—No.

Q.—And between Mr. Bodwell and the Grand Trunk Pacific? A.—No.

Q.—Can you recollect just what was the conversation between yourself and Mr. Morse? A.—Well, Mr. Morse and I talked the matter over several times, and Mr. Morse took it for granted, as I did also, that the matter had been arranged in their interest, and that it was then we were dealing with. And Mr. Morse kept pressing from day to day, practically while he was here, to have those grants issued and the matter closed up, and any conversation that took place in connection with it was to the effect that he wished the matter hurried and closed up.

Q.—Well, what was the delay about? A.—I think that the first delay was in connection with the surveys; that matter was not completed, or something of that kind. That is my recollection, but I don't remember all the details.

Q.—That delay would be on their part, and not on yours? A.—Yes, precisely so; the delay would be on their part until it got into the Department, and the delay after that would be in the Department. We had to get a special form of Crown grant, and there were matters of that description. Mr. Morse was here at the time, and he was very anxious to get away and have the matter closed up, and he interviewed me several times, and was anxious that I should try and hurry the matter up.

Q.—Now, have you any recollection of when you first got applications for those lots on the peninsula—Lots 505, and others, coloured brown on the map here? A.—No; I cannot say from recollection, Mr. Macdonald.

Q.—At all events, you saw the applications when they came in, did you not? A.—No, I do not think I did.

Hon. R. F. Green—*Continued.*

Q. Would they not be submitted to you? A.—No—that is to say, the applications would not be submitted to me.

Q.—You would, however, be advised of them? A.—Oh, yes; I would be advised that applications were in.

Q.—And you were advised that these applications were made on behalf of Mr. Anderson? A.—Yes, some of them.

Q.—When did you first learn of those applications being in? A.—I do not know just when, Mr. Macdonald.

Q.—Would it be about the time they were made? A.—Yes.

Q.—Those can be brought here, can they not? A.—Yes.

Q.—This was during the time that this matter was being kept secret, that you told us of? A.—Yes.

Q.—I see there are some islands even included in the grants that have been made there—do you know that? A.—Yes.

Q.—To Mr. Anderson? A.—I don't know.

Q.—Well, all the applications were made in the name of Mr. Anderson, were they not? A.—I do not know that they were.

Q.—You will be able to produce them at the next sitting of the Commission? A.—Yes.

Q.—So that it comes down to this, so far as Kaien Island was concerned, and these lands adjacent to Kaien Island, that only those who were in the secret were able to get any or acquire titles to them? A.—No, I do not think it comes down to that.

Q.—Only those who were in the secret have come in and got their applications accepted? A.—I think there were others.

Q.—At that time? A.—I think there were applications in at that time, and I think that land was staked some six months before that, some of it.

Q.—Before what? A.—Before these applications came in.

Q.—Covering the ground now shown as coloured brown, or purple? A.—My recollection is that there were applications in covering this ground here (indicating on plan).

Q.—That is, Lot 446? A.—And part of this island; parts on the island. There were some here, but then, whether they were on the island, I do not know. But it developed afterwards that while those men had staked and advertised, they never went on with their applications at that time.

Q.—But Mr. Anderson got in; he got in under some South African scrip that he held, didn't he? A.—I am not sure whether he got those particular lots or not, but he got some lands there.

Q.—And Mr. Mathews got other lots? A.—I don't know who the grants were issued to. I know the grants were issued to several names. Mr. Anderson, I know, placed his scrip on a considerable portion of that land.

Q.—Well, you will be able to produce those applications, and the grants, will you not? A.—Yes.

Q.—There was no suggestion made by you, I suppose, Mr. Green, that in consideration of this valuable concession that was made, the Grand Trunk Pacific should commence construction first at this end of the line? A.—No. We did not make that suggestion, except that it was made perhaps in a jocular way, asking why Mr. Hays' pledge to Mr. Templeman was not carried out.

Q.—But you had an opportunity of getting that done yourselves, and you did not take advantage of it? A.—Not very much of an opportunity.

Q.—You did not take advantage of it? A.—We took advantage of the opportunity as far as we could, and got what we considered a very good bargain.

Q.—By giving away three-fourths of the future city of the North? A.—Yes, we got a very good bargain.

Q.—At any rate, you never thought of making any suggestion of that kind seriously, or making any stipulation other than what is contained in that Minute of Council? A.—Well, we may have thought of it, Mr. Macdonald, but we were not able to embody it in the agreement.

Q.—But did you ask for it? A.—I don't think that we did seriously ask for it.

Mr. Garden: What is that?

Mr. Green: That they would commence construction at this end of the line before the privileges were given.

Mr. Macdonald: And I suppose you did not ask any higher price than a dollar an acre? A.—Yes, we talked to them at \$5 an acre.

Q.—Who did? A.—The Executive; we tried to get \$5.

Q.—Was there any person in favour of that except Mr. Fulton? A.—Well, I think, as far as that goes, we were all in favour of getting as much as we could for the land.

Q.—Did you seriously ask Mr. Bodwell for \$5 an acre? A.—I think we did seriously ask him for it. We asked for the best possible terms we could get.

Q.—Did you press for it yourself? A.—Why, I was one of those that asked for it.

Q.—Did you press Mr. Bodwell for anything higher than \$1 an acre? A.—We certainly did.

Q.—I am speaking now of yourself? A.—I do not know whether I pressed him particularly, but we told Mr. Bodwell to try and get a higher price.

Q.—Well, Mr. Bodwell would be mistaken then if he said that Mr. Fulton was the only one that did press for that? A.—Mr. Fulton may have voiced the opinions of the balance of the Council.

Q.—And that the rest of you were not in favour of that? A.—I do not think it went to that extent. I think there was no question but what we tried to get the best terms possible.

Q.—Well, you can surely say whether you did seriously bargain for more than \$1 an acre? A.—Yes; certainly we did.

Q.—That is, you did personally? A.—Yes.

Hon. R. F. Green—*Continued.*

Q.—And the other Ministers besides Mr. Fulton? A.—Oh, I presume so. We talked it over, Mr. Macdonald, many times, and looked at it from many different points of view, and we sought to get the best bargain we could, and we sought to get more than a dollar an acre to start with.

Q.—I can see that Mr. Fulton did, but did the others of you? A.—I think there is no question but that they were all of that opinion.

Q.—Are you quite sure of that? A.—That is my recollection of it.

Q.—That is all you can say. Now, this is what Mr. Bodwell says on this point. He says: "Mr. Fulton thought we ought to pay \$5 an acre instead of \$1."

Mr. Ross: Could I have the temerity to ask on what page that appears?

Mr. Macdonald: I would not be sure it was "temerity," but you may ask.

Mr. Ross: I judged I had to ask it in that way by the answer you gave me to my last question.

Mr. Macdonald: Page 73. He says: "I think the others all agreed that it was a fair price to pay \$1 per acre." (See page lxxxviii.) Is that right? A.—I think, possibly, Mr. Macdonald, that Mr. Bodwell was referring then to the occasion on which he appeared before the Executive.

Q.—Yes— A.—and Mr. Fulton, if I recollect right, voiced that as the opinion of the Executive, and after it was discussed at considerable length, and there was considerable discussion in the matter, and it was finally agreed that \$1 per acre would be a fair price.

Q.—So he was practically right in his answer? A.—He was right, and he was not right, because that was not the first and only time it was discussed. It had been discussed before that.

Q.—Now, outside of the Executive Council, and in your own discussions with him, did you ever ask him for a higher price than \$1 an acre? A.—I think I did, yes.

Q.—Will you specify the occasion? A.—No, I cannot specify the occasion, because I had very few conversations with Mr. Bodwell outside of the Executive. I recollect that I did.

Q.—What did you suggest? A.—I suggested \$2.50 an acre.

Q.—\$2.50 an acre. That, then, is the extent of the bargaining that was carried on by the Government, or by you in connection with this concession which you were making to the Grand Trunk Pacific? A.—No, that was not the extent of the bargaining. We did considerable bargaining. I think the first proposition we made was for \$5 an acre, and Mr. Bodwell claimed it should be \$1 an acre, and I compromised by saying it should be \$2.50.

Q.—Well, finally, you came down to \$1? A.—Yes.

Meeting here adjourned till 8 P. M., 14th February, 1906.

WEDNESDAY, 14th February, 1906.

Pursuant to adjournment, the Committee appointed herein met the 14th day of February, 1906, at 8 P. M. Present: Messrs. Garden (Chairman), Young, Ross, Macdonald and Paterson.

On the opening of the meeting, the minutes of the previous meeting were read by Dr. Young and, on motion, duly adopted.

Mr. Macdonald: There were some applications for purchase of lands or pre-emptions that were to be produced to-night. Have you those here, Mr. Green?

Mr. Green (handing documents to Mr. Macdonald for examination): I am informed, Mr. Macdonald, that those are not all complete, that there are others which will be handed in. I did not get my notice of it until about 4 o'clock this afternoon from one of the gentlemen of the Committee. Those are as complete as we will be able to get to-night.

Mr. Macdonald: Well, we can leave these for a later time, and in the meantime we will proceed with the examination.

Q. (Continuing)—Did you at any time, Mr. Green, make a trip to Portland to meet any representative of the Grand Trunk Pacific? A.—In connection with this matter?

Q.—In connection with any of the concessions which the Company wanted to get in British Columbia? A.—No.

Q.—Then you did not meet a representative of the Company in Portland? A.—Yes, I did.

Q.—When was that? A.—In 1902, I think.

Q.—In 1902? A.—I do not know just when it was.

Q.—1902 or 1903? A.—It was before this question ever arose, Mr. Macdonald.

Q.—That is, before Kajen Island was talked of or settled upon? A.—Yes.

Dr. Young (interrupting): Mr. Chairman, Mr. Bodwell met me in the hall just now and asked me if there was any possibility of his being called this evening.

Mr. Macdonald: I do not think so. The evidence taken last evening has not been transcribed. I have only a small portion of it, and I would not be prepared to go on with Mr. Bodwell to-night.

Mr. Ross: I move that Mr. Bodwell's evidence be taken up as the first evidence at the next meeting of this Committee.

Mr. Macdonald: I most strenuously object to that, as I do not want to examine Mr. Bodwell until I have had an opportunity of reading over his evidence.

Mr. Garden: There is a motion before the Committee that Mr. Bodwell be heard first at the next meeting of the Committee.

Mr. Macdonald: I move an amendment—that we leave the matter open until we again hear from Mr. Bodwell as to when he is likely to leave the city, and that we then decide as to the time we will call him.

Mr. Garden: Well, the stenographer will have her notes ready for our next meeting, so, if that is the case, we might go on with Mr. Bodwell.

Mr. Macdonald: Yes, that will be all right, only I don't want it made peremptory that I must go on.

Original motion lost and amendment carried.

Hon. R. F. Green—*Continued.*

Mr. Ross: What about this question that was left over as to the right of counsel being present?

Mr. Garden: I have asked Mr. Maclean, the Deputy Attorney-General, to be here on behalf of the Committee. I think it quite right that he should be here to advise us if legal questions should come up.

Mr. Ross: The first question arose as to what was the practice in a Committee of this sort in regard to the right of private parties being represented by counsel.

Mr. Garden: I think it was decided when Mr. Bodwell was in the witness-box that Mr. Eberts should be allowed to appear for him, so that disposes of that question.

Mr. Macdonald: I have no objection at all.

Mr. Ross: Only, I consider it is necessary that this point should be decided. I understood we were going to be guided to some extent by that Columbia & Western inquiry practice. Mr. Maclean, if he were present at that, might explain to us what the practice was.

Mr. Maclean (Deputy Attorney-General): I know that certain counsel were permitted in that case, but I suppose that there is no doubt about it, that this is entirely a matter for the Committee to decide. Supposing, for instance, you were to have fifteen or twenty witnesses come here, and each man came attended by his legal adviser, your whole time might then be wasted in legal disputes and squabbles. You can allow as many or as few counsel, or no counsel, for that matter, as the Committee see fit. There are, of course, cases where a man's personal interests may be so seriously involved in an investigation of this kind that it would be only fair that he should be allowed the benefit of his counsel, but for an ordinary witness I do not see why he should be represented by counsel. I suppose an inquiry of this kind, like an inquiry in Court, is supposed to be kept within certain bounds by the presiding Chairman, or Judge. Take a witness in Court, it would be simply preposterous, and the Court would not listen to a witness coming along with counsel. Supposing a witness asked the question in Court, and said "I want to be represented here by counsel," the Judge would laugh at him; but here, in a matter of this kind, a man's interests may be so involved that it would only be fair to allow him counsel.

Mr. Ross: I am not in favour of having any counsel, but I want to give all these people the advantage they are entitled to.

Mr. Garden: I think we decided last night that Mr. Eberts should appear for Mr. Anderson on his being put in the witness stand.

Dr. Young: You say that the ruling of the Chair should be final, do you, Mr. Maclean, in these questions?

Mr. Maclean: Yes, the ruling of the Committee.

Mr. Garden: Well, we will proceed now with Mr. Green.

Mr. Macdonald: I would like you to try and fix that date, Mr. Green. A.—Well, possibly, Mr. Macdonald, you could fix it, or some member of the Committee might fix it. It was the time that Mr. Morse and Mr. Wainwright were in the Province, or shortly after.

Q.—Can you fix it with reference to the time you became a Minister of the Government, or was it before that? A.—It was after, I think. I am not positive about that, but I think it was after.

Q.—It would not be earlier than 1903? A.—Well, Mr. Macdonald, my memory is not good as to dates in that general way. I will say this, that when I met representatives of the Grand Trunk Pacific Railway Company at Portland, it was when Mr. Morse and Mr. Wainwright were in the Province, or shortly thereafter, when they were on their way for home. They went home *via* Portland, and I met them there at that time.

Q.—Yes. Did you go by appointment? A.—I went by appointment, yes.

Q.—Who do you say you saw on that occasion? A.—I saw Mr. Morse and Mr. Wainwright.

Mr. Eberts: Might I take the liberty of interposing, just one moment? It is in reference to Mr. Anderson, whom I represent. He is placed in a very unfortunate position, as a great friend of his has just died in the hospital and he has to attend to his last affairs and can hardly arrange to be here this evening, but will be at the Committee's disposal to-morrow evening, if you will excuse him this evening.

Mr. Garden: I think, under the circumstances, we must. It is only right and proper. We have one or two witnesses we can go on with. Mr. Ritchie is here, and he has been waiting very many days here in order to be heard, and as I do not think his evidence is of such vast importance, we ought to be able to get through with him and let him go.

Mr. Eberts: Then I may tell Mr. Anderson he may go, for if he does not go now and attend to it, he will have to do it at midnight.

Mr. Macdonald: Oh, that seems reasonable, that he should be excused, under the circumstances.

Mr. Macdonald: Would you care, Mr. Green, to tell us the object of that meeting? A.—I went there to interview these gentlemen in connection with matters that were thought by my colleagues to be of sufficient importance to discuss. There was absolutely nothing said in connection with Kaieni Island, or anything pertinent to Kaieni Island.

Q.—Do you remember whether that was before or after the election in October, 1903? A.—I think it was before.

Q.—Before? Was that the first meeting you had had with representatives of the Grand Trunk Pacific? A.—No, I met them when they were here, and when they were at Vancouver.

Q.—Prior to that time? A.—Yes, prior to that time—within a few days prior to that time.

Q.—Did you, on another occasion, go to Tacoma to meet a representative of the Grand Trunk Pacific? A.—No, I never did.

Q.—I understood you met Mr. Lindsay on one occasion? A.—Mr. Lindsay?

Q.—Yes, Mr. Lindsay? A.—A representative of the Grand Trunk Pacific?

Q.—Yes. A.—As far as I recollect, I never met Mr. Lindsay in any connection, other than any meeting that I may have had with him here in Victoria, or at Fernie.

