

## MINORITY REPORT.

MR. SPEAKER,—

The undersigned members of your Committee appointed to enquire into the manner in which the authority granted to the Executive Council to aid in the development of quartz mines has been exercised, beg leave to submit the following :—

The Statute of 1887, Chapter 24, empowered the Executive Council, amongst other things, to guarantee the repayment, with interest, of advances of money to quartz mining companies, under and subject to certain limitations, conditions, and provisions therein set forth.

Under this authority an Order in Council was approved by His Honour the Lieutenant-Governor, on 23rd May, 1887, guaranteeing the repayment within five years of advances of money to the Island Mountain Quartz Mining Co., not to exceed \$20,000, and interest not to exceed 6 % per annum.

On the 25th May, 1887, the Hon. John Robson, Provincial Secretary, wrote to the Manager of the Bank of British Columbia informing him that the Government have formally guaranteed the repayment within 5 years of an advance by the bank to the Island Mountain Quartz Mining Co. of the sum of \$20,000, together with interest thereon at 6 % per annum.

We remark that the Statute sets forth that any company applying for a guarantee should furnish the Minister of Mines with a statement, in writing, setting forth, *inter alia*, the following information :—

“The liabilities of the company, and all incumbrances on the property of the company.” Such statement to be verified by a declaration made, under the “Oaths Ordinance, 1869,” by some officer or member of the company. We find that a declaration stating in effect that there were no incumbrances upon the property of the Island Mountain Quartz Mining and Milling Co. was signed by the President of the Company (Mr. P. C. Dunlevy) on the 19th May, 1887.

We desire to point out that, in addition to this safeguard, the Statute provided that no guarantee should be given to a company unless a competent mining engineer appointed by the Government had reported to the Government, amongst other things, “The amount of the liabilities of the company and incumbrances upon the property.”

On the 11th May, 1887, Mr. James Champion, M. E., reported from Barkerville to the Minister of Mines upon the Island Mountain mine property, but did not report or examine into the question of the amount of the liabilities of the company and incumbrances upon the property, stating as his reason for the omission that Mr. Dunlevy was not there, and that he had not had access to the books, and had no means of ascertaining.

The undersigned members of your Committee find that this guarantee to the Bank of British Columbia of an advance of money and interest to the Island Mountain Quartz Milling and Mining Company is the only one given by the Executive Council under the Act of 1887, and that with the exception of the omission before mentioned, of an imperative condition in the Statute, the Executive have, so far as has come under our observation, taken care that the other conditions of the Statute with reference to a guarantee were complied with by the applicant.

We have also considered the manner in which the authority granted by the Statute of 1888, Chapter 22, has been exercised.

This Statute authorized the Lieutenant-Governor in Council to expend a sum not exceeding \$64,000 in the erection of crushing, chlorinating and smelting works, and maintaining the same.

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So far as we have been able to ascertain with the limited means of procuring information at this distance from the field of operations, where it is claimed by the Minister of Mines that works constructed by the Government, under this authority, have been erected, the circumstances are as follows :—

A petition was circulated amongst the miners in the vicinity of Williams Creek, Cariboo, in 1887, asking the Executive to erect a test mill for ore upon Williams Creek.

In the Session of 1888 the Government asked for and obtained authority from the Legislature to erect crushing, chlorinating, and smelting works, and maintain the same ; such works were to be erected in such part or parts of the Province as the Lieutenant-Governor in Council thought most desirable, so as to enable individual miners to prospect and develop quartz ledges in the outlying districts of the Province.

It will be observed that the Statute provides for the erection of works of a different character than such as were asked for by the miners, and it is presumable that this course of action was taken intelligently by the Government when His Honour the Lieutenant-Governor was advised upon the subject and sanctioned the introduction, by Message, of the Bill into the Legislature, and the assent of that body was obtained.

After the Statute became law it does not appear that in the first instance the Lieutenant-Governor in Council acted directly in this matter at all, but the Minister of Mines appears to have consulted Messrs. Mason and Cowan, two of the members from the District of Cariboo, and ignored Mr. McLeese, the other representative, and to have decided, with the aid of Mr. E. A. Martin, upon the erection of a small one-stamp Kendall test-mill on Williams Creek, Cariboo, with a capacity of five tons in twenty-four hours, a twenty-horse engine and boiler, and a reverberatory roaster which has a capacity of three tons of concentrated sulphurets in twenty-four hours. This has been done at a cost under \$20,000, and whether it will prove of any practical value to the Province is very problematical.

It will be observed, that this small test-mill does not in any degree conform with the works authorized by the Statute, as neither chlorinating or smelting ore is provided for, and it becomes a serious matter for the consideration of the Legislature whether the conditions under which it places large sums of money at the disposal of the Executive should be systematically ignored with impunity by one or more Ministers of the Crown, as has been in this case.

12th March, 1889.

JOHN GRANT,  
*Chairman.*

ROBERT BEAVEN.

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## MINUTES AND EVIDENCE.

### THIRD MEETING.

February 19th, 1889

Present—Messrs. Beaven, Baker, Mason, Grant, and Higgins.

The minutes of the two previous meetings were read and adopted.

Mr I. B. NASON, witness.

By Mr. Beaven—

Q.—You are largely interested in the successful development of quartz mining in Cariboo?

A.—Yes, I am.

Q.—Do you think it was a judicious act on the part of the Government to erect the present works, instead of erecting crushing, chlorinating, and smelting works?

A.—I do. My reason is that the ore is not rebellious in Cariboo District; it simply requires roasting and amalgamating.

Q.—What is your opinion of the offer made by the Island Mountain Company of their works to the Government?

A.—I do not know what the offer was.

Q.—Did you not, with others, advise the Government to take the Island Mountain Company's works and operate them?

A.—I signed a telegram to that effect.

Q.—How did you come to advise the Government if you did not know anything about it?

A.—I was in favour of its being done in that way at the time, as I thought the works would be erected quicker.

Q.—I suppose you have heard all about the offer made by the Island Mountain Company to the Government?

A.—I have heard two or three versions about it, but I cannot say that I have heard anything authentic.

(Letter from the President of the Island Mountain Company, dated May 22nd, 1888, was here shown witness.)

Q.—Had the Government accepted the offer made by the Island Mountain Company, what, now, in your opinion, would have been the result?

A.—If the money had been judiciously expended, they would have been ready to work, and, in all probability, would have been working now.

Q.—Were you present at a meeting in Cariboo, called by Messrs. Mason and Cowan on the 18th June, 1888, to discuss the propriety of accepting the Island Mountain Company's offer?

A.—I do not remember the date exactly, but the only meeting I have any knowledge of I was there.

Q.—Were the terms of the offer made known to the meeting by either Messrs. Mason or Cowan, or any other person on behalf of the Government?

A.—Yes; both of them explained, as far as lay in their power, but neither of them seemed to have the full particulars of the proposition. That is as near as I can recollect. I never anticipated being examined on these points, consequently took no notes of what was said.

Q.—Are you aware that Messrs. Mason and Cowan sent two telegrams to the Government, anticipating the meeting of the 18th of June?

A.—I was not aware that they did.

Q.—Do you consider the present works are suitable for making a practical test of quartz?

A.—Really, I cannot consider myself a competent judge. There are some things about it that would not suit me. I have never seen a roasting furnace at work, consequently cannot judge on that point. As far as the plant is concerned—the machinery, etc.—I do know something about, and pronounce it good, and sufficient for the purpose.

Q.—Who had charge of the erection of those works?

A.—I understood Mr. Martin; he appeared to be superintendent.

Q.—Is he a sober and reliable man, and, in your opinion, fully competent for the position?

A.—I have had more or less acquaintance with him, and have never seen him under the influence of liquor. As far as competence is concerned, I cannot consider myself a judge; have had so little experience in that kind of work. He always appeared to be very diligent and attentive to his work.

Q.—Are those works constructed in a substantial manner?

A.—I was only there occasionally, and saw but little of the foundation of the work, and, consequently, I am hardly able to judge of it. It appears to be all right.

Q.—Has your attention been drawn to the question of the foundation?

A.—I do not remember my attention being drawn to it.

Q.—Do you know if any stone was used in the foundation?

A.—I never saw any stone hauled to it.

Q.—I suppose you saw the works under construction?

A.—My place of business is Jack-of-Clubs Lake; my residence, Barkerville; the reduction works between the two, about half way. Once a week I used to go home. In passing the reduction works I sometimes went in, more with the intention of receiving orders for lumber than otherwise.

Q.—Is the furnace placed above or below the other portion of the works, that is, on a higher or lower level?

A.—I think about six feet above the amalgamating pans; the bottom of the furnace is something about four feet below the stamp battery; the top of the furnace something above the stamp, perhaps two feet.

Q.—Do you consider the furnace is conveniently placed?

A.—I would think not, for doing continuous work.

Q.—I suppose you saw the brick used in the construction of this work?

A.—Some of them I did.

Q.—Do you consider them good bricks?

A.—They are rough kind of bricks; as far as that they will stand I am not a judge.

Q.—If you were requiring bricks for a furnace, are those the kind you would purchase and use?

A.—I would certainly want them at a reduced price. They were made at a bad season of the year, and under a great many difficulties of frost, snow, and rain, which made it almost impossible to manufacture smooth brick. As far as the material is concerned, I know nothing against it.

Q.—You have seen the brick manufactured by the Island Mountain Company?

A.—Yes.

Q.—Do you consider the brick manufactured for the Government as good as the brick manufactured for the Island Mountain Company?

A.—The brick manufactured for the Government was not as smooth and regular shaped as the brick manufactured for the Island Mountain Company, but, in my opinion, of better material.

Q.—Do you know in what month the Government commenced making brick, and when they were finished?

A.—I cannot tell.

Q.—Do you know anything of the cost of the Government brick?

A.—I do not.

Q.—Do you know what brickmaker was employed?

A.—Duclose, from the Mouth of Quesnelle, came and started the work for them. A man known as "Rocky Mountain" and a man by the name of Sproule did the principal part of the moulding. I do not think that Sproule was a man of any great amount of experience.

Q.—Do you know the distance they had to haul sand for mixing with the bricks?