Q.—You did not meet him at Portland? A.—No, I do not think I saw Mr. Lindsay at Portland.

Hon. R. F. Green—*Continued.*

Q.—Then, beyond what you have told us with regard to your meeting Mr. Wainwright and Mr. Morse at Portland, you don't care to state anything further? A.—No. There is nothing further to state, to my mind, as far as this question is concerned, as this question that is now before the Committee was never mentioned. It was never thought of at that time.

Q.—Was there any question touching the acquisition of lands in this Province, or other advantages to be gained in this Province, the subject of that meeting?

Mr. Ross: Well, now, Mr. Chairman, I think that is going outside the scope of this investigation, and I don't know what the object of the question is. It is opening the door to a lot of intrinsic evidence.

Mr. Green: I don't care to say anything about that meeting, except that it had nothing whatever to do, good, bad, or indifferent, with this inquiry.

Mr. Macdonald: Of course, that was before you were approached with regard to Kaien Island.

Mr. Garden: What was the question again? (Question repeated by stenographer.) Is that a proper question to answer?

Mr. Maclean: It has not gone very far yet, so it is very hard to say. Possibly, Mr. Macdonald will be satisfied with the answer the witness has given him.

Mr. Macdonald: The answer is not an answer to my question.

Mr. Green: I think, Mr. Chairman, the answer was very clear and emphatic as regarding this inquiry. There was nothing discussed that could in any possible manner be connected with this inquiry.

Q.—That is, Kaien Island? A.—Kaien Island, or any lands in the vicinity of Kaien Island.

Q.—Or the acquisition of any lands in the Province? A.—I am not going to discuss that with you, Mr. Macdonald, as to what was said at that interview, other than as it applies to this Commission.

Mr. Garden: As we are investigating the Kaien Island lands, I think the question should be limited to that.

Mr. Maclean: Kaien Island, Tsimpsean Peninsula, mainland and vicinity.

Mr. Macdonald: Do you know anything about the steamer "Fern"? Had you anything to do with the purchase of that? A.—No, I hadn't.

Q.—Are you in the same position as Mr. Bodwell, that you have never seen her? A.—I think I did see her. I think I saw her tied up at the wharf.

Q.—But you have never been aboard? A.—I have no recollection of ever being aboard.

Q.—Now, I have a number of other questions turning upon these productions, but as you say they are not complete, I will ask you those again. A.—They may be complete, or fairly complete; I don't know. If you will remember, last night I asked the Chairman to be good enough to send a note down to the Department with a list of what he wanted, and he did not think about it on account of being busy until about 4 o'clock this afternoon, so I had not much time to look them up.

Q.—I am not criticising the non-production of them at all, but I will be able to save considerable time of the Committee if I have an opportunity of seeing them all before I question him upon them.

Mr. Ross: What do I understand as to the laying aside of these documents?

Mr. Macdonald: These are documents I requested Mr. Green to produce. He says he is not sure as to their being all complete, so I am not asking him any questions at present on them, but he will be recalled later for the purpose of being questioned on these documents, and any others he may produce. At the same time, I would ask Mr. Green to produce any papers and correspondence relating to a mineral claim on Kaien Island, which, I think, is called the "Keat" Mineral Claim.

Mr. Green: The "Kelp" Mineral Claim. I would prefer if you would put the request that the Chairman send a note down to the Department, because I do not want to be in the same position as with regard to these papers, having forgotten it. I will be glad to assist you in any way I can in getting these matters before the Committee. This is a mineral claim, I presume, that was located by a man by the name of Stinson?

Mr. Macdonald: Yes, that is the claim.

Mr. Garden: Mr. Green, did the original reserve on this land include and extend to the coast line and include Kaien Island? A.—It extended to the coast line and included Tsimpsean Peninsula, and I was shown a map or chart which was said to be the one that Mr. Vernon and his Department used at the time the reserve was made, and that particular plan, or chart, did not show any Kaien Island as an island, and, therefore, it was presumably on the coast line, but the reserve covered that portion now known as Kaien Island.

Q.—Did you ever examine that plan carefully? A.—I did.

Q.—Didn't you notice on each side of the peninsula, as shown on that plan, the shore line there drawn up and ending like that—it was not closed?

Mr. Macdonald (Interrupting): Might I suggest, if that plan is in existence, it should be produced.

Mr. Garden: Yes, because I think it should be shown that the original reserve covered the land now known as Kaien Island, but the channel which separated Kaien Island from the mainland was known to exist, but it had never been surveyed. The marks on it show there was an inlet running up there in the original Coast survey by the Admiralty, but it had never been surveyed, and the reserve extends over this land which is now known as Kaien Island.

Mr. Macdonald: Of course, that would depend on the Order in Council.

Mr. Garden: We will ask that that map be produced.

Mr. Macdonald: And the Order in Council of 1891, placing the reserve on the peninsula.

Mr. Ross: Mr. Green, what is the total area of Kaien Island, do you know, that is covered by the reserve? A.—Well, Kaien Island is all covered by a reserve now.

Q.—Well, what is the total area? A.—Oh, I presume the total area of Kaien Island is in the neighbourhood of 20,000 acres.

Q.—Exclusive of what has been granted to the Grand Trunk Pacific? A.—No, I think there is possibly—let me see (referring to plan). This, Mr. Ross, is what has been granted to the Grand Trunk

HON. R. F. Green—*Continued.*

Pacific, the district coloured pink, portions on Kaien Island and portions on the mainland. Now, this portion here which is coloured green, I presume that there is in the neighbourhood of 4,000 or 5,000 acres of Government property.

Q.—That is, on the island? A.—Yes, and this coloured yellow is the Indian Reserve lands. I presume that is another 2,000 or 3,000 acres which will eventually be returned to the Province.

Q.—I see; so that the Government has an actual interest, and a reversionary interest, in a large area of land in that immediate vicinity still? A.—Undoubtedly.

Q.—That is, the Province of British Columbia? A.—Yes; and they still have the balance of this reserve on the peninsula besides that.

Q.—I see; the balance of the reserve on the peninsula besides. And what interest have they still in the area coloured pink? A.—Oh, they have their quarter interest in both the land and the foreshore, and the foreshore has to be divided into 1,000-foot lots.

Q.—So that they still have an interest in any land that might hereafter be included, or that might hereafter be subdivided into a townsite? A.—Oh, undoubtedly. I do not think there is any question about that.

Q.—So that in that respect, then, the Crown is in a more favourable position than if it were dealing with an ordinary staker? A.—I think so, yes.

Q.—And with regard to the foreshore, they have also a more desirable arrangement? A.—Oh, very much more desirable. If it were purchased in the ordinary way, it could be divided into blocks, as it were, and the Government would have no approach there except their ordinary one-fourth interest. In this particular case, we have said that they shall not divide the land into blocks of less than 1,000 feet frontage, and we have the first choice. We can choose, if there is one spot more favourable than the other, that particular spot.

Q.—Now, without any suggestion of a townsite, or a terminal going in at that particular point, are you in a position to give the Committee any idea of the value of those lands? A.—I would not like to say that I could, because what I have in the way of information is practically what has been brought to my mind by different people who have staked on the island and in the neighbouring vicinity of the land, and, without any exception, I think they claim that the land is in itself not particularly good land, or not favourable to anything unless it is made necessary to go there on account of the harbour.

Q.—And what, then, would be the value of this land to the Crown if the Grand Trunk Pacific had decided to locate their terminus at any other point than Kaien Island? A.—Well, I do not think that, outside of the revenue that might be gained by the Crown from the timber royalties—and I think the timber there is not particularly good; that is my opinion, gained, I may say, in the same way as I mentioned before in regard to the other—that the land could possibly be classed above third class land. That is to say, ordinarily, without the question of a terminus being established there being taken into consideration. In fact, I believe—

Q. (Interrupting)—That would be worth \$1 per acre? A.—Yes.

Q.—And that is the price you actually did receive for this land? A.—Yes.

Q.—And that money, amounting to \$10,000, was paid? A.—Yes.

Q.—By whom? A.—I think Mr. Bodwell actually paid the cheque to me.

Q.—Whose cheque? A.—I think it was a draft purchased—in fact, I am satisfied it was a draft, and from my recollection would say that it was a draft purchased by Mr. Morse when he was here.

Q.—Has there ever been any doubt as to whether or not these lands coloured brown, or purple, were covered by that reserve? A.—Yes, I think there was a doubt at one time—a doubt possibly brought about by over-carefulness—possibly over-carefulness on the part of the Department. There were no surveys in that district that were made, and very little knowledge had of that district, as is evidenced by the fact that Kaien Island was shown not as an island, but as a portion of the mainland; but the reserve reached from the head of Work Channel, on a direct line to the coast. I have forgotten just the wording of it, but as soon as we got any surveys in there it was shown that the reserve was further north than it was originally supposed to be.

Q.—Now, when were these applications for these lands coloured brown—I don't know what that colour is (referring to plan), but, as a matter of fact, Mr. Garden called it brown—

Mr. Garden: That is what they call brown in surveyors' offices.

Mr. Ross (continuing): made to your Department with regard to the date of that letter, the 19th January, 1904? A.—What letter was that?

Q.—That was the letter written by Mr. Bodwell. Was it before or after that date? A.—It was after that date, I think.

Q.—The land, I suppose, was lying there open for any one to secure? A.—Undoubtedly.

Q.—Do you know how the information was gained as to the reserve not covering that land—I mean by the public? A.—No, I don't know how it was gained.

Q.—I have a note here—I did not make it very full—in which you use the expression “associated with Larsen.” I think you were speaking of Mr. Anderson at the time. What did you mean by that expression “associated with Mr. Larsen.” A.—Well, I don't know. I think that was Mr. Macdonald's expression rather than my own. He kept asking me whether I knew Mr. Anderson was an associate of Mr. Larsen's, and I told him I did not know just what he meant by the word associate. I knew Mr. Anderson was working with Mr. Larsen, whether as an employé in the first instance and an associate afterwards, I don't know, and did not know at that time; but Mr. Anderson claims, I believe, he was an associate—that is, a business associate—and I have no reason to believe that he was not.

Q.—But do you know the terms of his association? A.—No, I certainly don't.

Q.—Did you know it at that time? A.—I did not.

Q.—Mr. Macdonald asked you if you knew that the Crown had still a half-interest in a townsite at Port Simpson? A.—Yes.



Hon. R. F. Green—*Concluded.*

Q.—Have you made any further inquiry into that? A.—No, I did not think any more about it, and did not make any further inquiry.

Dr. Young: Speaking of Port Simpson, is that not under an Indian Reserve—the land all around the harbour? A.—Well, I am not in a position to answer that question, Mr. Young, as I do not know whether it is or not, and in answering these questions I like to be fairly sure of my ground, and I don't know whether it is a reserve or not.

Q.—Well, I know from being there that the Indians are occupying all that ground outside of the Hudson's Bay store. A.—I have never been there, and have not the information, but could get it for you in a very short time by looking it up in the Department, as I could find just what lands the Government did own in that vicinity. Although I cannot state definitely, I am inclined to think you are right, Doctor.

Dr. Young: I know when the hospital was established there, they had to go away up on the hill, back of the Hudson's Bay property, and all the other part was occupied by the Indians.

Mr. Ross: Mr. Green, with regard to the telegram from Mr. Hays to Mr. Bodwell, do you know why that was procured? A.—I undoubtedly do; yes. It was procured because we insisted on Mr. Bodwell showing us that he was acting for the Grand Trunk Pacific people.

Q.—In other words, you would not make this deal with anybody unless it was the Grand Trunk Pacific Company? A.—No, I think I have stated that several times. That there were practically two propositions submitted—the first proposition was from Mr. Bodwell representing someone else. That one we refused to deal with, and never did deal with. We discussed the matter with him, but would not deal with it—that is to say, the second proposition—until Mr. Bodwell convinced us he was representing the Grand Trunk Pacific people.

Q.—Well, I am right in presuming that the first proposition was the one outlined in the letter dated January 14th, 1904? A.—Yes, I think that letter is the one I returned to the House. I don't remember the date, but it was the first letter where Mr. Bodwell puts the proposition before us.

Q.—Well the second proposition was— A.—It was simply a continuation of this.

Q.—It was carried on verbally? A.—Yes.

Q.—And the Minute of Council is the culmination of that? A.—Yes.

Q.—Now, I find I have a number of notes, but I did not take them very fully, thinking that the short-hand notes would be all transcribed, and I would prefer to leave any further questions over until Mr. Green is recalled, if that is satisfactory.

Mr. Paterson: I would like to ask Mr. Green one or two questions. How many good deep sea harbours are there on Vancouver Island, between Kaien Island and Portland Canal—can you tell me that? A.—I don't know.

Q.—Do you think there are very many? A.—I would not express an opinion.

Q.—But assuming there is one—one easily reached from the sea, having good land on harbour, with grade easily reached, so that connection could be easily reached with railway—would you consider land in that vicinity was of no more value than land in the interior, or on a harbour that could not be reached? A.—Oh, undoubtedly, if there was a good harbour there, and that was the one harbour available, the land would be much more valuable.

Q.—Well, supposing there were several harbours, and taking in view the increase there is likely to be in the Pacific Coast business in the future, would you consider that land on a harbour of that kind only worth a dollar an acre? A.—I would consider, Mr. Paterson, that this is only worth a dollar an acre at the present time. But I consider, and the Government consider, the fact that the establishment of a terminus there will make it worth much more; but we are getting more out of it than a dollar an acre. If we were making an outright sale at \$1 an acre, that question might apply, but I consider we are getting more value than \$1 an acre out of it. We get the location of a terminus and the advantages that will accrue therefrom.

Q.—I suppose there are other roads that might have located there? A.—Possibly, but that was the only one in sight at the present moment.

Mr. Macdonald: Just one question. Mr. Ross asked you whether the Province owned some other land not granted to the Grand Trunk Pacific, and shown in green on this map that has been produced. Do you know the character of that land? A.—No, but I believe it is similar to the other.

Q.—That is, you believe it is similar to the part granted? A.—Yes, I think so.

Q.—Isn't it a fact that this land here is over 2,000 feet above sea level? A.—Well, it may be the fact, Mr. Macdonald, but it is not a fact within my knowledge.

Q.—Well, the fact is, I suppose, that you don't really know? A.—No, I don't.

Q.—So when you say it is the same character as the other land granted to the Grand Trunk Pacific, you are speaking without any knowledge of the subject? A.—I simply presume it is from the position of it. I do not know, though, of my own knowledge.

MR. RITCHIE, a witness called and sworn to give evidence herein, testifies as follows:—

Mr. Macdonald: You are a Provincial Land Surveyor, Mr. Ritchie? A.—Yes, sir.

Q.—You have been on Kaien Island? A.—Yes, sir.

Q.—When were you there first? A.—In September of 1904.

Q.—In September? A.—September, 1904.

Q.—Who went up with you? A.—Mr. Mathews—no, Mr. Anderson, I should say.

Q.—Mr. Anderson. Anyone else? A.—And Mr. Mathews.

Q.—And Mr. Mathews? A.—Yes.

Q.—So that you went up, leaving Victoria in September, 1904, with Mr. Mathews and Mr. Anderson? A.—No, I went up to Cape Caution and made some surveys there for Mr. Anderson earlier in the season.

Q.—You mean 1894, or 1904? A.—1904.

Mr. Ritchie—*Continued.*

Q.—How did you go up? A.—I went up on the steamer "Teas."

Q.—They went up with you? A.—No, sir; I went up alone.

Q.—Did you go up before them? A.—Oh, yes—fully a month.

Q.—Went up a month ahead of them? A.—Yes, sir.

Q.—And what was your first work up there? A.—I was surveying some coal claims at Cape Caution.

Q.—I am speaking now of Kaien Island, or that vicinity? A.—I did very little work on Kaien Island. Most of my work was in the vicinity surrounding Kaien Island.