A.—About a mile and three-quarters.

Q.—How was the sand hauled?

A.—By a horse and cart.

Q.—Have the Government any way of concentrating ore, or chlorinating or smelting it, at the works erected?

A.—They had not at the time I left, as the works were not finished.

Q.—The works have been completed since you left, have they not?

A.—I do not know if the works have been completed. I understood before I left there that the Government were negotiating with the Island Mountain Company for a concentrator, but do not know if they have succeeded.

Q.—What date did you leave Cariboo?

A.—On the 17th January, 1889.

Q.—From your own knowledge of the works, is there any method for smelting or chlorinating ore?

A.—There was none in connection with the works when I left, as far as I know.

Q.—Have the Government now in the works erected anything of a practical value in the reduction of quartz?

A.—As a test-mill, I know nothing wrong in regard to it; but whether it will prove of any practical value to the country I am not capable of judging.

Q.—Are the works of any value in reduction of quartz?

A.—As a custom mill it would not be of great value to the country.

Col. Baker—Is it of value as a test-mill?

A.—I would certainly think it may be.

Mr. Beaven—Would you trust Mr. Martin to properly treat at those works any ore belonging to you?

A.—I intend, in the spring, to take some concentrates to have them reduced.

Q.—Have you confidence that they would be properly treated and tested?

A.—I would rather not say, as I do not consider myself a judge of either the works or the man, until I have had the experience.

Q.—You have been engaged in testing ore in Cariboo, have you not?

A.—Simply by free milling process.

Q.—Can ore be treated at the Government works in any better way or test than it has been put to in Cariboo the past eight or ten years?

A.—Yes, I think so.

Q.—Is it not well known in Cariboo that the process adopted by Mr. Martin fails to save the gold?

A.—I am satisfied that the majority of the people in Cariboo approve of the method adopted. My own opinion is that it is all that is required to extract the gold.

Mr. Grant—Do you know of anyone in Cariboo who is competent to judge whether the method to be adopted at the Government test works is the best known?

A.—No; I do not know of anyone.

I. B. NASON.

Moved by Mr. Higgins, seconded by Mr. Beaven, that a report be presented to the House, asking that the documents laid before the Committee be printed, and that the evidence be printed from day to day. Carried.

Proposed that the meeting adjourn till Thursday next, at 10 o'clock A. M.

Confirmed February 21st, 1889.

JOHN GRANT,  
*Chairman.*

#### FOURTH MEETING.

February 21st, 1889.

Present—Messrs. Beaven, Baker, Mason, Grant, and Higgins.

The minutes of the three previous meetings were read and adopted.

Mr. I. B. NASON, witness:

Mr. Beaven—The principal feature of this process is roasting and direct amalgamation, is it not?

A.—Yes, it is as far as I have seen.

Mr. Mason—You mean crushing, roasting, and amalgamation?

A.—Crushing, in my idea, is included as roasting. It cannot be done successfully until after crushing.

Mr. Beaven—Have not the Cariboo ores been sent to California and put through a working test and pronounced paying ore if treated by the chlorinating process?

A.—I have heard that ores have been sent there for testing, but know nothing of the result.

Q.—Did you know Mr. Probart, the English Mining Engineer, who visited the Province?

A.—I have no personal acquaintance. I never saw him to my knowledge.

Q.—Have you ever heard his opinion of the process adopted by the Government in Cariboo?

A.—No.

Q.—Do you know any base mineral mine in any part of the world which is being worked successfully in the manner proposed by Mr. Martin, on behalf of the Government, in Cariboo?

A.—No.

Q.—Are you aware that Mr. Martin wrote a report to the Island Mountain Company condemning the process which he now proposes to treat Cariboo ore by at the Government works?

A.—No. In conversation with Mr. Martin on my first acquaintance he told me that the process now adopted by him was the proper way to treat Cariboo ore.

Q.—Do you think the machinery purchased by the Government is fitted to properly test the Cariboo ore?

A.—I see nothing wrong in the machinery, only the lack of a concentrator.

Q.—A large portion of the outlay by the Government is for machinery, is it not?

A.—I cannot say. I think about one-third of the outlay.

Mr. Mason—Do you include freight?

A.—Yes.

Mr. Beaven—Has not similiar machinery been in the Province for years past?

A.—Some portions of it, such as steam-engines, boilers, stamps, and somewhat similar amalgamating pans; those they have now are on the improved plan.

Q.—To what use is the machinery which is in the district put to?

A.—I know of three steam-engines on Lightning Creek lying idle; they are second-hand machines. I know of no available stamp or pans. The B. C. M. & M. Co. have a large quantity of mining machinery stored in the district, which have never been used. The Island Mountain Company have mining machinery, stamps, engines, and concentrators in course of erection?

Q.—What has become of the quartz mining machinery paid for by the Government some years ago?

A.—It is lying at Yale in the hands of the Cariboo Company.

Q.—Do you not think that a great deal of this machinery could have been had by the Government almost by asking for it?

A. I know of none they could get any other way except by purchase, with the exception of the Island Mountain Company machinery.

Colonel Baker—Would the Island machinery, which is lying idle, have been suitable for the purpose of the new test-mill?

A. The power engines and boilers of some might have answered the purpose, with an additional expense of repair. I do not not include Island Mountain and B. C. M. & M. Co. machines.

Mr. Beaven—Have not the Island Mountain Company all the plant the Government have purchased, and much more?

A.—They have more expensive plant. The Government have fixture for roasting furnace; the Island Mountain Company have not. The Island Mountain Company have concentrators; at the Government works there are none at present.

Q.—If the Government had accepted the offer of the Island Mountain Company would they not have been able to prove the value of the ore, as far as Mr. Martin's process is concerned, without the expenditure of a large portion of the outlay they have gone to during the past year?

A.—In my opinion they would have saved something, but I do not even know that; they might have saved the expense of a stamp, which is not very much. They would not have saved the expense of a furnace, which seems, in my opinion, a very large portion of the expense incurred.

Q.—Do you think the present site of the works the best location which could have been made?

A.—I know of no better place. It is very convenient for wood and water, and on the main trunk road.

Q.—You express reluctance to give your opinion upon mining matters and machinery, apparently. Do you think Mr. Joseph Mason is better qualified than yourself to give an opinion upon those subjects?

A.—I did not intend to express any reluctance or answer the questions otherwise than to the best of my ability. Without egotism, I do not consider Mr. Mason a better judge, not having the experience in that line of business that I have had.

Q.—Do you know the men in Cariboo that advocated having the works located where they now are?

A.—It was advocated at a public meeting, quite largely attended. I think that I know every man that was there.

Q.—Were they quartz miners, as a rule?

A.—The majority at the time were not engaged in quartz mining. I cannot say if they were quartz miners or not.

Mr. Mason—Are you referring to the first or second meeting?

A.—To the second.

Mr. Higgins—Are you a practical worker of quartz?

A.—No.

Q.—Can you chlorinate?

A.—No.

Q.—Can you run a mill?

A.—I can do the mechanical part.

Q.—Can you roast and amalgamate?

A.—Never had any experience.

Q.—Do you consider yourself competent to give advice as to the location of the test works in Cariboo?

A.—I do.

Q.—In your opinion are the test works properly located?

A.—Yes.

Q.—Do you know the prominent men in Cariboo who advocated placing the test works on the Island Mountain site?

A.—I do.

Q.—Are they interested in the Island Mountain Company property?

A.—Not to my knowledge.

Q.—Do you know anything about a loan of \$20,000 by the Government to the Island Mountain Company in 1887?

A.—I know nothing but what was made public. I am not a member of the Company.

Q.—Are you aware of the character of the work done on the Island Mountain claim after the \$20,000 was loaned by the Government to the Company?

A.—Quite a large portion of the work I know all about.

Q.—In your opinion was the money wisely and efficiently expended?

A.—Yes.

Q.—Are you aware that the Island Mountain Company's mining engineer reported to the Government that an expenditure of \$30,000 would be ample for producing bullion?

A.—I know nothing about it.

I. B. NASON.

Moved by Mr. Beaven, seconded by Mr. Higgins, that the warrants and vouchers in connection with the expenditure upon the reduction works in Cariboo be placed before the Committee. Carried.

The meeting stands adjourned until next Saturday morning, the 23rd inst.

#### FIFTH MEETING.

February 23rd, 1889.

Present—Messrs. Grant, Beaven, Col. Baker, Higgins and Mason.

The minutes of the previous meeting were read and confirmed.

Mr. I. B. NASON appeared before the Committee and was examined as follows:—

To Mr. Mason,—

Q.—On your way down, did you have any conversation with the President and Superintendent of the Island Mountain Company respecting this investigation?

A.—Well, I cannot say that I had; I listened to what they had to say.

Q.—Would you mind stating what took place?

A.—The only thing that I can remember in regard to it was that papers had been forwarded, they said, to the opposition members.

Q.—Did not they say they had supplied the opposition with all the thunder necessary for this investigation?

A.—No; I do not remember that they did.

Q.—What is the general opinion expressed by the miners respecting the management of Island Mountain Company?

A.—I hardly know how to answer that question; I do not know what it is.

Q.—Do you consider that the Government test-works have been constructed in a satisfactory manner, in regard to workmanship and judicious expenditure?

A.—Well, I think I answered this question before, by saying that I do not consider myself competent to judge.

Q.—You know the contractor, Mr. Knott?

A.—I do.

Q.—Do you consider he is a thorough mechanic and capable of building according to plans?

A.—Yes.

Q.—Have you ever examined the brick of the Island Mountain Company's kiln?

A.—Not particularly.

Q.—Never went to the kiln and examined it?

A.—No.

Q.—Do you consider \$2,500, as stated by the President of Island Mountain Company, sufficient to finish the work for crushing and concentrating ore?

A.—Yes; I believe it is with the plant they have on hand.

Q.—Have you any idea of the amount of money expended after they obtained the Government loan, until they closed down?

A.—I have not.

Q.—Have you heard that \$45,000 was said to be expended by the company as stated by the President?

A.—I have heard it.

Q.—Taking those figures as correct, do you consider this work sufficient to show for that \$45,000?

A.—I am not able to judge of that, not being thoroughly conversant with the work done on the mines; I am satisfied that \$40,000 would have completed the mill.

Q.—What do you mean by completing the mill?

A.—Putting a 10-stamp mill in operation.

Q.—Do you include development?

A.—No.

Q.—Do you consider that it would take \$40,000 to move machinery from the old Lane & Kurtz works, and putting up boarding house and buildings?

A.—I do not understand that question.

Q.—Do you consider it would take \$40,000 to move the boiler and machinery from the Lane & Kurtz works and erect the building the same?

A.—No; I do not think it would take \$40,000.

Q.—What is the crushing capacity of the Island Mountain works when completed?

A.—I think, only judging from the opinion of others, and am not competent to judge of the matter, but as near as I can judge from my own experience and conversation I had with experienced men, would think 30 tons in 24 hours.

Q.—That would be 3 tons to the stamp?

A.—Yes.

Q.—Is not that a long way above the average?

A.—I do not think so.

Q.—Is not 2 tons per day to the stamp considered good work?

A.—No; I think with the weight of the stamp they have it would crush 3 tons to the stamp.

Q.—What is their weight?

A.—I think they are 750 pounds, merely guessing.

Q.—Your saw-mill is situated within sight of the Island Mountain Company's works.

A.—Yes.



Q.—You have been over their dumps?

A.—Yes; not very much.

Q.—Do you consider there are several thousands of tons of paying ore on their dumps.

A.—I do not.

Q.—How much paying ore do you think they have?

A.—I think about 900 tons; they have considerable ore, but it is not on the dumps.

Q.—You have seen the telegram signed by McKellog, Ross, O'Neil, Flynn, Isaacs, and Sincock?

A.—No, I have not.

Q.—You know the gentlemen's names?

A.—I do.

Q.—They were working there at the time?

A.—Yes. I do not know that Flynn was; the other four were.

Q.—What occupation does Mr. Sincock follow?

A.—He has no occupation now; at that time he was keeping a saloon.

Q.—Within sight of the Island Mountain Company's works?

A.—Yes, within half a mile.

A.—What is your opinion about the hauling of the sand and clay to the Government brickyard, was it economically done?

Q.—With the advantages they had it was done as cheaply as could be. There were no available teams at or near Barkerville, or within say 56 miles. The Island Mountain Company had a team of horses; with this exception, I do not really know whether it was applied for or not.

Q.—Do you know if that team was brought up for sale or not?

A.—I think it was.

Q.—Do you remember the price asked for it?

A.—I remember the price Mr. Walker asked for the team and waggon; \$450 was set on the team by the company.

Mr. Beaven—Who is Mr. Walker?

A.—Samuel Walker, Superintendent of the Island Mountain Company.

Mr. Mason—If you were going to buy a team, would you have purchased it?

A.—I would not have been willing to pay that price for it.

Q.—What distance do you consider it is from the Barker shaft-house to the Government brickyard?

A.—I think I said before, one mile and three-quarters.

Q.—When you left, the works were nearly completed?

A.—Yes, they were nearly so.

Q.—Did Mr. Martin tell you that they would be ready in the spring for concentrates?

A.—Yes.

Q.—At the second meeting, which took place on the 18th June, were you present?

A.—I do not remember the date, but I was at the second meeting.

Q.—You remember the resolution read?

A.—I remember there was one read, but cannot repeat it.

Q.—How was it passed?

A.—There was no dissenting voice.

Q.—You heard that the Government had arranged with Mr. Dunlevy to buy his bricks?

A.—Yes.

Q.—Why was not the sale consummated?

A.—I do not know.

Col. Baker—Do you consider that the Government mills for testing the value of quartz in Cariboo would be of great value to the mining industry?

A.—I think I answered a similar question; if properly conducted, I think it will.

Q.—Do you think such a mill should be independent of private interest.

A.—Yes; I think all test works should be in the Government's hands.

Q.—Then you consider the Government were right in refusing the offer of the Island Mountain Company?

A.—That is a question almost too much for me to answer; it seems to me the question is much clearer answered in the papers which are before the Committee than I can answer it; the majority of the people in Cariboo were against its being connected with the Island Moun-

tain Company; in my opinion, had the works been put in, in connection with the Island Mountain Company, it would have sooner been put in operation.

Mr. Mason—You remember the petition that was circulated, asking that the Government appropriate an amount for the purpose of erecting testing works to be run in connection with the Government Assay Office?

A.—I do.

Q.—Did you sign it?

A.—I did.

Mr. Beaven—When were these papers circulated?

A.—I do not remember the date exactly, but it was previous to the appropriation being made.

Q.—What year was it?

A.—A year ago, I think; January last.

Q.—Do you know who circulated it?

A.—To or three parties went with it; I only remember one of them. A man named Hobart Flynn came to me with it.

Mr. Higgins—Was Flynn a member of the Island Mountain Company?

A.—No, I do not think so; not to my knowledge.

Q.—Was Mr. McKellogg?

A.—I do not think so.

Q.—K. E. Ross?

A.—No.

Q.—O'Neill?

A.—No.

Q.—Isaacs?

A.—I do not think so.

Q.—Sincock?

A.—He had nothing to do with it. So far as Isaacs is concerned I do not know, but he is not directly interested.

Q.—Was N. Campbell?

A.—No.

Q.—Samuel Walker?

A.—Yes; engaged as Superintendent.

Q.—Was he a shareholder?

A.—I do not know; he may be, indirectly.

Q.—Hugh Watt?

A.—I think so.

Q.—I. B. Nason?

A.—No.

Q.—Then out of all those names I read, Walker is the only one interested?

A.—No, I mean not shareholders.

Q.—Are they employed?

A.—Some of them were.

Q.—Do you know the names of those who were?

A.—I stated that in a former answer. McKellogg, Ross, Isaacs, O'Neill and Walker.

Mr. Grant—At what point in Cariboo are the Government works located?

A.—On the Main Trunk Road, about a mile and three quarters from the town of Barkerville.

Q.—How far from the Island Mountain Company's mill?

A.—About two miles and a half.

Q.—Is the road from the Government works to the Island Mountain Company's mill level, or nearly so?

A.—There is a slight down grade.

Q.—What additional cost would it have entailed per ton to haul ore to the Island Mountain Company's mill as compared with delivery at the Government test works, provided it was taken from the Barkerville side of the test works?

A.—Probably a dollar a ton.

Q.—Do you know of any offer having been made to the Government by owners of mining machinery in Cariboo to dispose of the same?

A.—I know of no such offer being made.

Q.—Do you think that it would have been wise for the Government to have accepted the offer made by the President of the Island Mountain Company, as contained in the letter of May 22nd, 1888?

A.—My answer would be the same as to a similar question answered before.

Q.—Do you know how much it will cost to complete the present Government works if it should be found necessary to treat Cariboo ore by chlorination or by smelting to make the works useful?

A.—No.

Mr. Mason—Is not the smelting and chlorinating process distinct?

A.—Yes; as I understand it, smelting is distinct from chlorinating.

Mr. Higgins—Since you signed this telegram of July, 1888, you have changed your mind as to the advisability of accepting it?

A.—I signed the telegram with the expectation of having the work completed sooner than by independent work, because the Island Mountain Company had the machinery already erected.

Q.—Since then you have reason to change your mind?

A.—Yes, in some respects; but still think the works would have been completed sooner.

Q.—Those telegrams (shown witness) from Cariboo, dated June 5th and 6th, to the Government?

A.—They speak as plainly as I do. I still think if satisfactory terms could have been made I know it would.

Q.—Is it a pretty easy thing in Cariboo to get petitions signed?

A.—I think it is.

Q.—Do you think it would be easy to get a petition signed to hang a man, for instance?

A.—No, certainly not; they are not in favour of capital punishment.

Col. Baker—Notwithstanding your answer, you signed that telegram because you thought that the Island Mountain Company would get into operation sooner than the test mill; do you still adhere to your opinion that it is better to have the Government works not mixed up with private enterprise?

A.—I think all test works interests of any mining district should be in Government hands.

Mr. Beaven—Would the test works, if the Island Mountain Company's proposition had been accepted, been out of the Government's hands?

A.—As I understand the proposition and did at the time I signed the telegram—I have seen no evidence on the matter—I have no reason to think otherwise than that it would have been in Government hands for the time being.

Mr. Mason—Had the Government test works been taken to the Island Mountain Company, would they have given the same general satisfaction to individual miners as the present test works would?

A.—No; as far as I can judge, it would not, from the opinion I have heard expressed.

Mr. Grant—When custom mills shall have been established in Cariboo, will the Government test works have any real value, or could they be sold for half the sum they cost?

A.—If properly conducted I think they will always be of value. Judging from past experience in regard to the value of property, they could not be sold for half the cost. In regard to the future I am unable to judge.

Q.—What would they be worth in themselves to move to the other parts of the Province?

A.—I would think they would be worth the value of the plant.

Q.—Is second-hand plant of that character worth as much as new plant?

A.—After it has run ten years it would not be worth as much.

Q.—Would it be worth as much if run one year?

A.—If properly used it would not depreciate very much in value.

Q.—Would not fire bars and furnace deteriorate in value?

A.—I think not much.

I. B. NASON.

MR. GEORGE COWAN, witness:

Mr. Beaven—Have you advised the Government about the way in which they should exercise the powers conferred upon them by the statute to aid in the development of quartz?

A.—I advised the Government to comply with the wishes of the people. There was a petition got up and signed by the people to have works to test quartz. It was got up for the

purpose of having one built on a larger scale than an assay office, something to which parties prospecting could take their rock to get worked, in quantities from 500 pounds to 5 tons, or more if they wished.

Q.—What is the general character of Cariboo quartz?

A.—It is supposed to be rebellious ore, not free milling ore. There is a little on the surface of ridges that may be oxidized, but after we get down a little we find it rebellious.

Q.—You say something of sulphurets?

A.—As we go down from the surface it turns into sulphurets and refractory ore.

Q.—Then the principal part of the gold is in the sulphurets?

A.—I am told so, but am not conversant with the working of it—the rebellious ore. I do not know that there is a man in Cariboo conversant with that.