Q.—Were you on Kaien Island in 1904? A.—Yes, I visited the property; I was on the island.

Q.—With what object in view? A.—I went up there to survey for Mr. Anderson.

Q.—On the island? A.—No, on the adjoining property.

Q.—Well, I am asking you now, what object you had in view when you went on the island? A.—I could not tell you just now, I am sure.

Q.—Mr. Anderson was with you? A.—Mr. Anderson was on the steamer at the time while I went ashore.

Q.—How long did you remain on the island at that time? A.—Two or three hours.

Q.—You landed there? A.—Yes.

Q.—You landed at Lima Harbour, did you? A.—Yes.

Q.—And after remaining there a couple of hours you left Kaien Island to survey the coal claims, did you? No, I surveyed the coal claims before going there.

Q.—Earlier in September? A.—In August. I left here in August.

Q.—Where did you meet Mr. Anderson and Mr. Mathews up there? A.—At Cape Caution.

Q.—Is that shown on this map? A.—No. That is half-way up along the Coast between here and Lima Harbour.

Q.—Then you came down with them to Kaien Island? A.—Yes, sir.

Q.—Did you leave them there, or did you all leave together? A.—No; I was there surveying. I was there for about two and a half months.

Q.—On Kaien Island? A.—No, on the land surrounding.

Q.—I am asking you whether you left Kaien Island, after those two and a half hours you said you were on the island, with Mr. Anderson and Mr. Mathews? A.—Oh, yes.

Q.—Where did you go to then? A.—Up to Essington.

Q.—While you were on Kaien Island, were you looking over the townsite? A.—I think we were shooting that day, if I remember right. We were only there a couple of hours.

Q.—Had they been there before? A.—I don't know.

Q.—You did not gather that from anything that took place there? A.—I did not ask them any questions about it.

Q.—What is the character of the island—the topography, for instance? A.—Well, it is very rough. It is a hilly country, and in places there are muskegs. I have learned since—

Q. (Interrupting)—Well, is there a backbone of mountains running through it? A.—A very high mountain.

Q.—I think you prepared this map that is here? A.—Yes.

Q.—Now, what is the character of that portion of it marked green? A.—Well, that is very hilly.

Q.—It is very hilly, is it not? A.—This part here is high (indicating on plan); it slopes over here. The mountain breaks about the centre.

Q.—About the centre of the island? A.—Yes, about here, I should say (indicating on plan), and slopes in all directions.

Q.—All directions; so that this portion coloured green would be the backbone of the island? Q.—No, I would not say that. I think that is about as good a piece of land as there is there.

Q.—How high is it? Is it above sea level, the centre of this? A.—Well, let me see—roughly speaking, I would say it is about 1,500 feet.

Q.—That is a pretty sharp rise from the sea on the different sides of an island of that size, isn't it? A.—That is a distance of about three miles, or three and a half miles across the summit.

Q.—Three or three and a half across the summit. Do you know this portion coloured pink pretty well? A.—I have been over the whole of it since.

Q.—Take this portion of it; you know it, I suppose? A.—Yes.

Q.—Well, take the southern portion side of it, on the island, and tell us what is the character up to, say, half the distance? A.—Well, that is very high land all the way through there.

Q.—And where is the foot of the mountain? Where would it be shown? A.—About three-quarters of a mile back from the shore.

Q.—And then it rises very steeply, does it not? A.—Yes, in some places.

Q.—And how about that north end of the island? A.—Back to here (indicating on plan), I would say it was about a mile to the foot of the hill.

Q.—About a mile to the foot of the hill, and then it rises again abruptly? A.—No, there is a gradual slope from there.

Q.—What degree? A.—I could not tell you that.

Q.—Forty-five? A.—Oh, no; it would not be more than twenty.

Q.—Twenty degrees? A.—Yes.

Q.—So that from the foot of the mountain, a mile from the north end of the island, the land starts to rise at about twenty degrees? A.—Yes, I would say about that.

Q.—And it rises to a height of 1,500 feet? A.—Well, I think the mountain is really higher than that.

Q.—You think it is higher than 1,500 feet—it is over 2,000 feet, is it not? A.—At this particular point?

Q.—The back-bone of the mountain, the ridge? A.—The highest part of the mountain is in there. You mentioned this particular green spot—well, I should say about there it is about 2,300 feet.

Mr. Ritchie—*Continued.*

Q.—That would be about the eastern edge of the green? A.—Yes.

Q.—Of the green portion. A.—Of the western edge—

Q.—Yes, of the western edge, of the portion coloured green on the island, and about the centre of the island, the mountain is how high? A.—About 2,300 feet.

Q.—And then from that peak of 2,300 feet does it slope in all directions to the sea? A.—Yes, in all directions.

Q.—So that that portion coloured green is a pretty rough mountainous portion? A.—No, indeed, it is not.

Q.—It is not? A.—Those two places there (indicating on plan), that is practically level ground from here to here.

Q.—Yes, the southernmost ground down here—on what you call Salt Lake and Porpoise Harbour—I suppose there is some level land there? A.—Yes, and it is very steep down here.

Q.—It is the southern end of the green portion, even there it is very steep? A.—Yes.

Q.—Then the portion available for a townsite, along the eastern side of the portion coloured pink, would be how far? Half a mile or three-quarters of a mile wide—from the sea? A.—Well, that is as far as I have been in here (indicating on plan). I could not tell you beyond that.

Q.—Well, what would you say? A.—Three-quarters of a mile.

Q.—And the northern end of the island? A.—About a mile.

Q.—You would say about a mile? A.—Yes, that is level land.

Q.—Fit for townsite purposes. A.—There is more than that fit for townsite purposes.

Q.—You did not survey that portion conveyed to the Grand Trunk Pacific, did you? A.—No, not that piece.

Q.—Did you survey any of those lots? A.—Yes, I surveyed Lots 443 and 444.

Q.—443 and 444? A.—Yes. I had nothing to do with this. I did not survey that (indicating on plan).

Q.—Is that pretty good land—444? A.—Fairly level in the back, but in the front it is not; it is very rough.

Q.—And 443? A.—Fairly level in the front and rough in the back.

Q.—When did you make these surveys of 444 and 443? A.—In September and October. I completed the work about the end of October.

Q.—In 1904, you mean? A.—Yes.

Q.—The time you have already spoken of? A.—Yes.

Q.—Did you find any stakes upon 444? A.—No, I didn't.

Q.—Did you look for any? A.—No.

Q.—Did you find any on 443? A.—Yes, I saw one stake there.

Q.—Of what—a pre-emption? A.—No, it was staked, I think, under South African war scrip.

Q.—Staked under South African war scrip. Would you indicate on that map where it was? A.—It was the south-west corner of Lot 443, Range 5.

Q.—South-west corner? A.—That is here (indicating on plan).

Q.—Here? A.—Right here.

Q.—Right in here (indicating)? A.—Right at the corner.

Q.—That is the corner, isn't it (indicating on plan)? A.—Right there.

Q.—I was speaking of Lot 443—

Mr. Garden.—It goes right down to the water.

Mr. Macdonald.—Just show me that again. A.—Here (marking same on plan).

Q.—You are speaking of the stake now? A.—Yes; that was the position of the stake. It was placed right at the corner.

Q.—Claiming how much under scrip—320 acres? A.—No, 160 acres.

Q.—Would it be entirely on Lot 443? A.—Yes.

Q.—Yes—entirely on Lot 443. A.—It runs off a little this way (indicating on plan), and then it follows the coast line.

Q.—Whose name was on the stake? A.—I don't remember now. I did not even take a note of it.

Q.—Was that the only stake you saw? A.—On that part, yes.

Q.—On what other parts did you see stakes? A.—I saw stakes in here, quite a number, but no writing on them. I saw quite a number covering the same ground.

Q.—On Lot 251? A.—Yes, 251.

Q.—At the north? A.—North-west corner.

Q.—You saw several stakes there? A.—Yes, several stakes.

Q.—Applications under South African war scrip? A.—I don't know. I could not read the writing on them.

Q.—Any other stakes that you saw? A.—No, these were the only ones I saw there.

Q.—Now, I understand that you surveyed Lot 505? A.—Yes, sir.

Q.—For whom? A.—For Mr. Anderson.

Q.—For Mr. Anderson; under South African war scrip? A.—Yes, sir.

Q.—Had it been staked before for purchase or pre-emption? A.—I never saw any stakes on it.

Q.—You did not see any stakes? A.—There may have been 100 there for all I know.

Q.—Well, isn't it a usual thing for a surveyor to ascertain whether there are other stakes, in order for him to see whether he is on vacant land or not? A.—No; a surveyor has nothing to do with that.

Q.—You have, I suppose, surveyed a number of mineral claims? A.—Yes; but that is a different thing altogether. You have to look out for stakes there.

Q.—Why not pre-emptions? Do you go on a man's premises without looking for stakes? A.—Mr. Macdonald, I am quite satisfied that no one would pre-empt that, because it is nothing but a lot of rocks.

Q.—Why would Mr. Anderson want to get it for, then, if it is nothing but a lot of rocks? A.—I don't know.

Mr. Ritchie—*Continued.*

Q.—You don't think that anyone else would be as foolish as Mr. Anderson was in that connection?  
A.—No.

Q.—However, you paid no attention to stakes; you just merely went there and surveyed? A.—Yes.

Q.—And 450, did you survey that lot? A.—Yes.

Q.—Had there been any stakes on that? A.—I did not see any. There had been no stakes along the shore-line here, or I would certainly have seen them.

Q.—Didn't you run your lines all around? A.—Yes, I said if there had been any I would certainly have seen them.

Q.—449; were there no stakes on there? A.—No.

Q.—That is, none that you saw? A.—Yes.

Q.—Was Mr. Anderson with you when you were making these surveys? A.—He was part of the time, but not for very long. Most of the time he was down here.

Q.—Didn't he tell you that he had put up stakes there before, for purchase? A.—I put the stakes up.

Q.—Oh, you put the stakes up? A.—I staked the ground.

Q.—Well, then, you did see stakes there? A.—My own stakes, yes.

Q.—When did you stake that ground? A.—It was in February, I think, or January; I don't remember.

Q.—1904? A.—Yes. No—wait a minute—1905.

Q.—1905? A.—Yes.

Q.—Long after you had surveyed Lot 444, for instance? A.—Oh, yes.

Q.—'Um, 'um. And before you made these surveys? A.—Yes.

Q.—When did you make these surveys? I am speaking now of the lots coloured brown on the plan?  
A.—I went up there in January, left here in January, and completed my work about the 1st of March.

Q.—1905? A.—Yes. Well, I staked the ground after I went up there, on the 1st January, 1905.

Q.—For whom? A.—Mr. Anderson.

Q.—For purchase? A.—Under South African war scrip?

Q.—Yes. A.—The whole of that ground.

Q.—So that all these lots that are coloured brown on this map were staked by you for Mr. Anderson under war scrip? A.—Yes.

Q.—Was there any person with you when you were doing the staking? A.—Yes.

Q.—Who? A.—One of my men. Mr. Watson was with me part of the time.

Q.—Anyone else? Was Mr. Anderson there? A.—No.

Q.—Or Mr. Mathews? A.—No.

Q.—Did you know Mr. Mathews in the transaction at all? A.—No, I had nothing to do with him at all. Mr. Anderson was the only man I had any business dealings with.

Q.—Then afterwards you surveyed these lots? A.—Yes.

Q.—Do you know anything about the grants? Have grants been issued for them? A.—No, sir; I don't know.

Q.—You don't know about that? You were employed by whom? A.—By Mr. Anderson.

Q.—And were paid by him? A.—Yes, sir.

Q.—You were paid by him? Did you meet Mr. Larsen at all? A.—No, sir. I knew Mr. Larsen, but I did not meet him in connection with this.

Q.—Did you meet him at any time between September, 1903, and the time you completed your surveys? A.—No, sir; I had not met him for four or five years.

Q.—Then, I presume, Mr. Ritchie, it would be but proper to say that all you had to do in the matter was simply to obey your instructions as surveyor, in staking and surveying these lots? A.—That is all.

Q.—I suppose Mr. Anderson never discussed his business with you? A.—No, sir.

Q.—Or told you anything about his arrangements? A.—No, sir.

Q.—Or that he was acting for someone else in the matter? A.—No, I don't remember him telling me that.

Q.—Are you sure about that? A.—Yes, quite sure.

Q.—He never told you he was acting for anybody else? A.—Well, I don't remember him telling me that.

Q.—You have known Mr. Anderson for a long time? A.—Yes, for ten or twelve years, I think.

Q.—I suppose you had a pretty good idea that he could hardly himself alone, without somebody's backing, carry on expensive operations of that kind? A.—Yes, I believe I did.

Q.—Now, your map correctly shows the island and the mainland there, does it? A.—Yes, as well as I can make it, Mr. Macdonald. That is, all these surveys around here are my own, but this is not mine, you know (referring to part coloured pink). This is compiled from other sources.

Q.—Well, it has been properly compiled and properly shown with regard to the position on that map?  
A.—Yes, sir.

Q.—I suppose the water all around the island is deep water? A.—No; with the exception of in here at that point, and at that point (referring to part coloured pink).

Q.—At the points? A.—Where the rapids are shown here.

Q.—Marked Fern Passage here—you say it is deep water? A.—No, it is not very deep there, and it is not very deep here (indicating on plan).

Q.—Not very deep? A.—At the rapids—the first rapids—at Number 2 rapids it is not very deep and here (indicating). Of course, when the water is high—

Q.—Now, the first rapids are rapids on the east of the island, about the centre? A.—Yes.

Q.—And what you call Number 2, although it is not marked, is Number 2 on the map, the rapids next south of this? A.—Yes.

Q.—This map is on what scale—you don't show the scale, do you?

Mr. Ritchie—*Continued.*

Mr. Garden : It is about  $1\frac{1}{2}$ " to the mile. I have been trying to make it out.

Mr. Macdonald : Did you take any soundings through those second rapids? A.—No; the only places I took any soundings were down here and up around in here (indicating on plan).

Q.—At the northern end of the island? A.—And down in Porpoise Channel.

Q.—This? A.—No, I did not sound here.

Q.—I think you told us it was in January or February that you were surveying these Lots 505 and others? A.—Yes.

Q.—How long were you in the neighbourhood of the portion coloured brown on this plan? A.—Three months, I guess.

Q.—Three months? A.—I was there until the end of March. I went up there in January and left in March.

Q.—You did not make the trip on the "Fern," did you, Mr. Ritchie? A.—From here North?

Q.—Yes. A.—No, sir.

Q.—Or anywhere? A.—Oh, yes, I was on the "Fern" quite often.

Q.—Where—up at Kaien Island? A.—Yes.

Q.—Who were in charge of the "Fern" at that time? Who was your captain? A.—Captain Shears.

Q.—And Commodore Anderson? A.—No, Mr. Anderson was not there. Mr. Anderson was not with me at that time.

Q.—He was not with you at that time? A.—He was, part of the time, but not all the time.

Q.—Were you promised any interest at all in those lands? A.—No, sir.

Q.—There was no arrangement of that kind? A.—No, sir.

Q.—When you went up there, Mr. Ritchie, were you aware that there was a reserve there? A.—To Kaien Island?

Q.—Yes. A.—Well, I did not know that I was going to Kaien Island until after I left Cape Caution. In fact, I did not know I was going to Kaien Island until I got there. I did not know anything about the place at all.

Q.—You were sort of blindfolded, as it were? A.—I had no information about it.

Q.—So they kept you entirely in the dark as to what was being done? A.—Yes.

Q.—Except that you were employed? A.—Employed as a surveyor.

A.—No, I am not. I did not take any soundings there, so I that I could give a good opinion of it.

Q.—Were you there when Mr. Hays and Mr. Morse were up there with their engineer? A.—No, sir.

Q.—You did not see them? A.—No, sir.

Q.—Then your idea is, and, in fact, from your own knowledge you can say that from the south end of Lot 257 to the north end, along the line of the railway, as shown on the plan, it is good level land? A.—Yes, I am sure that there is that much anyway.

Q.—Furnishing good harbourage and good wharfage at almost any point along the—well, for almost five miles? A.—Yes, for more than five miles—six or seven miles.

Q.—The whole six or seven miles? A.—No; this is the point where the harbour is, Mr. Macdonald (indicating on plan). That is not the harbour in there.

Q.—Well, so far as you know, this is good anchorage also, is it not? A.—No, I would not say it was.

Q.—Do you know? A.—That is up to that point (indicating on plan).

Q.—That is in Fern Passage? A.—Yes, but this is the main harbour (indicating on plan).

Q.—The main harbour is shown as Lima Harbour? A.—Yes.

Q.—But along Fern Passage you would find very good wharfage? A.—Oh, yes.

Q.—Very good wharfage? A.—At some places there.

Mr. Ross : Mr. Ritchie, with regard to the green portion on the island, what is the general character of that land? A.—Well, I could not give you an intelligent opinion of that, Mr. Ross. I have never been over it.

Q.—Is it as good a general character as the surrounding land? A.—I have never been over that portion of the land, only this part here (indicating on plan). That is just as good.

Q.—That is just as good. What area is it? A.—The south end of that green part is very good land, splendid land, but the northern portion of that land I don't know very much about.

Q.—What area has the southern end? A.—I would say two or three square miles—that is, roughly speaking.

Q.—And in the event of a townsite being established, on the portion coloured pink, on the island, would that land be of any value? A.—Yes, it would.

Q.—It would be useful and made valuable? A.—Yes; I would like very much to own it as a terminus.

Q.—Did I understand you correctly, that you had staked the ground coloured brown in January, 1905? A.—Yes, sir.

Q.—That is just a year ago? A.—Yes.

Q.—And immediately proceeded to survey those lands? A.—Yes, sir.

Q.—And it is upon your surveys that the Crown grants for that land have been issued? A.—Yes, sir; I presume so. If the Crown grants have been issued it must have been on my survey.

Mr. Macdonald : Just a moment, Mr. Ritchie, I suppose your idea is that the town would be established at the north end of the island? A.—Well, I think it will start here (indicating) and go clear around there.

Q.—Go all around the north end of the portion coloured pink, and down to about the centre? A.—Yes; that is all good land.

Q.—Down to about the centre; that would be the portion you would say would form the townsite? A.—I would continue it right down here. That is all good land in here (indicating on plan).

Q.—In order for the town to spread down to the southern end of it there, it would require to be a distance of seven miles, wouldn't it? A.—Yes.

Mr. Ritchie—*Concluded.*

Q.—That is not likely, is it? A.—Oh, I think so.

Q.—Not in the near future, at all events. If you are going to have a town there seven miles in length, it will take some length of time to build up to that? A.—I don't see why.

Q.—But, at all events, until the town does grow down to this portion here (indicating on plan) the whole seven miles, this southern portion of the part coloured green would not be available for townsite purposes, as part of that townsite? A.—Well, if this harbour is ever used—that is, Porpoise Harbour—that piece of land is just as good as any portion in here.

Q.—Well, but assuming now the terminus is going to be established where the Crown grants require them to be, on this portion coloured red, on Lima Harbour, then this southern portion of the reserve on the island is at least eight miles away from that, isn't it? A.—Yes, I think it is.

Q.—Can you speak of the depth of water in Porpoise Harbour? A.—Well, Captain Shears took several soundings in there, and he said it was, I think, between 14 and 18 fathoms at low water.

Q.—At low water? A.—Yes.

Q.—Is it not a fact it is very shallow at low water? A.—Along this coast here?

Q.—Yes. A.—Yes, in places.

Dr. Young: Mr. Ritchie, under the Land Act, when you make surveys, are you required to notice other posts? A.—No, we are never called upon to do it. It is only for our own information that we do it.

Q.—So when you go out as a surveyor you are instructed by your employer as to the post on which he has placed his public notice, and you survey simply according to his instructions? A.—Yes.

Q.—Without respect to other locations, mineral or otherwise? A.—Yes, in a great many cases.

Mr. Garden: Pre-emption posts are usually placed on the shore-line in a country like that? A.—Yes.

Q.—Or purchase stakes; so that the Land Act requires you to put a notice on it in some conspicuous place on the land? A.—Yes.

Q.—The Land Act requires that? A.—Yes.

Q.—And close to the shore is the usual place to find stakes? A.—That is where I put all those stakes there. They are very plain, and can be seen by anybody.

Committee here adjourned until the call of the Chair.

FRIDAY, 16th February, 1906.

Pursuant to the call of the Chair, the Committee met this 16th day of February, 1906, at 8 p. m., to inquire into the proceedings herein.

Minutes of the previous meeting were formally read by Dr. Young and, on motion, adopted.

Mr. Ross: I would move that the original motion that Mr. Bodwell be next heard be rescinded, and that Mr. Anderson be the next witness heard. Motion carried.

Mr. Garden: Have you any of those maps of Kaien Island, Mr. McKay?

Mr. McKay: Yes.

Mr. Macdonald: Yes, we had better have them.

Mr. Garden.—That is, of the maps we asked for, and the lands, transferring land around Port Simpson, and the Order in Council creating the reserve in 1891.

Mr. Ross.—Mr. McKay had better be formally sworn, then.

Mr. Macdonald.—Oh, no, it is not necessary to do that; it is just a question of producing them.

Mr. Ross.—It is a question of safeguarding those important papers.

Mr. McKay.—I can produce them at any time, Mr. Ross.

Mr. Ross.—Well, possibly you will be here this evening if we want you?

Mr. MacKay.—Yes.

MR. JAMES ANDERSON, a witness duly called, being first duly sworn, testifies as follows:—

Mr. Macdonald.—Do you desire that I should go on first?

Mr. Garden.—Yes, unless Mr. Anderson wishes first to make a statement?

Mr. Anderson.—No, I have no statement to make, Mr. Garden.

Mr. Macdonald.—You have lived in Victoria for how long, Mr. Anderson? A.—Four or five years.

Q.—Four or five years. When did you first conceive the idea of obtaining or getting some interest in a possible terminus for the Grand Trunk Pacific? A.—Oh, I think it was about August of 1903. I am not quite certain.

Q.—How did you come to conceive that idea? A.—I met Mr. Larsen here in Victoria and chatted the matter over with him.

Q.—You met Mr. Larsen. Where did you first meet him—here? A.—Do you mean the first time I met Mr. Larsen?

Q.—No—in Victoria, in August? A.—I met him at the Driard Hotel. I would not be quite certain as to the date, but I think it was about that time.

Q.—At all events, it was in the summer of 1903, you think; about August? A.—Yes, I think about then. It might have been earlier, or later.

Q.—Did you put a proposition before him? A.—No, sir.

Q.—Well, how did you come to talk about the matter? A.—Oh, we were discussing the Grand Trunk Pacific Railway project—the Bill had been before the Parliament at Ottawa—discussing the opening up of that country. Mr. Larsen said it would practically revolutionize the northern part of British Columbia, and we were chatting over the resources of British Columbia generally.

Q.—Yes, but to come down to the point—how did you come to discuss the terminus? A.—I do not say we discussed the terminus. We discussed that northern country—



Mr. James Anderson—*Continued.*

Q. (Interrupting)—We are not particularly interested in that. I want to know—was there any discussion at that time about the possibility of getting a terminus there? A.—Mr. Larsen mentioned that it would be a good thing to know where the terminus was going to be, and I said I thought so, and he asked me if I had ever been up in that country, and I said no, I had not been up that far North; and he asked me if I would like to go up there and look around, and I said I would be very glad if I could go.

Q.—Well, what was the result of these talks? A.—The result was I took a trip up later in the year.

Q.—Did you have any arrangement with him before you went? A.—No.

Q.—You were just hired by him? A.—Not exactly. I could not say I was hired by him. He asked me if I would go over the land and see if I could discover any possible site that would make a good terminus.

Q.—And if you discovered any good possible site, I suppose he was going to pay your wages? A.—No.

Q.—What was there in it for you? A.—Simply the speculative part that I was to go up there and take an interest —

Q.—So that he and you, I suppose, came to the conclusion that it would be a good chance for speculation up there? A.—Yes.

Q.—And were you and he to be the only ones in it? A.—Yes; he and I were to be the only ones in it.

Q.—The only ones. You did not have any discussion with any person else about it? A.—No, not at that time.

Q.—Not before you went North? A.—Before I went North?

Q.—Yes. A.—I don't remember.

Mr. Eberts.—Which time are you speaking of now.

Mr. Macdonald.—I am speaking of the occasion which he is speaking of.

Mr. Eberts.—Which occasion? He has been up many times.

Mr. Macdonald.—I do not know that Mr. Eberts has any right to make suggestions of that kind to the witness. As I understand Mr. Eberts' status here, it is that if the witness desires to take his advice as to whether a question should be answered or not, Mr. Eberts may offer it to him. But he is not to interrupt the examination of the witness.

Mr. Eberts.—I am either appearing for him or I am not.

Mr. Garden.—I think we will ask the Secretary to read over the opinion that Mr. Maclean gave us as to the appearance of counsel for any witness.

Dr. Young.—Mr. Maclean advises that where a witness's interests were seriously affected counsel might be allowed, and the ruling of the Chair on any question should be final.

Mr. Macdonald: I do not see that Mr. Eberts, at all events, has yet any status at all. I have no objection to his advising the witness, but I have objection to being interrupted in an examination where there is no necessity for it.

Mr. Anderson: I asked the permission of the Chair to be represented here, because I considered my interests were seriously involved.

Mr. Macdonald: You understand what we were speaking of? You were speaking of your first interview with Mr. Larsen? A.—Yes.

Q.—After that interview you went North? Now, you understand what the question meant, didn't you, that we were referring to the conversation with Mr. Larsen before you went North? A.—Yes, the first time.

Q.—Yes. We were asking you about the date? A.—I am not quite certain of the date.

Q.—Mr. Larsen, was he here at the time? A.—No, he was not here at the time, sir.

Q.—How long was Mr. Larsen here on that occasion? A.—Only for a day the first time.

Q.—Then was he here more than once before you went North on your first trip, on the 1st September? A.—I cannot remember, sir.

Q.—Did he ever supply you with funds to go North? A.—Yes.

Q.—He did supply you? With whom did you go North? A.—Myself.

Q.—Alone? A.—Alone.

Q.—Yes. Where did you go on that trip? A.—I went to Port Simpson first.

Q.—Yes, and stayed there how long? A.—Four or five days, I think. I think that is about as long as I stayed there.

Q.—And from Port Simpson where did you go? A.—Down to Port Essington.

Q.—Stayed there some time? A.—Stayed there about a week, I think. That is, I made off trips there.

Q.—And from Port Essington where? A.—I went down to the Skeena River to a point called Port Irving.

Q.—And stayed there a time? A.—I cruised around there for a couple of days, looked over the land, and took some options on it—

Mr. Eberts (interrupting): I didn't understand you.

(Answer read by stenographer.)

Q.—From there you went back to Essington?

Mr. Eberts (interrupting): Did you say you took some options at Port Irving?

Witness: Yes.

Mr. Macdonald: And then you came back to Port Essington? A.—Yes, came back to Port Essington.

Q.—And from there? A.—Came back to Victoria.

Q.—And on your first trip you did not go to Kajen Island at all? A.—No.

Q.—Or Lima Harbour? A.—Well, I passed it in cruising around, passed the mouth of the harbour, just in cruising around.

Q.—How were you cruising—had you a boat? A.—Yes.

Q.—What kind of a boat? A.—A sail boat, a Columbia River sail boat.

Q.—And a crew? A.—No crew; just a couple of men with me.

Q.—Then you came back to Victoria? A.—Yes.

Mr. James Anderson—*Continued.*

Q.—Got back here about when? A.—I could not fix the date, Mr. Macdonald.

Q.—About what month? A.—About the end of October, I should judge.

Q.—You met Mr. Larsen here? A.—Yes.

Q.—He came here to meet you, did he? A.—No, I didn't meet him here; I met him in Seattle.

Q.—You went over to Seattle to see him? A.—Yes, I went over to Seattle.

Q.—Anyone with you? A.—No, sir.

Q.—You went alone? A.—Yes, went alone.

Q.—Well, what did you do in Seattle? A.—I met Mr. Larsen there.

Q.—And what took place between you? A.—We chatted over the trip, and I told him of what I had seen, and pointed out what I had heard.

Q.—Did you make any report to him about Lima Harbour after your coming back from that first trip? A.—No, sir; only I told him that I had heard it was a good place. Tuck's Inlet I called it then. I did not know it by the other name at that time.

Q.—Well, had you come to the conclusion at that time that Tuck's Inlet was to be the place? A.—No, sir; not then.

Q.—Well, then, what else took place between you and Mr. Larsen? Did you make any arrangement for the future? A.—No, no definite arrangements.

Q.—So that you just told him of what you had done up there and left him? A.—Not exactly. I chatted over the matter, and he asked me if I would make another trip, and I said I thought it would be better to make another trip North later, which I did.

Q.—When did you make your second trip? A.—In the month of December.

Q.—You just had the one interview with Mr. Larsen before going up again in December? A.—I could not be certain as to that. I might have had more.

Q.—Well, don't you recollect? A.—No; I might have seen him once before I went up again.

Q.—Well, where did you see him? A.—In Seattle.

Q.—Then if you saw him again, I suppose you made a special trip to Seattle to see him? A.—Oh, yes.

Q.—And you are not distinct in your recollection as to that? A.—No, I am not distinct.

Q.—So you made a trip to Seattle on purpose to see Mr. Larsen on this important business without now being able to recollect it, or you may have made more than one? A.—Yes.

Q.—Would you have made half a dozen? A.—No.

Q.—Three, do you think? A.—No.

Q.—Two? A.—Yes, I might have made two.

Q.—Did you make any plans as to what you were going to do up there on the second occasion, with him? A.—He asked me if I had seen any good timber up there worth while locating.

Q.—And anything said about a townsite? A.—No. He asked me about the conditions of the land, and if Port Irving would make a good townsite.

Q.—Which? A.—Port Irving.

Mr. Ross: Where is that? Witness: That is down at the mouth of the Skeena, and I told him it would make a good townsite, but I did not think the approaches were very good.

Mr. Macdonald: That is to say, a townsite in connection with the Grand Trunk Pacific terminus? A.—Yes.

Q.—Well, what were you to do on the second trip? A.—Examine the land further, and report—

Q.—Examine the same place? A.—Different points. He asked me if I had seen Kitimaat yet, and I said I had. And he said I had better have a look at that, and he asked me if there were any other probable places, and I said several, and I mentioned having seen Nassoda Passage.

Q.—At that time you did not seem to have any idea with regard to Kaien Island, for instance? A.—No, not in regard to Kaien Island; but as regards Tuck's Inlet, I had gathered quite a good deal of information about it.

Q.—About Tuck's Inlet? A.—Yes.

Q.—Well, then you went up again in December on your second trip, and how long did you remain on that occasion? A.—I think about three weeks, or two weeks.

Q.—You got back before Christmas? No, it was after Christmas when I got back. I spent Christmas up there.

Q.—Where did you go on your second trip? A.—I went down to Lima Harbour, or Tuck's Inlet, and cruised all around there, and stayed there for about two days, and then came back to Port Simpson, and got some information about Nassoda Passage, and cruised the lands around Port Simpson, and looked over them, and then came South again.

Q.—And then came back? A.—Yes, sir.

Q.—Did you see Mr. Larsen on your return from that trip? A.—Yes, sir.