Q.—What do the works erected by the Government principally consist of?

A.—I consider they consist of crushing works, reducing works, stamps, pans, and settlers for amalgamating after being roasted. The buildings are put up in such a way that chlorinating works and tubs and everything can be added.

Mr. Grant.—At how much cost do you think the chlorinating works could be added to the present works?

A.—I suppose at a cost of a very few hundred dollars. I could not say how much, not being conversant with such matters.

Mr. Beaven.—How many stamps are there in the battery?

A.—I understand it is a Huntingdon revolving mill, with a capacity of three to five tons per day. I do not know how many stamps.

Q.—Do you know how many pans?

A.—I do not. I never went to see. I consider the works are put up in accordance with the wishes of the people—of nine-tenths of them—and as a member for the district, I did my best to have it put up in accordance with their desires.

Q.—Do you know anything about the construction of the furnace?

A.—I have seen it, and as far as I could see, it was put up in a good shape, and the bricklayers and workmen all agreed that it was put up well and substantially.

Q.—Is the floor of the furnace rough or smooth?

A.—Quite smooth as far as I could see.

Q.—The Act calls for 'the erection of crushing, chlorinating and smelting works'; the works erected are simply a small test mill, are they not?

A.—I consider they were erected according to the wishes of the people.

Q.—But, as a matter of fact, are the works what this Act calls for, or a test-mill?

A.—The works are a test-mill.

Q.—And only a small test-mill?

A.—Only a small mill—all that was necessary.

Q.—Is there much development in the quartz mines in Cariboo?

A.—Yes, considerable. The deepest shaft I am aware of is 105 feet; there are others, but not development done for a mill to do custom work.

Q.—Is it not highly important that capital be induced to assist in this development of quartz mines?

A.—It would be a great aid to the development of quartz.

Q.—Do you think that testing a small quantity of rock will induce capitalists to invest in Cariboo?

A.—I consider that testing a small quantity of rock will develop it to the extent that capital will come in. Such a mill proves the value of the ore and gives encouragement to the miners to go on working.

Q.—Do you think that even if the test proves satisfactory, persons would be likely to say that the ore had been 'picked'?

A.—I do not see there is any reason to say so, because if you have a certain amount of ore on the dump, and a capitalist comes along viewing the mine and asks you to take so many tons of the ore to test, if the returns are the same as he had been led to believe, it will prove that the ore is of that value.

Q.—Do you think it would have been better to have erected works which would have tested ore on a larger scale, such as crushing hundreds of tons, and showing that you had a mine that would pay?

A.—I do not, in the present state of development.

Q.—You do not think this would be the way to induce capitalists to invest in Cariboo?

A.—I do not. My reasons being that a large mill, if put up, with the exception of claims in the immediate neighbourhood, would be of little use to claims at a distance. This mill is put up for testing a few tons, where 100 tons, say, would not be taken, as it costs so much to take it to a distance.

Q.—Do you know the Island Mountain Company's property?

A.—I have been on their ground.

Q.—Have they any quantity of quartz?

A.—Yes; they have some out on different dumps.

Q.—Do you know anything of the quantity of quartz in sight?

A.—I do not.

Q.—Do you know anything of its quality?

A.—I do not.

Q.—Have they done much towards developing the quartz there?

A.—They have done quite a little work.

Q.—Is there any other Company that has done more?

A.—I think there is.

Q.—What Company has done more in this way?

A.—The Company called the "Bonanza," at the present called the British Columbia Mining and Milling Company.

The Committee here adjourned till Monday morning, 25th inst., at 10 o'clock.

Read and confirmed, February 25th, 1889.

JOHN GRANT, Chairman.

#### SIXTH MEETING.

February 25th, 1889.

Present—Messrs. Mason, Beaven, Baker, and Grant.

The minutes of the previous meeting were read and confirmed.

MR. GEO. COWAN, witness, continued:—

Mr. Beaven—Is the ground owned by the old Cariboo Company owned by the British Columbia Mining and Milling Company?

A.—Yes; as far as I understand.

Q.—In your opinion, will not Cariboo quartz have to be worked at a low cost in order to pay?

A.—Any I have heard of yet will have to be.

Q.—Do you know of any base mineral mine in the world which is being worked successfully by the process adopted by Mr. Martin, of Cariboo?

A.—I do not know of any base mineral mine being worked at all.

Col. Baker—Do you consider the meeting held at Barkerville to consider the location of the Government test works properly represented the people of that part of the district?

A.—I do.

Q.—And their opinion was opposed to the Island Mountain Company's offer, was it not?

A.—Certainly; yes.

Q.—Then, had the Government accepted that offer, they would have been sacrificing the wishes of the people to favour a private company, would they not?

A.—They certainly would have been acting against the wishes of a large majority of the people—nine-tenths of the people of Cariboo.

Mr. Beaven—Was the Island Mountain Company's offer definitely made known at that meeting?

A.—They were made known in accordance with the terms offered, as far as they knew, but the terms offered to the Government were never submitted to the people. The promoters of the Island Mountain Company came down to Victoria to get the grant turned over to them, to which the people were very much opposed, and never made known the terms to the people and never consulted them on the matter until after the President of the Company came to Victoria to try to get the grant turned over to the Island Mountain Company; then, I believe,

Mr. Walker called a meeting, and the people would not hear of any such thing, as they did not consider the works should be attached to any private company or corporation.

Q.—About what date was that meeting called by Mr. Walker?

A.—It must have been in May, but I could not say as to date. I got up there about the 1st of June, and it was before that.

Q.—Then, as a matter of fact, the people of Cariboo knew nothing about the terms of the Island Mountain Company's offer?

A.—I do not know that they knew at the time; they knew after.

Q.—When did the people know what the terms of the Island Mountain Company's offer was?

A.—After I went up I told them, as far as I knew, in accordance with the proposal I saw and what the President of the Island Mountain Company told me when he came down. I consider the President of the Company should have made the terms known to the people, to let them know what he was about.

Q.—Do you not think that making them known to the Government was the proper course?

A.—I do not—at the first.

Q.—Don't you think, if the Government wished the people to be consulted, that they should have sent up the terms definitely to them?

A.—I think not, for this reason; that it was at the people's request the grant was made, not at the request of the President of the Island Mountain Company; and I think if the President of that Company got the conditions changed he should have seen the people and had their consent.

Col. Baker—The Government telegraphed to you on June 12th, 1888, that an offer had been made by the Island Mountain Company. Was that telegram, or its purport, submitted to the general meeting which was afterwards held.

A.—Yes.

Mr. Beaven—What was the date of the meeting?

A.—I cannot recollect, but it was after the telegram went up.

Q.—How many days after?

A.—I think four, as far as I recollect.

Q.—As a matter of fact, you advised the Government not to accept the offer of the Island Mountain Company before the meeting was held?

A.—I did, because all the people I met were opposed to it; and being a representative of the people, I had a right to express the wish of my constituency.

Col. Baker—In your telegram to the Government dated June 14th, you say: "Public meeting called next Tuesday." That meeting was afterwards held on June 20th; therefore, there were six days' notice of the meeting—were there not?

A.—I know there was a number of days, but not certain as to the number.

MR. MCLEESE, ex-M. P. P. for Cariboo District, was here called as witness:—

Mr. Beaven—You were a representative of Cariboo District in May, 1888, were you not?

A.—Yes.

Q.—Did the Government consult you as to the method in which they should exercise the powers conferred by the Statutes, with reference to the development of quartz mines in Cariboo?

A.—No; I was not consulted at all in that respect.

Q.—Do you know anything about an offer made by the Island Mountain Company to the Government, with respect to the erecting of crushing, chlorinating, and smelting works in Cariboo?

A.—I did know the purport of the offer, and did my utmost to induce Messrs. Mason and Cowan to look at it in the same favourable light as myself.

Q.—Do you know Mr. Martin, the Government Superintendent?

A.—I am slightly acquainted with him.

Q.—Have you had any gold assayed at that office?

A.—Yes. Mr. Martin was the assayer. I had some assayed in the fall of 1887. When I came down to Victoria I presented a bar at the Bank of British Columbia, and they did not like to take it on account of knowing nothing of the correctness of the assay. I induced them to take it at what I considered a very high discount. I do not remember the amount, but got another bar melted and assayed made in October last, and got between 80 and 90 ounces of gold.

This bar I took to the Bank of British Columbia on Saturday last. The Manager of the bank refused to allow me face value for it, the reason being, he said, was he did not know whether the assay is correct or not. I said the stamp of the Government of British Columbia's assayer ought to be sufficient security for the correctness of it. They refused to take it at face value, and made an offer to send it to San Francisco, at rate of one per cent, and have it assayed over again, agreeing to give me the value as per result of that assay. Then I naturally put the question to them, "Supposing this is not a correct return, who will I look to for the balance?" The reply was, "The Government of British Columbia is the only party you can fall back upon." The bar has gone to San Francisco, and as soon as it returns I shall know the result.

Col. Baker—Are you aware that that is the usual custom of the banks, no matter where the gold comes from?

A.—No. In my whole experience it is the first time it has been done with me.

Q.—Has the bank allowed you full value for gold bars before that transaction?

A.—Before this time they have always allowed full face value, less discount, according to the fineness of it.

Q.—By whom were the bars assayed—the former bars?

A.—I got some assayed by Mr. Claudet in the '60's, and by Mr. Hitchcock and Mr. Mouatt.

Q.—Previous to the delivery of the bar assayed by Mr. Martin, what was the date of your tender of the bar of gold previous to that?

A.—About five years ago.

Q.—Were you aware at that time whether it was then the custom of the bank to send all gold to San Francisco?

A.—I could not say from personal knowledge, but I believe it was.

Mr. Grant—How long ago is it since you had gold melted and put into a bar and stamped by Mr. Mouatt?

A.—I could not give the date from memory, but could do so from my books. It must be about five years ago.

Q.—Are you aware whether it is the custom for banks to take gold bars, assayed and stamped by any recognized assayer, at the value stamped upon them for fineness?

A.—My whole experience is that the bank has taken them at face value, less the discount.

Mr. Mason—You are aware that a great many bars are sent down every week from the upper country?