Q.—Where? A.—In Seattle.

Q.—You went over to see him again? A.—Yes.

Q.—Was he living there at that time? A.—He was there the greater part of the time.

Q.—His home is in Montana? A.—Yes, in Helena, Montana.

Q.—You met him there by appointment, I suppose? A.—Yes.

Q.—Do you remember whether he came from Helena to meet you? A.—No. I think he simply told me he would be in Seattle on a certain day.

Q.—I see; he sent you word? A.—Yes.

Q.—Did you make a report to him of that trip? A.—Yes, sir.

Q.—What was the nature of that report? A.—I drew a sketch map of Tuck's Inlet at that time, showing the lands surrounding it, and showing Lima Harbour and the entrance, and of the water passage into it, and told him that I considered it the best point for a terminus when it came out—

Q.—Did you mention Kaien Island? A.—Yes, I think I did mention it in that report. I naturally would.

Mr. James Anderson—*Continued.*

Q.—Well, then, you yourself had come to the conclusion that Kaien Island and the lands surrounding Tuck's Inlet (or now what is known as Lima Harbour) was the place? A.—Would be the best place, yes.

Q.—During all this time you had no conference with Mr. Bodwell at all, I suppose? A.—Oh, yes; I probably talked it over with Mr. Bodwell.

Q.—Well, I would like you to be more definite than "probably." Did you, as a matter of fact, talk it over with him? A.—I should think I did. I am almost sure I did.

Q.—You are absolutely sure, aren't you? A.—I would not say I was absolutely sure. I did talk it over with him, no doubt. I talked over a good deal of my business with Mr. Bodwell.

Q.—I imagine that you reported to him, too, that you were going over to meet Larsen from time to time? A.—Sometimes I might, and sometimes I wouldn't, and I might not see Mr. Bodwell after coming down; he might be away.

Q.—Now, on your second trip—or, at least, on your visit to Seattle after your second trip—your first visit there, did you report these facts just as you have stated to Mr. Larsen? A.—Yes.

Q.—Did you make any further arrangements with Mr. Larsen? A.—Yes, he asked me to find out if the land could be staked there.

Q.—Yes. A.—I did so.

Q.—And you found it was under reserve—at least, it was so claimed to be? A.—Yes, sir.

Q.—Who did you find that out from? A.—I think I found it out in the Department.

Q.—Well, don't you remember who from? A.—Yes, that was the way I found it out—in the Department.

Q.—From what official in the Department? A.—It would be from Mr. John, I think. He was the one that finally gave me the information. I think I went to Mr. Gore first, and then I was referred to Mr. John. I think it was Mr. John who finally gave me the information. He showed me a map of the reserve up there.

Q.—Those were the only two persons you consulted with regard to it? A.—I don't remember. There may have been some of the other officers, but I went into the Department to find out anything I got.

Q.—Any talk with Mr. Green about the reserve on it? A.—No, I don't think so.

Q.—Now, I want you to be sure? A.—No, I did not have any talk with Mr. Green at that time about that.

Q.—Did you at any time up to that time? A.—About Kaien Island, do you refer to?

Q.—Yes, or your business up North? A.—I may have told Mr. Green I was going North.

Q.—And what you were going for? A.—No; I do not think I told anyone that.

Q.—You did not tell him? A.—No; I told him I was going up North to look over the country.

Q.—You are prepared to state to the Committee that he was in the dark as to what you were going up there for? A.—I told him I was going up North to look over the country. I did not tell him that I was going up there for any specific purpose.

Q.—You simply told him you were going up to look over the country; that was the extent of what you told him? A.—I think it was.

Q.—However, you are not very positive about that? A.—No, I could not be very positive. I know that I did not tell Mr. Green my business at all.

Q.—Now, coming back to your visit to Seattle after your return from your second trip, did you say that Mr. Larsen asked you to find out whether the ground could be staked? A.—Yes.

Q.—Was that all the instruction you got from him? A.—That is all the particular instruction I got.

Q.—That is all the business you did with him on that occasion? A.—I could not be certain. I think I talked to him about other business as well.

Q.—I mean in connection with your business up North? A.—No; I talked to him about the timber I had seen up there.

Q.—And about the townsite? A.—About the townsite, yes. I had visited Kitimaat on that trip.

Q.—I am speaking now of the townsite in the neighbourhood of Tuck's Inlet. I want to know if you discussed that with him fully? A.—There was no townsite—

Q.—The proposed townsite? A.—I discussed the class of land I had found around there, and the different conditions—

Q.—And its suitability for a townsite? A.—Yes, for townsite purposes.

Q.—And the quantity of land you could get on Kaien Island that would be suitable for a townsite? A.—I may have mentioned that. I had looked the whole of Kaien Island over at that time.

Q.—And all his instructions to you that you can recollect you have stated, have you, that you were to look up whether the land could be staked or not? A.—Oh, we talked it over, and he advised me to go and see Mr. Bodwell about it, and see what could be done, and see if there was any land there that might be staked.

Q.—All this time you were occupying what relationship, what business relationship, to Mr. Larsen? A.—In this venture I was not on any particular footing. I had made no definite arrangements with him.

Q.—You hadn't discussed that, I suppose? A.—No, hadn't discussed it.

Q.—You were doing all this without having any understanding, either expressed or implied, as to where you were to come off? A.—I had no definite understanding, no.

Q.—Well, let us hear what the indefinite one was? A.—Simply, the indefinite one was that I was going up there to look out for some investments, and that I would have an interest in any investments he might make.

Q.—You would have an interest in any investments. Now, after you discovered that it was claimed that there was a reserve on the land, what did you do next? A.—I talked the matter over with Mr. Bodwell.

Q.—And what next after that? What was your next move? A.—Oh, we discussed the question as to whether or not it would be possible to secure a terminus there, a townsite.

Mr. James Anderson—*Continued.*

Q.—Yes, and a terminus for the Grand Trunk Pacific? A.—That is the only thing the townsite would be any good for.

Q.—Up to that time, I suppose, there had been no discussion of the terminus at all? A.—Oh, we had always spoken of it in that way; that was the idea of going up there originally, to find out where the probable terminus would be.

Q.—And you discussed that, you say, with Mr. Bodwell? A.—I did so.

Q.—And you found out, you say, that there was a reserve. Well, now, what was your next move? A.—Oh, we looked into the matter to see how it might be possible to get any of these lands.

Q.—Yes. A.—And to induce the Grand Trunk Pacific to make their terminus there.

Q.—Yes. A.—We talked over the details of the matter, and Mr. Bodwell said it would be a very hard matter to get around it.

Q.—Hard matter to get around the reserve? A.—Yes.

Q.—Yes, and what next? A.—Then he went into the Land Act very carefully to see if there was any means by which a townsite could be got under that.

Q.—Yes. A.—And we found a section under which we thought it might be possible to get a townsite there for the Grand Trunk Pacific Railway Company.

Q.—Yes. But it looked like a pretty hard proposition, did it? A.—It did, yes.

Q.—And what was your next move? A.—My next move was, we found a section under the Act whereby we thought—

Q. (Interrupting)—Well, you have just told us that. But after that, what? A.—Then I asked Mr. Bodwell if he could figure out any way by which it could be obtained, by which the land could be obtained.

Q.—Yes. A.—He said—well, we talked it over for quite a while, and we discussed it for probably two or three days, discussed the different points of it, and finally we came to the conclusion it might be reached by having the land obtained as only for the purpose of making it the terminus of the Grand Trunk Pacific, and for a public advantage—

Q.—A public advantage? A.—Yes.

Q.—Then what was your next step after that, your next move? A.—I did not make any move after that. Mr. Bodwell made the next step.

Q.—Well, you left it then to Mr. Bodwell to work out that part of it? A.—Yes.

Q.—And at what period of time were you called upon to move again in the matter? A.—I could not recall that, Mr. Macdonald. I don't know what I really did next.

Q.—Is your memory too indefinite—recollection dim? A.—Well, your question is worded rather peculiarly.

Q.—Well, you say that you talked this over with Mr. Bodwell. You left the matter with him to work out the legal difficulty. Now, when were you called upon to do something again, or when did you do something again in the matter? A.—I think the next time I did anything was discussing the letter which Mr. Bodwell wrote to the Government.

Q.—Do you remember what date that was? A.—No. It was a day or two before it was written, I think.

Q.—Where did that discussion take place? A.—Probably at Mr. Bodwell's house, or at his office; I would not be certain which.

Q.—Can you fix about the date of that interview with Larsen in Seattle, on your return from your second trip North? A.—No, I could not fix it.

Q.—Was it in January or December? A.—In January. I was up there in December, and I did not come back until January.

Q.—How long was that interview before that letter was written? A.—Oh, about a week or so. A week or ten days.

Q.—A week or ten days before the letter was written? Yes. Did you make any other trip in the meantime to Seattle to see Mr. Larsen? A.—No, I do not think I did.

Q.—Or you did not see him in the meantime, between your interview with him in Seattle and the date of the writing of that letter? A.—No.

Q.—Now, during that week while that discussion was going on between yourself and Mr. Bodwell, how often had you seen Mr. Green? A.—It is impossible for me to tell you that. I could not tell.

Q.—Impossible to tell? A.—Yes, it is impossible to tell.

Q.—About how often would you say? A.—I might not have seen him at all.

Q.—Well, that is quite possible, but how often did you see him, as near as you can recollect it? A.—I have no recollection on the subject at all. I don't recollect whether I saw him or not.

Q.—No recollection at all? A.—No.

Q.—Were you shown the letter Mr. Bodwell prepared? A.—I would not be certain, as I said before. It might have been at his house or in his office.

Q.—Or it might have been at your house, I suppose? A.—No, sir.

Q.—Your wife took an active part in the matter, didn't she? A.—No, sir; not at all.

Q.—She took no part at all? A.—No, no part at all.

Q.—In the business from beginning to end? A.—No, sir.

Q.—In any capacity at all? A.—None whatever.

Q.—Not even in an advisory way? A.—No, sir.

Q.—I suppose she knew nothing about it? A.—Yes, sir—not at that time.

Q.—So that you kept her in the dark too, did you? A.—Regarding what, sir?

Q.—Regarding your dealings with Mr. Larsen and Mr. Bodwell? A.—She knew I was going North.

Q.—But she did not know what you were going North for, though? A.—She probably had a good idea. I probably told her I was going North for certain purposes.

Q.—And the purposes for which you were going? A.—To look after some investments for Mr. Larsen.

Mr. James Anderson—*Continued.*

Q.—And told her about your meetings with Mr. Larsen? A.—I don't think I discussed that with her.

Q.—Or about your trips to Seattle? A.—She knew when I went to Seattle, naturally.

Q.—And what the business was, what it was about? A.—Not the details of it.

Q.—But generally? A.—Yes, generally she would know, naturally.

Q.—Now, the letter was submitted to you beforehand? A.—I would not say exactly it was submitted to me. It was discussed with me.

Q.—You read it over before it was sent? A.—I may have. I read a rough draft of what was intended to be sent.

Q.—Did Mr. Bodwell tell you of his interviews with the Ministers? A.—I think he did.

Q.—Did he say who he saw in the matter? A.—He said he saw Mr. Green and Mr. McBride.

Q.—Well, then, the letter was prepared, and the contents of it were communicated to you? A.—Yes.

Q.—And you approved of it? A.—I did, sir, naturally.

Q.—Yes, you approved of it. Then I suppose you claim you are one of the clients mentioned in that letter? A.—I make no claim about it, Mr. Macdonald.

Q.—Well, were you? A.—I might have been.

Q.—It is not a question as to whether you might have been—were you, or were you not? A.—Well, I suppose I was.

Q.—Don't you know? A man does not usually employ a solicitor without knowing it? A.—I did not employ him.

Q.—You did not consider, then, that he was acting as your solicitor? A.—I did, in the sense that I was associated with Mr. Larsen.

Q.—Then you considered that you were one of the clients mentioned in that letter? A.—Naturally, I would.

Q.—You did, as a matter of fact? A.—I never gave it a thought at the time as to whether I was a client of Mr. Bodwell's or not.

Q.—Well, do you mean to say that you had either read or had communicated to you the contents of that letter, in which it was suggested that Mr. Bodwell's clients should form a company in British Columbia, without your giving it a thought? A.—Without me giving it a thought that he was my solicitor?

Q.—Yes, and that you were one of the parties mentioned in that letter, forming a company in British Columbia? A.—We talked of forming a company, certainly.

Q.—You would be one of the parties that would be referred to as his clients—"My clients proposed to form a company"? A.—Yes.

Q.—What was your claim at that time, at the time that letter was written? A.—The same as outlined in that letter.

Q.—So you understood it perfectly? A.—I understood it perfectly, yes.

Q.—Had Mr. Bodwell reported to you before the letter was drafted that he had gotten over the difficulties about the land being under reserve? A.—Reported to me?

Q.—Yes. A.—Oh, we discussed it together several times, and he told me that he thought it could be acquired under that section of the Act.

Q.—And he told you of his interviews with the two Ministers you have mentioned? A.—He did not go into that fully.

Q.—But he told you of those? A.—He said that he had talked with them in the matter.

Q.—And that the matter was being arranged along the lines of the letter he submitted to you? A.—No, he did not say that. He said that they had asked him to submit a proposition to them, which he said he was going to do, a proposition in writing, which he did.

Q.—Did he tell you the nature of his conversations with those two Ministers? A.—No, sir.

Q.—Or what they said? A.—No, sir.

Q.—So that the client—for we have now got you as being one of the clients mentioned in his letter—the client was not a bit curious to know what his solicitor had done—is that right? A.—I certainly was curious to know what he had done and what he had accomplished.

Q.—It was the most natural thing in the world, wasn't it? A.—It certainly was.

Q.—But you didn't allow your curiosity to go to the extent of asking him what he had done in the matter? A.—He simply told me that he was asked to submit a proposition in writing regarding the matter.

Q.—Oh, yes, but he had long conversations, as you understood, with these two Ministers? A.—I didn't understand that he had long conversations with them, Mr. Macdonald.

Q.—Didn't you ask him? A.—I didn't ask him the length of time he was with them at all, sir.

Q.—So you were not at all curious to know whether the proposition you were submitting was likely to be accepted or not? A.—I knew that there had been no definite conclusion come to.

Q.—How did you know that? A.—He told me so.

Q.—He told you no definite conclusion had been come to. We are getting it now by degrees. What else? A.—I told you before that he had submitted the proposition in writing, so that it could be considered.

Q.—But your curiosity did not go to the extent of inquiring as to just how much satisfaction he got from those conversations he had with the Ministers. The client was not curious enough to inquire into that? A.—I do not think he got any satisfaction.

Mr. Eberts: Of course, these communications with Mr. Bodwell and himself are privileged communications.

Mr. Macdonald: In what way?

Mr. Eberts: As between solicitor and client.

Mr. Macdonald: The witness has already given evidence of the fact that he never gave the question of his being his solicitor a thought.

Witness: He was my solicitor.

Q.—Well, do you take the ground now that you considered Mr. Bodwell was your solicitor at that time? A.—I have taken the ground all along that Mr. Bodwell was representing Mr. Larsen and myself.

Mr. James Anderson—*Continued.*

Q.—No doubt about that? A.—No.

Q.—And Mr. Bodwell so understood it? A.—I don't know whether he did or not, but I did, at any rate.

Q.—You did. Well, then, were you a sort of secret client that he did not know about? A.—There was no secrecy about it at all. As far as—

Mr. Ross (interrupting): I would suggest that Mr. Macdonald allow this witness to answer his question. He interrupted him.

Mr. Maclean: The witness is not objecting to answer the question.

Mr. Ross: No, but Mr. Macdonald's next question clouded the witness's answer. I doubt whether the stenographer even has it on her notes.

Mr. Macdonald: Well, go on and finish your answer. A.—As far as the question of Mr. Bodwell considering me a secret client is concerned, why, I went openly to Mr. Bodwell's office and discussed this business with him.

Q.—So that he must have known then that you were an associate, a business associate, with Mr. Larsen, and one of his clients? A.—I cannot say whether Mr. Bodwell looked at it in that light or not. I am not responsible for what he thought about it.

Q.—Well, then, what did you understand by the use of the word "clients" in that letter he wrote? A.—I never gave it any thought, as a matter of fact.

Q.—There were no legal proceedings of any kind pending at that time, of course? A.—None at all.

Q.—Nor did you anticipate any? A.—No, sir.

Q.—Now, in coming back to the question I asked you before, your curiosity did not go so far as to induce you to ask Mr. Bodwell just what had occurred in those conversations with the Ministers, did it? A.—I asked him what he had been able to do in the matter, I suppose.

Q.—Well, do you remember that conversation clearly, or those conversations? A.—No, but I remember the substance of it. I don't remember just how it was worded, or anything else.

Q.—Did you have any discussion as to the price you were to be paid? A.—Not at all; not at that time.

Q.—When did you have your next interview with Mr. Larsen? A.—I do not think I could say exactly, sir. I don't remember. I used to meet Mr. Larsen quite frequently, but I kept no record of the dates when I would meet him.

Q.—Where did you meet him? A.—Very likely in Seattle.

Q.—Well, having made special trips to Seattle to see him, you would remember the dates, wouldn't you? A.—Having made special trips, do you say, Mr. Macdonald?

Q.—Yes. A.—No, I would not remember it from that standpoint at all. It would be just about that time that Mr. Larsen had a very bad accident happen him on the steamer "Clallam." He was coming over to meet me in Victoria, and he had to go back to Helena. He did not get over here on that occasion. I forget how long it was that he was confined to his house, sir, at that time.

Q.—Then he did not get here? A.—No, he did not get here. That was the time he was coming over to meet me, and he had this accident on the "Clallam."

Q.—Was he confined for some time? A.—Yes, for some time in Helena.

Q.—In Helena? A.—Yes.

Q.—Let me see—that accident to the "Clallam" took place about the 8th or 10th January, didn't it? A.—Some time about there.

Q.—And he was on his way at that time from Helena to Victoria? A.—Yes, he was coming over to meet me on my way down.

Q.—He did not reach Victoria? A.—No, he did not reach Victoria.

Q.—He went back to Seattle? A.—Yes.

Q.—And you met him there; you went over to see him at that time? A.—At that time?

Q.—Yes. A.—As to whether I went over to see him or not, my recollection is not quite clear as to when I met Mr. Larsen at those times, and I could not say definitely.

Q.—You remember the accident very well? A.—Yes.

Q.—You remember whether you met him after the accident, and before he left Seattle to return to Helena? A.—No, I did not meet him before. No—let me see—did I? I really forget. No, I do not think I did.

Q.—That is to say, he went right back to Helena after the accident without your meeting him? A.—Yes, he went right back to Helena.

Q.—Well, when did you go North again? A.—In March, I think it was—the beginning of March.

Q.—The beginning of March? A.—Yes, or the end of February, I think it was.

Q.—The end of February or the beginning of March. Between the "Clallam" accident and that time, did you meet Mr. Larsen at all? A.—I do not think I did. No; I think he was still confined to his house at his home in Helena.

Q.—Did you have any correspondence with him in the meantime? A.—I wrote him, yes.

Q.—Did you receive any letters from him? A.—Oh, I think I have only received two letters from Mr. Larsen altogether.

Q.—Did you receive a letter from him that time when he was laid up in Helena? A.—No.

Q.—Then you had no communication, either verbally or written, from Mr. Larsen between the date of the "Clallam" accident and the time you went up North the third time, at the end of February or the beginning of March, 1904? A.—I could not be certain as to that.

Q.—1904? A.—I could not be certain as to that.

Mr. Eberts: When was that?

Mr. Macdonald: The end of February, 1904.

Mr. Green: That was your third trip? A.—Yes.



Mr. James Anderson—*Continued.*

Mr. Macdonald: Don't you remember receiving any letters from him? A.—No, I don't remember. In fact, I don't think I did.

Q.—Nor did you write to him? A.—Yes, I wrote to him after the accident.

Q.—Yes, about the townsite business? A.—No, I think it was principally about his accident that I wrote him.

Q.—No reference to the townsite business at all? A.—I told him about my trip and discussed it—that is to say, about my second trip.

Q.—Well, you had made a trip to see him after the second trip; you had told him about that trip, you know. Did you keep a copy of that letter? A.—No, sir, I did not keep any copies.

Q.—Did you get any answer to it? A.—No, I did not get any answer to that letter at that time.

Q.—You are quite sure about that? A.—Yes, quite sure of that.

Q.—Now, you started up again in February, on your third trip, started up North; what did you go up for then? A.—I went up to examine the land more thoroughly, and look into some timber lands up along the Portland Canal and Observatory Inlet, and make a survey of the land up on Kaien Island.

Q.—At that time it had not been decided, I presume, between yourself and Mr. Larsen that the lands on Kaien Island and Tuck's Inlet were the ones you were going to try and get for your townsite, had it? A.—Oh, yes.

Q.—No doubt about that? A.—No, there is no doubt about that.

Q.—You and Mr. Larsen had decided on that? A.—We decided we would try and get them for the Grand Trunk Pacific terminus.

Q.—And I presume that you came to that decision when you were in Seattle, after your return from your second trip? A.—No, I cannot say that we came to that conclusion when I came back from the second trip.

Q.—When you saw him in Seattle? A.—When I saw him in Seattle after the first trip, I told him that Tuck's Inlet was the best place on the Coast, and he said I had better make an examination of it.

Q.—Yes, you have told us that already. But you had not made an examination of Kaien Island on your first trip? A.—No, not a thorough examination.

Q.—Then you went back for the purpose of making that examination? A.—Yes.

Q.—That was your second trip. And then, after you returned, you saw Mr. Larsen in Seattle? A.—Yes, I think I did.

Q.—More than once? A.—No, no more than once.

Q.—Just the once? A.—I think I saw him after that, but I would not be certain when I met Mr. Larsen.

Q.—But you have already told us, after your second trip you made a special trip to Seattle to meet Mr. Larsen by appointment. Is that right? A.—No; I made a special trip to Seattle to meet him after the first trip. After this second trip—let me see—I don't think I did make a special trip to see him after the second trip.

Q.—You don't think you did now. Well, you know you have already told us that? A.—Well, if I did, I was in error. It was after the first trip that I was thinking of.

Q.—Well, didn't you meet him after the second trip at all? A.—Not for some time after.

Q.—Because, you know, you told us a short time ago that you went to Seattle to meet him, and he told you you had better find out whether the land could be staked or not? A.—I must have got confused in the two trips if I told you that, because I should have said there that that was after the first trip.

Q.—But, you know, you had not seen Kaien Island on your first trip? A.—No, but I reported that Tuck's Inlet was supposed to be the best place. I told you that I had seen the harbour on that trip, and I told him that, and he told me to find out whether the lands could be acquired or not.

Q.—So it was before your second trip North you found out whether the lands could be acquired? A.—Not before the second trip.

Q.—Well, now, what do you mean? You say, after your first trip you saw Mr. Larsen in Seattle? A.—Yes, sir.

Q.—And you did not see him after your second trip? A.—No, I do not think I saw him after the second trip.

Q.—And you told us it was on Mr. Larsen's own suggestion that you should come back to Victoria and find out whether the lands could be staked. Is that not correct? A.—I told you that?

Q.—Is that correct? A.—Please repeat your question.

Q.—When you saw Mr. Larsen in Seattle you had a discussion with him, and he told you to come back to Victoria to find out whether the land could be staked? A.—That was after the first trip.

Q.—I want to get that correct. You told me before it was after the second trip? A.—Well, I confused those two trips. I got confused between those two trips that you were referring to, and that statement I made should have applied to the first trip.

Q.—Now, let us get it perfectly clear, so you won't be under any misapprehension. So it was after your first trip when you saw Mr. Larsen in Seattle, when he suggested to you that you should find out if there was any reserve on the land? A.—Yes, and then I made another trip—

Q. (Interrupting)—And you came back to Victoria, and did that? A.—Then I came back to Victoria, and made another trip—

Mr. Ross: Made another trip North. You see, Mr. Macdonald, you are confusing the trips he made North with those he made to Seattle.

Mr. Macdonald: No, I am not confusing them at all, Mr. Ross. I will ask him again.

Q.—Well, now, after your first trip North you went to Seattle, and there met Mr. Larsen? A.—Yes.

Q.—And you reported to him what you had seen up there? A.—Yes, I reported to him what I had seen up there.

Q.—And then he suggested that you had better find out whether the land could be staked? A.—Yes; he then suggested for me to find out whether the land could be acquired.

Mr. James Anderson—*Continued.*

Q.—That is to say, whether it was open to acquisition by himself and yourself? A.—Yes, exactly.

Q.—And then you came back to Victoria from Seattle? A.—Yes, I had arranged then to make a second trip North.

Q.—You had what? A.—I had also arranged with him to make a second trip North.

Q.—Yes, I understand that. A.—And after I had gone over the land thoroughly, I was to find out whether those lands could be acquired or not.

Q.—Oh, I see. Now, weren't you to find out as to whether those lands could be acquired or not before you made your second trip North? A.—No; and on that trip I was to find out whether they were suitable for a townsite.

Q.—Just a moment. Why, what was the use of your coming up there to find out that before you knew whether they could be acquired or not? A.—What was the object of my first finding out if they were open to acquisition if they were not suitable for a townsite? I wanted to find out first whether they were suitable or not.

Q.—Well, if you had found out that they were not open to acquisition, then you would not go up there at all? A.—Well, if I had found out that they were not suitable for a townsite, then it would not have been necessary to do anything further about it.

Q.—Yes, but the one you could have found out here in Victoria, and if you found out they could not be acquired it would not have been then necessary to take that second trip North. Don't you think that it would have been more reasonable to have found all that out before going North? A.—No, because, in the first place, I could not tell whether those lands would be suitable for forming a townsite. I could not describe the land until I had examined it.

Q.—You could have found out whether there was any Indian Reserve covering the lands on Tuck's Inlet? A.—I knew there was an Indian Reserve after I came down on my first trip, but I did not know anything about reserves on the lands up in that country at that time.

Q.—Wouldn't it have been a more reasonable method to have obeyed Mr. Larsen's instructions and found out all that information before you made your second trip? A.—No. I did not know where the reserves were, or where the lands suitable for a townsite were located; it is a big harbour.

Q.—No, but couldn't you have found out here what Government Reserves were put on the lands up in the neighborhood of Tuck's Inlet? A.—I did not know of any being there.

Q.—Yes, that may be, but then you were told by Mr. Larsen to find out whether the lands could be acquired or not? A.—Yes.

Q.—Well, how is it that you did not follow out his suggestion of ascertaining that before you went North, instead of going to the expense of taking another trip North? A.—I simply took my own method.

Q.—That is the only explanation you can make for it? A.—Yes, I only took my own method.

Q.—Now, then, we have to go a little farther over the same ground, because this change in your recollection about meeting Larsen after the first trip, instead of the second, necessitates some further evidence. A.—Well.

Q.—Well, now, after you came down from the second trip North, you say you did not meet Mr. Larsen? A.—No; you see the "Clallam" accident occurred just after I came down.

Q.—Well, you did not meet him between your return from the second trip North and your third trip North? A.—No, I didn't.

Q.—And you did not report to him in writing? A.—No, I did not report to him in writing.

Q.—Nor did you receive a letter from him? A.—No.

Q.—So that you had no communication at all with Mr. Larsen after you had made your second trip and before you went up North for the third time? A.—No, I do not think I had any communications with him at that time at all.

Q.—Isn't that rather an extraordinary position for one partner to be in with another partner? A.—Not under the circumstances. The accident intervened, and Mr. Larsen was very ill, and could not be troubled with any business at that time.

Q.—Why didn't you report to him what you had seen up there, because that was the most important trip? A.—Mr. Larsen left the matter entirely in my hands at that time.

Q.—Well, how do you account for your statement that after your return from your second trip you reported to him about Tuck's Inlet and Kaien Island? A.—I should have said on my return from my first trip that I reported to him that.

Q.—Oh, but you see, you had not been on Kaien Island on your first trip? A.—No, I had not, I know.

Q.—And you had been on Kaien Island on your second trip? A.—Yes. I said ——

Q. (Interrupting)—Well, how could you have reported to Mr. Larsen about your observations on Kaien Island if you had not seen him, or if you had not written to him? A.—I say that I did write to Mr. Larsen once.

Q.—Reporting what you had done on your second trip? A.—Not in any particular way, but in a general way.

Q.—I understood you to say that when you wrote to Mr. Larsen it was merely to inquire about his health? A.—I said the principal matter was inquiring about his health when I wrote to him at that time.

Q.—Then you do say now that you made a report to him about Kaien Island and Tuck's Inlet in writing? A.—I don't recall doing so. I may have, and I might not have. I don't recall whether I did or not, sir.

Q.—Isn't it a rather extraordinary thing that you either did not do it, or that you cannot recall having done so? A.—No, it is not extraordinary when you consider that Mr. Larsen was ill at the time. I do not think so. Mr. Larsen and I had arranged the matter fully after the first trip, and he left the matter in my hands to attend to. I prepared a report on Kaien Island and Tuck's Inlet at that time when I returned from the second trip.

Q.—You prepared a report? A.—Yes.

Mr. James Anderson—*Continued.*

Q.—What did you do with it? A.—I discussed it with Mr. Bodwell at the time.

Q.—Yes, and what else? A.—I think that is as far as it went, as far as my recollection serves me.

Q.—So all you did was to prepare a report and discuss it with Mr. Bodwell? A.—Yes. It might have been sent to Mr. Larsen, or it might not.

Q.—Now, you just stated a moment ago that you made very full arrangements with Mr. Larsen after your first trip, when you saw him? A.—I said that I had made complete arrangements with Mr. Larsen for me to go up there and make a second trip, and to decide on what was necessary to be done in the matter.

Q.—So complete that it was not necessary to consult him again after you had made that second trip, and before going North the third time? A.—I just said that Mr. Larsen had an accident—that Mr. Larsen was coming over to see me, after my second trip, when the “Clallam” accident intervened.

Q.—Yes—I understand. You need not repeat that. But your arrangements with him after your first trip were so complete that it did not make much difference as to whether you met Mr. Larsen after the second trip or not? A.—No, I would not say that at all. If the “Clallam” accident had not intervened I would have met Mr. Larsen and laid the whole matter before him at that time.

Q.—Now, what was the necessity of your third trip North? A.—I was going to make a survey at that time of part of the land on Kaien Island, and examine some timber up there, as I told you before.

Q.—Take anyone with you? A.—Yes.

Q.—Who was that? A.—A surveyor.

Q.—Who was he? A.—A Mr. Twigg.

Q.—Was that the time you went up with the “Fern”? A.—No, sir.

Mr. Paterson: Did you keep any expense account on these different trips? A.—No, I did not keep any expense account, Mr. Paterson.

Mr. Macdonald (continuing): How long did you remain up there on your third trip? A.—I think we were away six weeks altogether.

Q.—Then you got back about the middle of April, did you? A.—Yes, some time in April—it was the beginning of April, I think.

Q.—After having made your surveys? A.—I made one survey.

Q.—What survey was that? A.—If you have a map I can show you.

Dr. Young: Mr. Maclean has it there.

(Map handed witness for explanation.)

Mr. Anderson: On the outside lands of this block here, Mr. Macdonald (indicating on plan).

Q.—That is the block coloured pink? A.—Yes; block 231.

Q.—On Kaien Island? A.—Yes, on Kaien Island.