A.—I am not aware of it.

Q.—The gold is assayed in Barkerville?

A.—I cannot say from personal knowledge.

Q.—Do you not think that if Mr. Martin could not make a correct assay there would be considerable grumbling about it, and long before this the matter would have been investigated?

A.—I know nothing about that from personal knowledge. I never heard of any other complaint being made.

Mr. Beaven—Do you know the works erected by the Government in Cariboo as a test mill?

A.—I have been there, and saw the works partially constructed.

Q.—Do you know anything about the furnace, or is the foundation proper?

A.—I do not.

Q.—Do you know what the works consist of?

A.—Only from what Mr. Martin showed me. They consisted of one Kendall revolving stamp, amalgamating pan, one 18 or 20-horse power engine with boiler, a furnace being built with a capacity of three tons in 24 hours.

Q.—Do you think that these test works would be of much practical value to Cariboo?

A.—I do not, for the following reasons:—They will not work ore in sufficient quantity to satisfy capitalists to invest in the mines; and the cost of working the ores in works of such small capacity will be a great deal more expensive, owing to the number of skilled workmen required to manage the ore in a correct manner. A few tons being worked from a few ledges will not give a satisfactory test of the different mines, it being easy to take their selected ore.

Col. Baker—What number of tons of ore do you think it will be necessary to take in order to satisfy capitalists?

A.—It depends upon the extent to which the mine is worked.

Q.—In a new mine, where the ore is taken from near the surface, how many tons do you think would be necessary?

A.—I think one ton might be all required; to get a thorough practical test to develop the value of the mine, I would say there ought to be 1,000 tons. I would not invest in a mine of that class unless I thought there was a lot of money in it.

Q.—But the position is this: A miner without means finds what he considers a valuable lead, and wishes to bring capital to it, and to supplement the assay with a test of a few tons of the ore. Do you think such a test would induce capitalists to enter into terms to take up the mine?

A.—I do not.

Mr. Mason—Do you consider the erection of smelting and chlorinating works of a capacity suitable for custom work would have been better than the present plant?

A.—Yes.

Q.—What would have been the cost of such works?

A.—I could not give an estimate.

Q.—Are you aware that such works cost from \$1,000,000 to \$2,500,000.

A.—I have no knowledge of it. I have seen accounts of works costing from \$40,000 up to \$3,000,000.

Mr. Grant—Do you think that any more reliable results can be obtained at the present works than could have been obtained by a milling test made in San Francisco?

A.—No, I do not think there would be any better result.

Q.—To give confidence in a mine, is it most necessary to have extensive development, or to be able to say what a few tons will produce?

A.—It is necessary to have extensive development.

Q.—As a matter of fact, no capitalist will look at a mine with an idea of purchase until a great deal of development has been made?

A.—It requires a great deal of development to be made, and from personal knowledge that was the principal reason that capitalists would not invest in Hixon Creek.

Q.—Is it not a fact that after sufficient development has been made, an expert can take a proper general sample of the ore and be able to say whether the mine is a valuable one or not?

A.—I should say yes.

Colonel Baker—Then it would not be an advantage to the general miner after he develops his claim to a certain point to be able to test a few tons in order to be able to judge of the value of his mine?

A.—If the mine is developed a few samples would be sufficient to have tested, and give as good result as a few tons.

Mr. Beaven—As a matter of fact, has not Cariboo ore been sent to California and been put through a milling test?

A.—I have been informed so; I do not know from personal knowledge.

Mr. Grant—Would it not have been as much in the interests of individual miners if the Government had taken over the Island Mountain Company's works, and have completed them, so that quantities of ore might have been properly worked, whether base or otherwise?

A.—I think if the Government had accepted the proposition from the Island Mountain Company it would have given general satisfaction to miners and settlers in the lower part of the district, and that mining would be going on now more extensively, and that as good results to outsiders would have been made as by the present works.

Q.—Do you think that if this had been done the Island Mountain works would have been in proper condition to operate and reduce ore at the present time?

A.—Yes, I think the works would have been reducing ore early in October last.

Mr. Mason—On what do you base that opinion?

A.—From the time the proposition was submitted to the Government in April last there was sufficient time to get the machinery from San Francisco, erect the furnace, and be reducing ore in about three months, or a trifle over. The buildings being there, the crushing machinery required only about three weeks' work to complete; brick being there to build the furnace, all the work could have been completed by the time the machinery would arrive from San Francisco, the Island Mountain Company having all the machinery, with the exception of castings for the furnace, amalgamating pan and chlorinating machinery, on the ground and nearly in working order. I consider it was an unnecessary expenditure of the Government to purchase new machinery while there was so much that could have been utilized without the expenditure of anything whatever by the Government.

Q.—Have you any practical knowledge of mining machinery, or of treating ore?



A.—Yes.

Q.—Would you state it?

A.—In 1856-7 I erected a quartz-mill in California, and worked there for two years, and knew all the then known processes of treating free milling ore.

Q.—What did that mill consist of?

A.—A steam engine, five-stamp battery, and four Mexican arastras.

Q.—Have you any knowledge of treating rebellious ore?

A.—I have not.

Col. Baker—In the year 1888 had you any interest in the Island Mountain Company?

A.—No.

Mr. Mason—Did you ever examine the brick of the Island Mountain Company's kiln?

A.—No; I was informed that the brick being in place about the boiler, although there was no fire in the furnace, they stood the test of the winter of 1887-8, showing no defect whatever; and from that test the Government would have been sufficiently justified in building their furnace of them. It was a severe test, as the bricks were built up green, no fires being there to dry them out, and they stood the test of the winter frost without showing a defect.

Q.—Have you been informed by parties coming down or at Barkerville of the utter worthlessness of the Island Mountain Company's bricks in the kiln?

A.—The first I had heard intimated of a defect in their bricks was when the Government refused to purchase them from the Company. Since then, of course, rumour has said the brick was worthless, but the test alluded to does not confirm this error.

Q.—On your way to Barkerville you pass within thirty yards of the Island Mountain Company's kiln?

A.—Yes, about that.

Q.—And you did not take sufficient interest, after those rumours, to go and examine them?

A.—No, I did not examine them.

Q.—Nor examine the bricks around the boiler at their works?

A.—I tried to get in, but there was no one at the place from whom I could get the keys.

Q.—You met Mr. Koch last April, when he came to keep his appointment with Mr. Dunlevy in getting the Government appropriation?

A.—I met Mr. Koch about that time.

Q.—Did not Mr. Koch tell you, in my presence, he had an appointment here with Mr. Dunlevy?

A.—I do not remember the circumstance; he may have done so.

Q.—After your visit to me did you tell Mr. Koch the reason why I treated him so curtly?

A.—I do not remember.

Q.—You did not wonder at it?

A.—When we left there (the Oriental Hotel) he said: "I do not know what is the matter with Mr. Mason that he treated me so coldly about the Island Mountain Company's proposition."

Q.—How could he have been conversant with the proposition except he had been in communication with Mr. Dunlevy?

A.—Mr. Koch had been here several days previous to that, and he and I had had a number of conversations on the subject about the best way of developing our quartz up there with this bonus from the Government, and amongst different schemes we tried to work, this matter was spoken of, if we could induce the Government to take over the Island Mountain Company, and put their amalgamating plant in connection with it, he would undertake to have it done, or let the Government have another Superintendent if they did not want him, and that an expenditure of about 14 or \$15,000 would be quite sufficient. After we had arrived at this conclusion (I speak advisedly) I think I telegraphed to Mr. Dunlevy to come down as soon as possible, that Mr. Koch was here in Victoria; and after Mr. Dunlevy's arrival here Koch, Dunlevy and myself tried to get the thing into shape to submit to the Government, and wishing to consult with my colleagues in the matter, I first spoke to Mr. Cowan, subsequently to Mr. Mason; I presume that is the time referred to in his question.

Q.—Before sending your telegram, did not you know that Mr. Dunlevy had agreed to meet Mr. Koch, and that he failed to connect?

A.—To the contrary; Mr. Koch, when he came over here from Puget Sound, told me he had seen a notice in the newspaper of this grant by the Government, and that he came over

for the purpose of trying to get up some scheme—we may call it—that this money might be utilized as soon as possible to develop our mines.

Q.—And you say you do not remember any conversation that took place in my presence to the effect that Mr. Koch had been corresponding with Mr. Dunlevy?

A.—I do not; I have no remembrance of it.

Q.—You are a shareholder in the Hixon Creek or Quesnelle Quartz Mining Company?

A.—Yes.

Q.—Do you remember the time when Mr. Koch had the management of the same?

A.—Yes.

Q.—Do you know anything about his management?

A.—Not personally; I have heard of it from reports.

Q.—Was it satisfactory?

A.—I do not think so.

Q.—You remember two directors, Mr. George Elmore and myself, being sent by the board to examine into the matter?

A.—I have heard it.

Q.—Do you remember that the directors pronounced upon the work done by Mr. Koch as very gross mismanagement, and a reckless expenditure of money?

A.—I do not; it is just to the contrary, because Mr. Koch, after working at the bottom of the 100-foot level, abandoned that, went up on the hill-side, consulted with the Secretary of the company about hunting the ledge there. He sank a shaft about 16 or 18 feet, drifted from the shaft some 10 or 12 feet, and struck what Mr. Koch said was the contact showing in the Mason shaft. Mr. Koch raised the shaft to the surface, and the men were set to work running on the contact. Mr. Koch was there at high wages, and did not want to remain there any longer; there was a request for him to go to Cariboo to examine some ledges there. He left the company and the directors got another foreman and instructed him to continue running on this contact, through the opinion of Mr. Koch and his advice. They did so, and if the report of the directors is correct, they ran 180 or 190 feet on the contact, showing that the directors carried out the plan of Mr. Koch's outlining for them. Mr. Koch may not have been very capable of managing men and getting the most amount of work out of them for the wages, but the directors, it would appear, had confidence in his advice; they ran on this drive until they were driven out by water, and Mr. Koch's opinion to-day is that if they had kept on the contact and expended the same amount of money they did afterwards in sinking the 200 feet level, the probabilities are they would have a good mine there.