Mr. Garden: That is, you stayed there until the survey was complete? A.—This survey, yes.

Q.—You did not make the survey yourself? A.—Oh, no; I am not a surveyor.

Q.—The surveyor made the survey? A.—Yes; that is what I meant when I said I made them.

Mr. Macdonald: And, of course, you knew at that time that the land was under reserve? A.—Yes, I knew at that time that the land was under reserve.

Q.—And all that you did up to that time was done under the arrangement you had with Mr. Larsen, that you have spoken of here, on your first visit to him in Seattle, after your first trip? A.—Yes, after my first trip.

Q.—Nothing in the meantime had occurred to change your relationship with him in any way? A.—No.

Q.—Or to change your original plans? A.—No, sir.

Q.—Nothing at all. What interest were you to have? A.—In what, sir.

Q.—In the joint venture? A.—I was to have an equal interest with Mr. Larsen in any profits arising from anything we did up there, either from lands or timber.

Q.—You had had up to that time—that is to say, up to the time when you had completed your survey—no communication at all with the Grand Trunk Pacific? A.—No, sir; none at all.

Q.—You and Mr. Larsen were dealing entirely in the matter as though it were a venture of your own? A.—Entirely so.

Q.—Nothing had ever been discussed to the contrary between you, had it? A.—How do you mean, sir?

Q.—That is, up to the time you had completed that survey, you had no talk with Mr. Larsen other than what you have told us, when you arranged that in this joint venture you should have equal shares? A.—We had equal shares in the venture. I do not quite catch the drift of the question.

Q.—Well, you understand the question, though, don't you? A.—No, I don't understand the question.

Q.—You had not met or communicated with Mr. Larsen, as I understand your evidence, between the time you met him after your first trip North and the time you completed your survey? A.—And the time I completed my survey—no, I had not met him.

Q.—Nor had you any communication with him by letter or telegram? A.—No, sir.

Q.—And your arrangement at the interview after your first trip North was that you were to come into this as a joint venture, in which each was to share alike? A.—That was practically the understanding. There were no papers drawn up about it, or anything like that.

Q.—No; but that was your verbal agreement? A.—It was a sort of understanding between us.

Q.—I suppose that he was to put up the necessary money for expenses? A.—Yes.

Q.—And you were to give your time? A.—Yes.

Q.—Now, you came back after your third trip, and where next did you meet Mr. Larsen? A.—I think I met him right after I came back, in Seattle.

Q.—By special appointment? A.—Yes, I think it was by special appointment. I think that he wired me at that time that he would be in Seattle on a certain date, and I went over.

Q.—You met him there? A.—Yes.

Q.—Went alone? A.—Yes, went alone.

Mr. James Anderson—*Continued.*

Q.—Will you tell us what took place on that occasion? A.—I don't remember anything particular that took place, beyond the fact that I reported to him fully what I had done. I reported to him about the survey, and reported to him about the timber land I had examined, and of some options which I had taken on the timber, which he decided not to take, after I had examined it.

Q.—Yes. A.—And I told him what I had done, and reported fully about the land on Kaien Island; showed him some photographs I had taken up there, and all the data.

Q.—Did you tell him about your discovery of the reserve? A.—Oh, yes; we went into the reserve matter thoroughly then.

Q.—Did you tell him what you had done with regard to that? A.—I told him of the letter which had been written to the Government, and the time it had been written, but I think he knew that before, though. I think Mr. Bodwell had probably told him.

Q.—Do you think Mr. Bodwell had written to him? A.—I could not say. I do not know what Mr. Bodwell had done about the matter at all.

Q.—Did you have any discussion between you about the terms of that letter? A.—After I came back?

Q.—After your third trip, when you met him, as you have just told us, in Seattle? A.—Yes, I think we discussed the matter fully at that time.

Q.—Have you told us all you can remember about that discussion? A.—I have no distinct recollection about the discussion, Mr. Macdonald, except that we went into the matter fully—

Q.—Yes. A.—As we naturally would.

Q.—Any change made then in your plans? A.—In our original plans?

Q.—Yes. A.—Except that the letter—or rather the finding out that the land was under a reserve—had made a change in our original plans.

Q.—In what way? A.—We decided then it would be impossible to acquire the land in any way for ourselves, and that it would be a question purely of acquiring the land for the Grand Trunk Pacific Railway Company.

Q.—Yes. You discussed that with him? A.—Yes.

Q.—Fully? A.—Yes.

Q.—And what conclusion did you come to? A.—We came to the conclusion that we would try and get it for the Grand Trunk Pacific Railway Company.

Q.—Yes. In what way? A.—Under the terms of the Minute of Council that was prepared.

Q.—I see. Then it was after the Minute of Council was prepared that you had that interview with Mr. Larsen? A.—No, it was not after the Minute of Council. No, I saw him before the Minute of Council was passed, I think.

Q.—You came down from the North about the middle of April, didn't you? A.—Yes.

Q.—And you saw him immediately after your coming down? A.—I think I saw him very shortly afterwards.

Q.—Well, then, the Minute of Council was not passed at that time? A.—I don't know. Is the Minute of Council there? I don't remember when it was passed exactly. You had better let me see it so that I can refresh my memory.

Q.—No, I will not let you see it until after you answer my question.

Mr. Eberts: Oh, let him see the Minute of Council.

Mr. Macdonald: No, I don't propose to allow him to see it until I get an answer to my question—

Mr. Eberts: You have asked him about the contents, so hand him the document.

Mr. Macdonald: I don't propose to hand it to him until I get through with the question I am asking him, and then if I want to hand him the document I will do so.

Q.—At all events, that meeting with Mr. Larsen took place before the end of April? A.—Oh, yes; I am quite sure about that.

Q.—And as near as you can recollect, would it be about the 30th of April? A.—Somewhere about that time.

Q.—Would it be about the 15th? A.—No, for it was about the 15th when I got home.

Q.—And how many days after that was it when you saw Mr. Larsen in Seattle? A.—It would be probably about a week after that.

Q.—And you have a distinct recollection of your discussion with him then? A.—Yes, fairly distinct.

Q.—Distinct enough to tell us what was said by you, and by him, with regard to the reserve, and how you were going to get over it? A.—Yes, we went into all those points. I told him of what Mr. Bodwell and I had done, and I do not know whether or not he said that he had heard from Mr. Bodwell about it, or whether I had told him about it the first, or how the question was discussed, or from what standpoint. I only know that we discussed it fully at the time.

Q.—Did you discuss anything about the formation of a Company in British Columbia to handle these lands? A.—No; our firm idea was to form a company if we could get some land up there.

Q.—Well, did you discuss that also on this occasion—we will say about the 21st or 20th April? A.—No, for, as a matter of fact, I think we gave up the company idea about that time.

Q.—How did that come about? A.—Well, we had found out that we could not acquire land unless under an Order in Council it was really intended for the Grand Trunk Pacific and for no individual. We could not acquire it unless it was for the purpose of the Grand Trunk Pacific terminus—

Q.—That is, you found out that if you could obtain the establishment of the Grand Trunk Pacific terminus on that land, you thought you might be able to get it? A.—For the Grand Trunk Pacific Company.

Q.—Oh, that was your idea then, was it? A.—Yes, when we found we could not get it for ourselves.

Q.—Was that your idea? A.—Yes, that was the idea; when we could not get it for ourselves we decided we would get it for the Grand Trunk Pacific.

Q.—When the letter of the 19th January was written, Mr. Bodwell's letter, you knew the reserve was there? A.—Yes.

Mr. James Anderson—*Continued.*

Q.—And yet in that very letter it was proposed that a company should be formed in British Columbia—how do you account for that? A.—That was the idea at that time, I said.

Q.—Well, then, when you saw Mr. Larsen after that, what you had in mind, I presume, was the proposal as contained in that letter, wasn't it? A.—Oh, no.

Q.—What else had you in mind, then? A.—Oh, I had talked the matter over with Mr. Bodwell at that time, and we decided that we could not get the land under any other terms except by acquiring it for the Grand Trunk Pacific.

Q.—When did you talk it over with Mr. Bodwell? A.—Before I went up North on the second trip, and after I came back from the second trip I discussed the whole matter with him, and then after I went up on the third trip —

Q. (Interrupting)—But—wait a moment—before you went up on the second trip, had you come to that conclusion? A.—No, I think it was after I came back from the second trip I came to that conclusion.

Q.—After you came back from the second trip? A.—No, no; I guess it was after I came back from the third trip that we came to that conclusion.

Q.—But you knew before you went up on your third trip of the reserve being on the land? A.—Yes, but I say it was after I came back that we gave up the idea of forming a company.

Q.—You had discussed it with Mr. Bodwell? A.—Yes.

Q.—And you and he had given up that idea? A.—Yes, completely. Mr. Bodwell told me then it would be impossible to acquire land in any other way except for the Grand Trunk Pacific.

Q.—That was when you came back from your third trip? A.—Yes.

Q.—And, therefore, you had to change your plans so as to bring the Grand Trunk Pacific into the matter? A.—Yes, sir.

Q.—And your proposal then was, if you could secure the location of the Grand Trunk Pacific terminus there you could get the lands? A.—No, that was not our proposal.

Q.—Well, had you had any communication with the Grand Trunk Pacific people up to this time? A.—No.

Q.—Or with any official of the Company? A.—Mr. Larsen had seen Mr. Stevens.

Q.—How did you know that? A.—He told me so.

Q.—When? A.—I don't know when. He told me that. I think it was after I came back from the third trip.

Q.—So when you met him in Seattle, after your third trip North, he told you about having met Mr. Stevens? A.—Yes. He told me about having talked with Mr. Stevens about the location of the terminus on that Lima Harbour.

Q.—And did he tell you what the conversation was between himself and Mr. Stevens? A.—No, but he told me that Mr. Stevens would be very glad if we could go ahead and get the terminus for the Grand Trunk Pacific.

Q.—So that the only change in your plans were, instead of handling it yourself by a company, you were to acquire it and turn it over to the Grand Trunk Pacific? A.—We were not to acquire it at all.

Q.—Well, you were to make the arrangements for the acquisition? A.—We were to make the arrangement for the acquisition by the Grand Trunk Pacific of the lands.

Q.—Have you told us of all that Mr. Larsen told you about his interview with Mr. Stevens? A.—I cannot say that I have.

Q.—Well, if you can tell us anything more? A.—I do not know all—we had quite a long chat about it, and I do not remember all that came up in the matter.

Q.—That change made a very serious difference in your plans, didn't it? A.—Not especially.

Q.—You see under your original idea, you were going to be the half-owner in the terminus townsite? A.—Oh, no, I did not have any such a wild notion as that.

Q.—Do you say that that was not your original notion? A.—No, I never had any idea of being the half-owner of the Grand Trunk Pacific terminus townsite.

Q.—Well, what did it mean then when Mr. Larsen said, whatever you acquired you were to have a half-interest in? A.—I did not say that I expected to acquire the Grand Trunk Pacific terminus.

Q.—Wasn't that what you were looking for all the time? A.—I was trying to discover what would be the best place for a terminus.

Q.—Exactly. Your idea was that the land which might be accepted as the Grand Trunk terminus townsite would be valuable land? A.—Yes.

Q.—And apart from that phase of the question, that land would be of practically no value? A.—Apart from that it would be practically of no value, certainly not.

Q.—And what you were looking for was something of value, and not something of no value? A.—Certainly.

Q.—Therefore, the success of the venture you were going into was one which depended on the establishment of the Grand Trunk Pacific terminus on the land that you selected or acquired—that was your venture, wasn't it? A.—Not necessarily.

Q.—That was not what you had in mind at all? A.—It was partly in mind, but not exactly in that way.

Q.—That was the whole scheme, wasn't it? A.—

Q.—If the terminus did not go there your land was not worth anything? A.—Not if we could not make any arrangements with the Grand Trunk Pacific to go there, but in order to get it to go there we would possibly have to give a very large portion of the land, possibly three-quarters of our land, to get it to go there.

Q.—Yes; but the success of your venture depended on the getting of the Grand Trunk Pacific terminus located on your townsite, didn't it? A.—Yes.

Q.—And when you found out that it was necessary to get the Grand Trunk Pacific into your deal, it was after seeing Mr. Larsen? A.—After seeing Mr. Bodwell.

Mr. James Anderson—*Continued.*

Q.—And Mr. Larsen? Because Mr. Larsen told you about his conversation with Stevens? A.—Yes, but I knew that we could not get the land in any other way except for the Grand Trunk Pacific before I saw Mr. Larsen.

Q.—You found that out from Mr. Bodwell? A.—Yes.

Q.—And then you went to see Mr. Larsen? A.—Yes.

Q.—And you discussed that with him? A.—Yes.

Q.—Did that make any material change in your prospects and your plans? A.—No, it did not make any change.

Q.—You expected to get a profit out of it all the same? A.—I did not know of any definite profit I would get out of it, Mr. Macdonald. I simply went into it, thinking that at some time I might realise something out of it.

Q.—You have already told us what that was. If the Grand Trunk Pacific would establish their terminus there, an arrangement might be made with them by which you and your partner would get a share, and they would get a share? A.—You seem to have the idea——

Q. (Interrupting)—That is true, isn't it? A.—You don't allow me to state the case.

Q.—In what is that statement not true? A.—When I first went up there it was not solely for the purpose of locating that land, it was to locate timber investments.

Q.—Well, leave the other investments and come down to the Kaien Island one. A.—You are generalizing——

Q.—And come down to the question of the townsite you were looking for. A.—You will have to change your question if you intend confining yourself to Kaien Island, because you asked me if it did not make a difference to my plans. As far as my plans were concerned on Kaien Island, it might have made a difference in the results, but it did not make a difference in my plans with regard to my going North and looking for investments.

Q.—I am speaking now of the Grand Trunk Pacific terminus, and you must have understood that from the fact we were discussing this reserve on Kaien Island. Now, when you saw Mr. Larsen in Seattle, and it was known to you and to him that the Grand Trunk Pacific had to be taken into the deal, as you say, did that make any change in your plans as to Kaien Island, or any other Grand Trunk Pacific terminus townsite? A.—It made this difference, that we decided then to go ahead and see if we could manage to get those lands on Kaien Island for the Grand Trunk Pacific terminus.

Q.—Yes. And did you make any definite plans at that time? A.—There were no definite plans to make. The plans had already been definitely completed. I told you that before.

Q.—After your first trip North? A.—No, not after my first trip North, but after I came back from the third trip North, it was understood what we had to do then. Before I saw Mr. Larsen I knew it was impossible to acquire any lands by our original method of forming a company, or anything of that sort, so we had then to simply acquire them on behalf of the Grand Trunk Pacific.

Q.—Because of the provision of the Land Act? A.—Not exactly because of that. It was because the Government would not consider the company question at all—that was the real reason.

Q.—Who told you that? A.—Mr. Bodwell.

Q.—The Government would not consider that? A.—They told Mr. Bodwell that. Mr. Bodwell told me the Government told him that the Grand Trunk Pacific must be represented in the deal, and that they must know that they were dealing directly with the Grand Trunk Pacific.

Q.—I see. And, therefore, in order to deal directly with the Grand Trunk Pacific you made a change in your original plans—is that not correct? A.—I did not say I made any change; I did not make any change.

Q.—You did not make any change? A.—No.

Q.—Of course, you originally knew that if whatever lands you acquired were to become the terminus townsite of the Grand Trunk Pacific, you would have to deal with the Grand Trunk Pacific? A.—Naturally.

Q.—Naturally. And, therefore, this information which you got made no change in those original plans? A.—I don't see what you mean. I cannot gather your meaning.

Q.—You were not giving up anything, or proposing to give up anything? A.—I had nothing to give up.

Q.—You had your interest in whatever you acquired? A.—An interest in nothing, because we had not acquired anything.