Q.—This work was done after the condemnatory report of the directors, was it not?

A.—I never got any notification of the directors having condemned Koch, although at the time I was the third largest shareholder of the company.

Q.—Did you ever attend any of their meetings?

A.—Yes; I attended three general meetings, and at each they failed to have a quorum.

Q.—Did you ever see a letter, written by Mr. Koch, and sent by a messenger overtaking Mr. Elmore and myself at Cottonwood, begging us to "let him down lightly with the company"?

A.—No; I never heard of it.

Mr. Beaven—Were you ever notified to attend a meeting in June last, in Cariboo, to consider the Island Mountain Company's proposition?

A.—No.

Q.—You always found, from the first, that Mr. Joseph Mason was opposed to the proposition of the Island Mountain Company, did you not?

A.—Yes.

Q.—What view did Mr. Cowan take of it?

A.—He was evidently opposed to it too.

Col. Baker—Do you still adhere to your opinion, already stated, that the people of Cariboo were in favour of accepting the proposal of the Island Mountain Company?

A.—Yes; and had I been notified of that meeting, I would have gone there to represent the settlers of the lower part of Cariboo District. From the general feeling in my part of the district, about from Quesnelle down, had the matter been put to a vote, nine out of every ten of the settlers there and in Lillooet District would have been in favour of that proposition being accepted.

Q.—How far is that part of the district from the Island Mountain Company's works?

A.—One hundred and seventeen and a half miles.

Q.—Then it would be too far, would it not, for the miners there to have benefited by the acceptance by the Government of the Island Mountain Company's proposal?

A.—No; because the settlers there are nearly all interested in the quartz mines about Barkerville?

Mr. Mason—What settlers about your place are interested in the Island Mountain Company?

A.—I know of nobody except Mr. Dunlevy.

Q.—Do you consider that the action you took in the matter of getting the Government appropriation for the Island Mountain Company accounts for the small number of votes obtained by you in the Cariboo District?

A.—It may, or it may not.

Mr. Beaven—Do you consider that if Mr. Rogers had not been a candidate, you would now be the representative from Cariboo in the House of Commons?

A.—I most unhesitatingly say that had Mr. Rogers been out of the field, the present member would not have polled ten more votes in the whole district than were cast for him, and that had not Mr. Rogers come out I would have been elected by a large majority.

Mr. Mason—Were the settlers in the neighbourhood of the 150-Mile House in favour of the taking over of the Island Mountain Company?

A.—The only one that I heard of as being opposed to it was Mr. Veith, of Keithley?

Mr. Grant—What length of time would it have taken you to get to Barkerville from your home if you had been notified by telegraph of the meeting to take place there?

A.—A day, or a day and a half, by stage.

Q.—Have you any means of your own in the way of conveyance that you could have used had you wished to go?

A.—Yes; I had a conveyance of my own that would have taken me in two and a half days.

Q.—And would you, if necessary, have used your own conveyance in order to attend that meeting?

A.—Yes; undoubtedly.

Mr. Mason—At what time did you arrive at Soda Creek from Victoria last spring?

A.—In the beginning of May.

ROBT. MCLEESE.

MR. GEORGE COWAN, re-called—witness:

Mr. Grant—If the Government had had the Island Mountain Company's works under control, would they not have answered the same purpose as the present test-mill?

A.—I do not think they would.

Q.—What reason have you for supposing that the Government would not have been able to give as good satisfaction if the Island Mountain Company's works had been completed, as can be done by the present test works?

A.—Any time after the expiration of a year the Island Mountain Company had the privilege of taking the works over at cost and reasonable interest. So that would do away with anything at the time, and would be placed in a private Company's hands, giving that Company the knowledge of what the mines were worth, and so forth, and people do not generally like them to know all their business.

Q.—In your opinion, do the test works erected conform to the requirements of the Act passed last session?

A.—I answered that before, that the test works conformed to the wishes of the people—they are what were asked for.

Q.—From your legislative knowledge and experience, have the Government any right to spend more money than is provided for in the statute?

A.—It is supposed not, as a general thing, but if they had spent it to the Island Mountain Company it would not have been spent according to the requests of the people.

The Committee here adjourned for one hour, to meet again at 2 o'clock, P. M.

## AFTERNOON SESSION

Present—Messrs. Beaven, Mason and Higgins.

Moved by Mr. Beaven, seconded by Mr. Mason, "That Mr. Higgins act as Chairman."

Carried.

MR. GEORGE COWAN, witness :

Mr. Mason— Are you a miner ?

A.—Yes.

Q.—Of how many years' experience ?

A.—About 30 years.

Mr. Beaven—Have you been engaged in alluvial mines or quartz mines ?

A.—Alluvial mines, principally.

Mr. Mason—In what manner do you consider the Government erected the reduction works in Cariboo ?

A.—I would answer that question as I did before, that they erected them in accordance with the wishes of a large majority of the miners of the district.

Q.—At the time that the Island Mountain Company were making efforts to secure the Government appropriation, you attended the meeting of miners at Barkerville in connection therewith ?

A.—Yes.

Q.—Did the Superintendent of the Island Mountain Company, or Dr. Watt, make known the conditions of the proposition of the Company at that meeting ?

A.—No.

Q.—Had you seen a copy of the proposition made, at that time ?

A.—I heard from Mr. Dunlevy what the proposition was.

Q.—Did you not state to the meeting the principal conditions of that proposition ?

A.—I did.

Q.—Have you examined the bricks down at the Island Mountain Company's kiln ?

A.—Yes ; I had a look at them.

Q.—What is your opinion of them ?

A.—That they are a poor article, and not fit to be put into the furnace ; but am not a brick expert. That was my judgment.

Q.—Did you take up any of those bricks and break them apart in your hands ?

A.—I handled them and hit them with a stone. The worst feature I saw of them was the limestone in them. When they got wet they would slack and burst.

Q.—What is your opinion of the bricks made by Mr. Martin ?

A.—I think they are better than the Island Mountain Company's brick.

Q.—In what respect ?

A.—I think they are more hard, solid, and not so easily broken. I saw a brick taken from the kiln, placed under the eaves of the house and left there a few weeks, and during that time there was a great deal of rain, the thermometer went to about two degrees below zero, and when the brick was taken into the house it seemed to be as solid as ever. Strike it, and there would be a good ring.

Q.—What is your opinion in regard to Mr. Martin's ability and general management ?

A.—As far as my experience goes, I think the management is good, and from conversations I have had with the workmen they seem to be of that opinion. They all say they went according to his instructions, and everything fitted into its place.

Q.—You saw the petition that was circulated last winter ?

A.—I saw it.

Q.—Do you remember the heading of the same ?

A.—I do not. I saw the party who was taking it around—Mr. Flynn—who talked about it and the matter, and in doing so told me what the intention of the petition was, but I did not read it. He said a great many people who had signed it objected to doing so because they thought it was something got up to be attached to the Island Mountain Company's works, but when he explained to them it was nothing of the kind they all signed it willingly.

Mr. Beaven—What was the purport of that petition ?

A.—It was about erecting testing works.

Q.—Did it ask the Government to erect crushing, chlorinating, and smelting works ?

A.—I could not say ; I never read it.

Q.—Do you know what became of the petition ?

A.— I do not

Q.—To whom was the petition addressed ?

A.—As near as I can recollect, it was to some member of the Government.

Mr. Mason—Do you remember if those works were asked to be erected in connection with the Government Assay Office at Barkerville ?

A.— Yes ; that was the general wish.

Q.—Do you know anything about the foundation of the furnace not being secure ?

A.—I do not. I consider it was very secure, as far as I could see. It is supported by large cast-iron posts and rods through. I never heard anything to the contrary. Have heard the men who dug out the foundation say that the ground was firm and a good place for a foundation.

Q.—Do you consider that the hauling of the sand and clay to the brickyard was economically done ?

A.—I think it was as much so as could be done in that locality.

Q.—In your opinion, had the test works been taken to the Island Mountain Company, would it have given the same general satisfaction to the individual miners as they now receive ?

A.—It would not.

Q.—Have not Cariboo ores been sent to California, and working tests made of the same ?

A.—I have heard so.

Q.—Do you know the process recommended by Messrs. Lockhardt & Hustel ?

A.—I do not know it myself.

Q.—In your opinion, do you consider that the Government would be justified in erecting smelting and chlorinating works as a custom mill ?

A.—I do not ; according to the present state of development of the mines.

Q.—Have you any idea of the cost of such works ?

A.—I have not, only from report.

Q.—In your opinion, would the \$32,000 build such works ?

A.—Not according to reports I have read.

Mr. Beaven—In your opinion, would the \$64,000 erect crushing, chlorinating and smelting works ?

A.—I could not say ; it would be according to their capacity.

Mr. Mason—Have you ever heard anything against Mr. Martin not being a competent assayer ?

A.—I have not.

Q.—Do you know if Mr. Martin makes weekly assays of nearly all the gold that comes out ?

A.—I believe he assays the greater part of the gold taken out.

Mr. Beaven—Did you advise the Government to employ Mr. Martin ?

A.—I advised the Government to ask his advice.

Q.—About what ?

A.—Relative to the erection of the test works.

Q.—Did you advise the Government to employ him as an assayer ?

A.—I am not aware that I did.

Mr. Mason—Do you consider that there is any one in Cariboo capable of giving a practical opinion about the working of rebellious ore ?

A.—I do not.

Q.—Do you consider Mr. Martin capable ?

A.—From what I know of him, I consider he knows more about it than any other man there.

Mr. Higgins—In Mr. McLeese's evidence it is stated in effect that if the Government had complied with the requests of the Island Mountain Company, the works would have been ready to begin operations in October last ?

A.—I could not say as to that, for I do not know what length of time it would have taken ; what has kept those works from being completed at an earlier date was delay occasioned by the Island Mountain Company in getting started at the test works.

Q.—Have you ever read the correspondence in connection with an advance of money to the Island Mountain Company ?

A.—Yes.

Q.—Are you not aware that Mr. Champion said that with the expenditure of \$30,000 he could make the mines bullion producing?

A.—The expense of \$30,000 stated would do so, if economically expended.