Q.—Yes, but in whatever you were going to acquire? A.—Whatever we did acquire I had an interest in.

Q.—And there was no change made in the plans with regard to that interest? A.—No, no change in any way; there was nothing to change.

Q.—Was that all the discussion you had with Larsen at that time? Have you told us all that you can remember? A.—I don't remember anything more. If you can think of anything and suggest it to me, I might recall something else.

Q.—In that conversation you had with Mr. Larsen, did he say anything with regard to his conversation with Mr. Stevens? A.—Nothing more than what I have told you. Mr. Stevens told him he would be very glad to have us go ahead and complete our plans.

Q.—Was there anything about Mr. Stevens' idea that you and Mr. Larsen could get this land better than they could—that is to say, the Grand Trunk Pacific? A.—No, I do not think Mr. Larsen mentioned that at the time. He may have mentioned it, but I don't remember his mentioning it.

Q.—Did he tell you that he had made any arrangement with Stevens at all? A.—He did not speak of any definite arrangement having been made with Mr. Stevens.

Q.—Now, how many times did you see him between that interview and the time the Minute of Council was passed? Or did you just see him on one occasion after you returned from your third trip North? A.—I could not tell you. I have no recollection now as to how often I saw him.

Q.—Did he come over to Victoria? A.—No.



Mr. James Anderson—*Continued.*

Q.—And up to that time you had never met him in Victoria on this business? A.—I met him here on the first occasion, as I have told you.

Q.—When was that? A.—That was before I went up North at all.

Q.—Did you attend with Mr. Bodwell before the Executive Council? A.—Did I attend where, sir.

Q.—Before the Cabinet, with Mr. Bodwell? A.—No, sir; I never had anything to do with that part of it.

Q.—But I suppose Mr. Bodwell kept you posted as to what was going on? A.—Kept me posted in what way, sir?

Q.—As to how the negotiations were progressing with the Government? A.—Oh, yes; he told me how things were going on.

Q.—Did he show you the Minute of Council? A.—I think I saw the Minute of Council after it was passed.

Q.—Was that the first time you saw it? A.—That was the first time I saw it.

Q.—Didn't you see it before it was passed? A.—No, sir.

Q.—Quite sure of that? A.—Yes, sir.

Q.—In Mr. Bodwell's office, for instance? A.—I don't know where I saw it.

Q.—Did you see a draft of it in Mr. Bodwell's office before it was passed? A.—No, sir.

Q.—You are quite positive of that? A.—Quite positive.

Q.—I see that your memory is quite good on that, although you don't remember special trips that you made to Seattle? A.—Because that was a special point.

Q.—However, you are pledging your oath, as a matter of fact, that you did not see a draft of that Minute of Council in Mr. Bodwell's office before it was signed? A.—I did not, sir.

Q.—Do you remember about his telling you about his drawing it up? A.—No, I don't remember anything about it. I don't remember about his having anything to do with the drawing of it up, or that he had anything to do with it at all.

Q.—Your memory is gloriously vague on that point? A.—No, it is not vague, but I say he never told me he had drawn it up, or anything of that sort.

Q.—Did he tell you of his interviews with the Ministers? A.—He told me that he had been before the Cabinet, discussing the points of it.

Q.—Did he tell you about his interviews with Mr. Green? A.—No, not specifically.

Q.—And I suppose you yourself had never mentioned the matter to Mr. Green? A.—Up to what time, sir?

Q.—Up to the time of the passage of the Minute of Council? A.—I do not think I ever talked of it to Mr. Green up to that time. Mr. Bodwell did all the business with the Cabinet.

Q.—I am asking you now as to yourself, if you mentioned it? A.—I may have mentioned it in a casual way, but not definitely.

Q.—Mr. Green was a frequent visitor at your place? A.—Yes.

Q.—And was while these negotiations were going on? A.—Yes, he called frequently, as any other caller would —

Q.—I suppose you recognised the importance—I suppose you recognised that it was essential that the Government should take Mr. Bodwell's view of section 39 of the Land Act? A.—I recognised it as essential?

Q.—Yes, that was the only hope—or the only possible way that you could get the land that you were applying for? A.—I thought it was open under that section of the Act.

Q.—And that section alone? A.—Yes, and under that section alone.

Q.—You recognised that that was the only possible way you could get the townsite, by convincing the Government that they could do what you wanted them to do under that section? A.—What we had in mind regarding that was, that it was the only possible way to get the Grand Trunk Pacific terminus established on that land.

Q.—No, you misunderstand my question. Didn't you know that the Government had no power, unless they had it under that section, to make a grant of land? A.—I thought that was the only section they had any power under.

Q.—Unless they came to the Legislature? A.—I never thought of that for a moment.

Q.—You never thought of the Legislature in connection with it. Then you did not suggest to Mr. Green, or any of the other Ministers, that they should get an Act of the Legislature giving them power to make this grant? A.—No, I never did.

Q.—You say you never thought of the Legislature in connection with it? A.—No, sir.

Q.—Your whole idea was to try and get it through the Ministers of the Government, and to convince them that they could do it under section 39 of the Act? A.—I cannot answer that; there is no answer to that question.

Q.—Had you any other idea with regard to it? A.—My idea was what Mr. Bodwell and I discussed, and we decided it was the only plan by which the land could be granted for the purpose of a terminus.

Q.—You knew there was another plan, and that was to have a special Act? A.—No, I did not think of it.

Q.—Mr. Bodwell, didn't he think of it? A.—No.

Q.—He didn't suggest anything like that to you? A.—No, he didn't suggest it to me. We were merely dealing with the matter as it came up at that time.

Q.—Was the matter of secrecy discussed between you and Mr. Green? A.—It was discussed between Mr. Bodwell and I.

Q.—In what way? A.—In the way of keeping our business to ourselves.

Q.—And between you and Mr. Larsen? A.—Yes, and between Mr. Larsen and myself.

Q.—And I suppose you took very good care to carry out that policy of secrecy? A.—Yes, as far as it lay in my power, I think.

Mr. James Anderson—*Continued.*

Q.—Now, after your interviews with Mr. Larsen in Seattle, after you returned from your third visit North, what did you do in connection with this business? What was your next step? A.—I don't recall what the next thing we did was. We simply went along with the business.

Q.—Well, what business? You had your surveys made, hadn't you? A.—Yes, had one survey made.

Q.—Well, what did you do next? A.—I think I made a trip to Winnipeg shortly after that.

Q.—Stopped off at Winnipeg? A.—Yes, I stopped off at Winnipeg.

Q.—Did not go farther East? A.—No, not at that time.

Q.—What was the object of your trip to Winnipeg? A.—I was to meet Mr. Larsen in Winnipeg, and Mr. Stevens.

Q.—I see. What was the date of that trip? A.—I could not give you the date.

Q.—Well, about the date? A.—I don't recall the exact date, Mr. Macdonald.

Q.—What month was it in? A.—I think it was in May.

Q.—In May? A.—Yes.

Q.—What was the object of that trip? A.—Mr. Larsen wanted me to discuss with Mr. Stevens the different points around Lima Harbour, tell him what I had seen by my examinations and discuss the matter, and which would be the best land to take up for the completion of the 10,000 acres fronting on the harbour—

Q.—Yes. A.—And discuss that with him, and also discuss with regard to the land surrounding the approaches to the harbour, and as to where the line of railway would come in, and other details of that sort.

Q.—You did discuss that with him, I suppose? A.—Yes, I did discuss the matter with him, sir.

Q.—Any discussion at that time as to what you were going to get out of the transaction? A.—No, sir.

Q.—You seemed to fight shy of that question? A.—I did not notice it, Mr. Macdonald.

Q.—You did not notice it? A.—No.

Q.—The Grand Trunk Pacific were coming in, and your idea of forming a company had been abandoned. And had you no new arrangement as to what you were going to get out of it? A.—None at all, sir.

Q.—Up to that time, I suppose, you had received nothing? A.—Oh, I was being allowed a salary out of the funds provided by Mr. Larsen while I was doing this work.

Q.—Was there a regular fund provided? A.—Not a regular fund; but when I wanted any money I drew on Mr. Larsen.

Q.—What had Mr. Mathews to do with it up to that time? A.—Nothing that I know of. I had not seen him at all.

Q.—You had not met Mr. Mathews? A.—I knew Mr. Mathews ten or twelve or fifteen years ago.

Q.—But you had not met him up to this time? A.—No; he was in Nome at that time.

Q.—Where did you first meet him after August, 1903? A.—After August, 1903?

Q.—Yes. A.—I think the first time I met him then was towards the end of July, 1904.

Q.—Was that before your visit to Winnipeg? A.—No. After.

Q.—So your visit to Winnipeg, then, would be not later than July, 1904? A.—No; I think my visit to Winnipeg was in the month of May.

Q.—Well, now, apart from this allowance that was being made you out of funds provided by Mr. Larsen, and your expenses, you had received nothing up to that time? A.—No.

Q.—No; and you did not know what you were going to receive? A.—No; I had no idea.

Q.—You never inquired? A.—I was not interested in that proposition.

Q.—You were not interested in it. Do you mean to say that you had no claim at all? A.—None at all. I was only associated with Mr. Larsen. As far as Mr. Larsen's ideas went, I was quite prepared to carry them out.

Q.—And you did not discuss with Larsen what profit you and he were likely to get out of it? A.—No, sir.

Q.—Nor he with you? A.—No, sir.

Q.—Nor did you discuss with Mr. Stevens? A.—No, sir.

Q.—Now, after your return from Winnipeg, what next occurred with regard to the transaction? A.—I think at that time when I was in Winnipeg—I think Mr.—I forget who suggested it, but I think Mr. Larsen or Mr. Stevens suggested that we should go to Montreal and see the officials of the Company there.

Q.—'Um, 'um; yes. And what did you do in consequence of that suggestion? A.—I went down to Montreal.

Q.—From Winnipeg? A.—No; I came back to Victoria after that, and it was some time after that that I went.

Q.—When did you go to Ottawa? A.—I never went to Ottawa.

Q.—To Montreal? A.—In June some time.

Q.—Did you go alone? A.—Yes, sir.

Q.—And who did you meet there? A.—I saw Mr. Stevens there, and met Mr. Morse and Mr. Hay there also.

Q.—What was the object of that meeting? A.—To discuss the location of the ground.

Q.—Same object as that you had in view when you went to Winnipeg? A.—Practically the same, yes.

Q.—You explained, I suppose, the situation of the ground and the harbour to the President and Vice-President? A.—Yes, sir; I did.

Q.—And there was still no suggestion as to what you were to get out of the transaction? A.—No.

Q.—Was Mr. Larsen in Montreal too? A.—Not when I went down first.

Q.—How long were you there? A.—I think I was there three or four weeks.

Q.—Saw Mr. Bodwell there, did you? A.—I saw Mr. Bodwell in Montreal, yes.

Q.—And had an interview with Messrs. Hays or Morse, or both of them together, along with Mr. ell? A.—I had lunch with Mr. Bodwell and Mr. Morse down there, one day.

Mr. James Anderson—*Continued.*

Q.—Did you discuss this business at that time? A.—I don't think we went to lunch together to talk business. I had already completed my business with them at that time.

Q.—That is to say, when you were discussing business with them, Mr. Bodwell was on no occasion present at the interview? A.—No, sir. Mr. Bodwell came down there at Mr. Hays' request.

Q.—Yes; do you know why? A.—No, I don't know why, except it may have been because he was acting as solicitor at the time that the Order in Council was passed, and his name was connected with it.

Q.—Acting as solicitor for whom? A.—Solicitor for myself and Mr. Larsen at that time.

Q.—You regarded him as your solicitor at that time? A.—I did, sir.

Q.—When you met him, was that about the beginning of your visit there? A.—No, that was about the end of my visit there.

Q.—How long was Mr. Bodwell there? A.—I don't recall that.

Q.—Did he leave before you did? A.—No; he went—let me see. We came up on Mr. Hays' private car to Toronto, and Mr. Bodwell left us there, and I went on to Chicago and to Detroit with Mr. Morse.

Q.—You were travelling in private cars those days? A.—Yes, I was, and it was not the first time either.

Q.—No, I suppose not. Then you and Mr. Bodwell were on your way home together, were you? A.—No; you see Mr. Bodwell came up to Toronto from Montreal with us and stayed off there, while I went on to Detroit and Montreal with Mr. Morse, and then he picked me up in Chicago, and from there we travelled on to Spokane together.

Q.—In the same car? A.—Yes.

Q.—In the same car? A.—Not in Mr. Hays' car this time.

Q.—A private car, however? A.—No, it was not a private car—just an ordinary Pullman.

Q.—Now, you had no arrangement whatever, or any discussion about any arrangement, with these officials of the Grand Trunk Pacific when you were in Montreal as to your share of the profits? A.—As to my share of what, sir?

Q.—Of the profit? A.—Never talked to them "profit" at all.

Q.—Never had any discussion, or understanding, or arrangement with them? A.—In what way?

Q.—As to your share of the profit in this business which you and Mr. Larsen had been carrying on together ever since August, 1903? A.—I do not know how you define the word "profit."

Q.—Oh, well, you know what profit means. A.—Yes, I know what profit means in a commercial sense. I do not know the sense in which you use it, though.

Q.—You were in a transaction, as you have already told us, with Mr. Larsen. You were not in there for health; you were in there for profit. Now, had you any discussion with any of these officials that you met in Montreal about your share of the profit? A.—Not in that way. They discussed with us what we thought our services were worth at that time.

Q.—They discussed with you and Mr. Larsen? A.—They discussed it with me. I don't think they discussed it with Mr. Larsen.

Q.—They discussed it with you? A.—Yes.

Q.—Can you tell us what that discussion was? A.—No, I do not think I will.

Q.—You don't think you will. Did you come to any understanding as to what your services were worth? A.—Yes, we came to an amicable understanding.

Q.—As to how much you should get—is that it? A.—As to what they thought our services were worth, yes.

Q.—As to what you should get? A.—Yes.

Q.—And you decline to tell us what that was? A.—Yes, I do, sir.

Q.—When you say "your services," do you mean that you were to withdraw from any participation in the profits to be derived from that townsite, in consideration of a certain sum of money? A.—I mean that we never had any interest in the townsite at all, Mr. Macdonald, at any time.

Q.—You never had any interest in the townsite? A.—No.

Q.—You want us seriously to believe that? A.—I don't want you seriously to believe that. I am simply stating it as a matter of fact.

Q.—Then you regarded yourself as a servant of the Grand Trunk Pacific in the matter—is that it? A.—After a certain time, yes.

Q.—Who engaged you as a servant of the Grand Trunk Pacific. A.—Who engaged me as a servant of the Grand Trunk Pacific?

Q.—Yes. A.—The Grand Trunk Pacific asked me to complete the work of the surveys.

Q.—Who did? A.—Mr. Hays and Mr. Morse.

Q.—At that time in Montreal? A.—Yes.

Q.—Yes, but up to that time—you see you had been working for more than a year—or about a year? A.—Yes.

Q.—You were not a servant of the Grand Trunk Pacific for that year, were you? A.—Oh, for part of it—I don't exactly understand what you mean by "a servant" of the Grand Trunk Pacific.

Q.—Well, we will call you an employé of the Grand Trunk Pacific? A.—No, I was not exactly engaged as an employé. Mr. Stevens—

Q. (Interrupting)—Just let us have a definition of your understanding of your position, of your business relation with the Grand Trunk Pacific, up to the time you went to Montreal? A.—Well, I had consulted with Mr. Stevens before I went to Montreal. He told me he was quite satisfied with what I had done, and asked me to consider that I was to complete all the surveys and arrange all the details for them up to that time; and so I did.

Q.—And how about this year's work that you had done—this year's partnership with Mr. Larsen? Was there no arrangement made about that? A.—There was no arrangement made about that.

Q.—Nothing at all? A.—No.