Q.—Are you aware of the amount the Island Mountain Company claim to have expended under that Act?

A.—I am not.

(The witness was here shown the report of Mr. Champion, in which it is stated that an expenditure of \$30,000 would make the mines bullion producing and profitable to its owners.)

Q.—Is Mr. Champion still employed by the Company?

A.—No.

Q.—Do you know why he left?

A.—I do not know why he left.

Q.—Did you ever hear that he was discharged because on placing his estimate to a practical test it was discovered he had underestimated the amount of money required to make the mines bullion producing?

A.—I did not.

Q.—Do you know what amount of money was applied by the Government under the Act of 1887 to assist quartz mining?

A.—I might say \$20,000.

Q.—Do you know what amount of money the Company had in the bank before the \$20,000 was paid to them by the Government?

A.—The Company claimed to have had \$20,000 to their credit.

Q.—That would make \$40,000?

A.—Yes.

Q.—Do you know how the money was expended?

A.—I have no knowledge of it.

Q.—Was the Company in debt previous to 1887?

A.—I could not say, but never heard they were.

Q.—Do you know anything of the nature of the work done on the Island Mountain Company's claim after the \$20,000 were received from the Government?

A.—The buildings were erected and the machinery was put up.

Q.—Is the mine bullion producing?

A.—I could not say.

Q.—Did you ever hear of there being any bullion produced?

By Mr. Mason—Are the works completed and ready to produce bullion?

A.—Not a present.

Mr. Higgins—Was there any development done on the mines last year?

A.—Yes; there was none done this last season.

Q.—Was there any development work done?

A.—Yes; there was two tunnels being run and four men working in each; also several men making roads.

Q.—Do you think in face of the fact that Mr. Champion's prediction with regard to the result of the expenditure of \$30,000 not having been fulfilled, that the Government would have been justified in placing the test works in the hands of the Island Mountain Company?

A.—I do not.

Mr. Beaven—Was there any proposition to place the test works in the hands of the Island Mountain Company that you know of?

A.—If the works were paying, they had the privilege of taking them over after a year.

Q.—But in the first place, the works would have been under the Government's control?

A.—Yes.

Mr. Higgins—Do you think the Government would have been justified in placing the works on the ground of the Island Mountain Company?

A.—I do not. It would have been against the wishes of the miners of the district.

Mr. Mason—What is the reason that the Island Mountain Company's works are not completed?

A.—Want of funds.

Q.—Have you any idea of the amount expended by the Island Mountain Company including the Government loan?

A.—I have not.

Q.—Did you never hear that \$45,000 was said to have been expended?

A.—I have heard that \$60,000 was expended.

Q.—In your opinion do you consider that sufficient development has been made and the erection of the works to justify the expenditure of \$30,000?

A.—From my experience of the working of quartz, I could not say.

GEORGE COWAN.

MR. MASON, examined:

Mr. Beaven—We have heard about some petitions circulated in Cariboo in 1888 with reference to the erection of the test works in that district. Do you remember what was the purport of those petitions?

A.—As near as I remember, having read the first petition two or three times, it was to the effect that the Government should assist in erecting testing works in aid of the development of quartz, and the said works to be run in connection with the Government Assay Office at Barkerville.

Q.—Do you know to whom the petitions were addressed?

A.—I am not clear as to the first one. The second was addressed to myself in the House during the Session.

Q.—Do you think they were addressed to the Government?

A.—The first one? I am not clear about that.

Q.—Do you know what has become of those petitions?

A.—The last I remember seeing of them they were in my desk, and I believe at the close of the Session, thinking they would be of no value, I destroyed them.

Q.—You have advised the Government a good deal about the erection of those test works in Cariboo?

A.—I have given my advice when it has been asked for.

Q.—Did you recommend the Government to employ Mr. Martin?

A.—I did.

Q.—You are in business in Cariboo?

A.—Yes.

Q.—Have you any objections to stating to the Committee how much of this appropriation made by the Government you have received?

A.—I have not any.

Q.—Would you state the amount?

A.—From the commencement of the Government test works till their completion—

For the month of August	I received	.....	\$145 24
„	September	„	195 76
„	October	„	31 34
„	November	„	35 53
„	December	„	40 96
Total			..... \$448 83

I may state that I believe that \$96 of the September account was for four wheel-barrows bought from the British Columbia Milling & Mining Company.

Mr. Higgins—Can you give us any information about the expenditure of money after the Government grant of \$20,000 had been made to the Island Mountain Company?

A.—Not any further than that Mr. Dunlevy stated they had expended in development, erection of buildings and machinery \$45,000 during 1887 and 1888.

Q.—Do you know whether that money was economically expended or not?

A.—I do not.

Q.—Do you know when Mr. Champion left the employ of the Island Mountain Company?

A.—I think in September or October, 1887.

Q.—Did you hear why he left?

A.—On account of a disagreement between Mr. Walker and himself.

Q.—Do you know the nature of this disagreement?

A.—I do not.

Q.—Was he discharged on account of having failed to justify his report of making the mine bullion producing by the expenditure of \$30,000?

A.—I do not think so.

Q.—Did they have a large force of men on hand during 1887?

A.—Yes. They had, I believe, at one time from 30 to 40 men.

Q.—Do you know what wages were paid to the labouring men or miners?

A.—Not exactly, but I believe some of the men were working below the miners' rates.

Q.—What are miners' rates?

A.—\$4 per day.

Q.—Do you know that the Island Mountain Company was in debt previous to the spring of 1887?

A.—I do not think so.

Q.—You heard of nothing to lead you to think so?

A.—No.

Q.—Would you be surprised to hear that during 1887-8 they expended \$40,000, from your knowledge of the work that was done?

A.—Yes; I would be.

Q.—In your estimation, what was the value of the work done?

A.—I do not consider that I am capable of giving an exact statement and would rather not say.

The Committee adjourned till 10 o'clock, A. M., Wednesday, 27th inst.

#### SEVENTH MEETING.

February 27th, 1889.

Present—Messrs. Higgins, Beaven, Baker, and Mason.

Moved by Col. Baker, seconded by Mr. Mason—

That Mr. Higgins take the Chair. Carried.

The minutes of the previous meeting were adopted as read.

Mr. Grant here arrived, and took the chair.

Moved by Mr. Higgins, seconded by Mr. Mason—That J. C. Bales, Esq., Secretary of the Island Mountain Quartz Mining & Milling Co., be requested to attend as a witness at the next meeting of this committee, and bring with him all books, papers, notes, vouchers, cheques, etc., having reference to the deposit and withdrawal of the sum of \$20,000 which, according to the certificate of George Gillespie, Esq., on the 23rd of May, 1887, stood at the credit of the Island Mountain Mining and Milling Co. on the books of the Bank of British Columbia, and to furnish any and all information in his possession respecting the financial condition of said company in the months of April, May, June and July, 1887.

Mr. Beaven moved in amendment,—That all the words after the word "company" in the last line of the the above resolution be struck out and the following be inserted in their stead, "up to the 23rd May, 1887."

On the Chairman putting the question to a vote, Messrs. Baker, Mason, and Higgins voted for the original resolution, and Mr. Beaven against the same.

The motion was therefore declared carried, and the Secretary was instructed to communicate with and notify Mr. J. C. Bales of the request of the Committee.

Mr. RICHARD HOUGH, here appeared as witness before the Committee.

Mr. Mason—You have been working in the Government test works?

A.—Yes; I have been working for them.

Q.—You started up the engine on the 12th January last?

A.—Yes; I did.

Q.—Did the crusher, amalgamating pan, settler, &c., work satisfactorily?

A.—Everything worked well.

Q.—Had you ever been engaged in works of that description before?

A.—I ran a quartz mill battery a good deal.

Q.—Where?

A.—In California and Cariboo.

Mr Grant—Were those works operated on the free milling process or not?

A.—Yes; on the free milling process.



Mr. Mason—Who had charge of the Government works ?

A.—Mr. Martin.

Q.—From what you have seen of the work done, do you consider Mr. Martin capable of managing such works ?

A.—To the best of my knowledge he managed them very well.

Q.—You have seen the furnace, have you not ?

A.—Yes.

Q.—Did you ever notice anything wrong in the foundation ?

A.—Everything seemed to be very solid.

Mr. Beaven—Were there any stone used in the foundation ?

A.—I was not there when it was laid.

Q.—Do you know whether there was any or not ?

A.—I do not.

Q.—Do you know the condition of the floor of the furnace, whether rough or smooth ?

A.—It is as smooth as can be made of brick.

Mr. Mason—Have you ever seen the Island Mountain Company's brick at their kiln ?

A.—Yes.

Q.—Did you ever examine them ?

A.—I never examined them at the kiln, but examined some at the works.

Q.—Did you ever see samples taken from the kiln to Barkerville ?

A.—No ; not of those.

Q.—Have you ever examined the brick made by Mr. Martin ?

A.—Yes.

Q.—What is your opinion of them ?

A.—I think them pretty fair brick—about as good as can be made up in that country.

Q.—Did you ever break one of them or use them ?

A.—I have used some of them.

Q.—Have they a clear ring in breaking ?

A.—They are very hard brick—that is, a good many of them are.

Q.—In your opinion, does the erection of the present works give satisfaction to the miners in Cariboo ?

A.—I do ; yes ; to most men, from what I have heard them say.

Mr. Beaven—When you speak of the miners of Cariboo, do you refer to the men of the whole district, or simply to those in the vicinity of Barkerville ?

A.—I have not had the opportunity of hearing the opinions only on Williams Creek.

Mr. Mason—Have you ever heard the opinion expressed by miners from Mosquito, Grouse, Lowhee, Antler, Cunningham, and other creeks ?

A.—I do not think I have ever heard their opinions.

Mr. Grant—Do you consider yourself a competent judge as to the best method of working base or refractory ores ?

A.—I never had any experience in working ores of that kind.

Q.—Do you think that if the Government test works had been erected in connection with the Island Mountain Company's works, and then under the control of the Government for a given time, that they would have answered every purpose in the matter of testing ores ?

A.—I think they would as well there as in any other place in Cariboo District.

Mr. Mason—In your opinion, had the same works been erected at the Island Mountain Company, would they have given the same general satisfaction ?

A.—No ; they would not.

Mr. Grant—What do you mean by general satisfaction when you have already stated that you had not conferred with miners on the matter, outside of Williams Creek ?

A.—I mean on Williams Creek ; as at a meeting there they were almost to a man against it being put at the Island Mountain Company's works.

Q.—Do you not think it would have been in the interests of the development of quartz generally if the Island Mountain Company's works could have been completed so that they would have been in a position to work large quantities of ore ?

A.—I have no doubt it would have been a big advantage to Williams Creek.

Q.—Are you acquainted with the offer made by the Island Mountain Company to the Government in respect to the completing of the works ?

A.—I am not.

M. Mason--Have you any idea of the cost of smelting and chlorinating works of a capacity sufficient for custom work?

A.--I have not.

Mr. Higgins--Is the location of the test works as convenient for the mining community as they would be if located at the Island Mountain Company's works?

A.--Yes; they are more centrally located where they are than if at the Island Mountain Company's works.

Q.--Did you ever work in the Island Mountain Company's works?

A.--No.

Q.--Did you ever visit their works during the last eighteen months?

A.--Yes.

Q.--Often?

A.--Yes.

Q.--Had they a large force of men at work in the latter part of 1887?

A.--Yes.

Q.--How large?

A.--I do not know how many they did have. I was sawing lumber at the time, but did not know the number.

Q.--What was the force of men doing?

A.--They were working at grading, moving and putting up machinery, and running tunnels.

Q.--How many tunnels?

A.--I do not know.

Q.--More than one?

A.--Yes.

Q.--More than two?

A.--I do not know.

Q.--Have you ever been in the tunnels? Could you say how long they were?

A.--I was in one last winter two years, before they commenced the work, I think. It was in 40 or 50 feet.

Mr. Mason--Was not that the old "Enterprise" mine you are speaking of?

A.--I do not know whether it was or not.

Mr. Higgins--Was there anything done on the mines from the close of 1886 till the summer of 1887?

A.--I do not think so, by the present company.

Q.--To your knowledge, were they in debt at that time?

A.--Not to my knowledge.

Q.--Do you know if the men had any difficulty in getting their money?

A.--I do not.

Mr. Grant--What distance is it from the test works to those of the Island Mountain Co.?

A.--About three miles.

Q.--Would it be easy to transport ore from the Government test works to the Island Mountain Company's mill?

A.--There is a good waggon-road to it.

Q.--Is it level, or a little down hill?

A.--Down hill a little--generally an easy road to haul on.

Q.--If quartz development took place on Lowhee Creek, or in Mosquito Creek, or in Willow River District, would the test works be as convenient where they are as if they were at the Island Mountain Company's works?

A.--They would be to Lowhee Creek; for the others the Island Mountain Company would be about three miles nearer.

Mr. Mason--If those ledges partly developed at Grouse Creek, Conklin Gulch, head of Williams Creek, Richfield, Walker's Gulch, Stout's Gulch, Black Jack, and others, were hauling ores, are not the works in a most desirable position for the treatment of ore taken from the mines named?

A.--Yes.

Mr. Grant--How much more would it cost per ton to haul ore from the Barkerville side of the test works to the Island Mountain Company's works, than if the ores were unloaded at the test works

B.—I do not know ; it is hard to say.

Col. Baker—Are the bulk of the mines on the Barkerville side ?

A.—Yes ; the most of those I know are nearer to the test works than to the Island Mountain Company.

Mr. Grant—If a custom mill were in operation on Williams Creek, or at the Island Mountain Company, would the present works be of great value ?

A.—I think they would for working sulphurets.

Q.—Do you think the present capacity of the test works for working sulphurets would, under ordinary circumstances, be a paying investment ?

A.—I do not know about the working of sulphurets.

Mr. Mason—Do you consider that the quartz mines are sufficiently developed to warrant the erection of a custom mill ?

A.—There is plenty of quartz there if they are developed. There is no man can tell what they are worth yet.

Mr. Grant—Do you not think that a milling test made of one half a ton or a ton of rock in San Francisco would be as reliable in respect to its value, as the same rock test in Cariboo ?

A.—I suppose it would.

Mr. Mason—Do you consider that the bulk of miners in Cariboo are in a position to ship half a ton or a whole ton of ore from there to have it tested in San Francisco ?

A.—I know there are many who are not able to do it.

Mr. Higgins—Do you know Mr. Martin ?

A.—Yes.

Q.—Do you consider yourself a judge as to his competency ?

A.—As far as erecting the works, machinery and so forth, I think he is a competent man.

Q.—Has he carried on the work well so far ?

A.—Yes.

Q.—What is he as an assayer ?

A.—He is supposed to be a No. 1 man.

Q.—As an amalgamator ?

A.—I saw him amalgamating free gold.

Q.—Did he understand handling sulphurets ?

A.—I do not know ; he professes to be able to.

Q.—Is he a steady man ?

A.—Yes.

Q.—And very attentive to his business ?

A.—Yes.

Mr. Beaven—You were engaged by Mr. Martin to run the engine at the works ?

A.—Yes ; I was engaged to make the connection between the boiler and engine, putting up the pipe, and after making the connections we started up the machinery.

Q.—I suppose you thought he was competent when he engaged you ?

A.—Yes.

Mr. Grant—In your opinion would the present test works pay for operating as a custom mill ?

A.—I do not think it would.

Mr. Beaven—There is only one stamp ?

A.—Yes.

Mr. Grant—If the money that has been expended, and that will be expended in the erection of the test works, had been expended to complete the Island Mountain Company's works, would they not only have been in a position to do custom work, but also to test small lots of ore brought to their mill for that purpose ?

A.—Yes.

Mr. Mason—In your opinion had the Government test works been erected in connection with the Island Mountain Company would the miners have had the same confidence in taking their ore there that they would have in the present works ?

A.—I know they would not.

Mr. Grant—But if those works had been under the control of the Government—that is, the Island Mountain Company's works—and in fact operated by them, would not the confidence in the results have been the same ?

A.—I have no doubt it would, if under the control of the Government.

RICHARD HOUGH.

The Committee here adjourned until 10 A. M. on Friday next, 1st March.

## EIGHTH MEETING.

March 1st, 1889.

Present—Messrs. Grant, Higgins, Beaven, and Mason.

The minutes of the previous meeting were read and confirmed.

Mr. J. C. Bales, Secretary of the Island Mountain Quartz Mining and Milling Company, failing to attend,—

Mr. MASON was called as a witness :—

Mr. Higgins—Do you own any shares in the Island Mountain Company?

A.—No; nor ever did.

Q.—What, to your knowledge, is the opinion of the majority of the miners in Cariboo respecting the placing of the Government test works in connection with the Island Mountain Company's works?

A.—That is satisfactorily answered by the resolution passed at a public meeting of miners held in Barkerville.

Q.—The resolution of June 18th?

A.—Yes.

Q.—There has been a great deal said of the Island Mountain Company's bricks, and we find by these documents (referring to "First Report of the Committee on Quartz Development") that the Government, after agreeing to buy them, declined to do so on the report of their engineer, Martin, that they were not good. I wish to know if you have ever seen those bricks or examined them closely?

A.—Yes; I have.

Q.—Will you state to the Committee what the result of your examination was?

A.—The Government had agreed to buy the bricks, but the sale was not consummated, by myself telling Mr. Martin, on his arrival from San Francisco, of the utter worthlessness of the greater portion of the Island Mountain Company's bricks.

Q.—Was that the result of personal examination?

A.—Yes; I examined them three times in the kiln.

Q.—Are you a brickmaker?

A.—No.

Q.—Consider yourself a judge of bricks?

A.—Sufficiently so to enable me to tell a brick of a crumbling nature and containing lime, and one that is hard and has a good clear sound ring with it.

Q.—What did Mr. Dunlevy ask for those bricks?

A.—\$3,500—that is, for the kiln as it stood; but he afterwards agreed to take \$35 per thousand.

Q.—What did the Government bricks cost?

A.—\$28.90 per thousand.

Mr. Beaven—How did you get those figures?

A.—I have been informed by Mr. Martin.

Mr. Higgins—Are the bricks made by Mr. Martin superior to those of the Island Mountain Company?

A.—Yes, in every particular, except smoothness.

Q.—They are not so smooth?

A.—No.

Q.—Can you mention any particular superiority of the Government bricks over those of the Island Mountain Company?

A.—Yes; the Island Mountain Company's brick will not bear carriage. In proof of this, I have taken four of the best out of the centre of the kiln, and put them into my spring waggon; but before they were taken very far, before going half a mile, they would be broken to pieces. The Government bricks are hard solid brick, that you can throw from one end of the room to the other without breaking.

Q.—Are you a miner?

A.—I worked in both alluvial and quartz mines twenty years ago, and am heavily interested in mines at present.

Q.—Do you carry on any other business?

A.—Yes; that of a general merchant.

Q.—Had you any business relations with the Island Mountain Company during the spending of the Government loan?

A.—Yes; considerable.

Q.—Will you state the amounts?

A.—From April, 1887 till December, \$2,356.81.

Q.—Had you any business relations with the Government test works?

A.—Yes; that question has been answered; the amount is \$448.83, for goods supplied.

Q.—Was it to your interests to oppose Dunlevy in his efforts to get the \$32,000 appropriation of the Government for the erection of the test works to be run in connection with the Government assay office, expended for the Island Mountain Company?

A.—No; the reverse.

Q.—Was it to your interests to block the sale of the Island Mountain Company's bricks to the Government?

A.—Very much the reverse.

Q.—Would you mind stating particulars as to how it was to your personal disadvantage to stop that sale?

A.—As it is of a business nature, I would rather not say.

Q.—Shown telegram of June 6th, 1888, asking the Government to erect works for testing ores on the Island Mountain Company's claim, signed by McKellogg, Ross, O'Neill, Flynn, Isaacs and Sincock; are those men prominent in Cariboo?

A.—Four of them; McKellogg, Isaacs, O'Neill and Ross were employed at the Island Mountain Company's works; Sincock keeps a saloon within sight of the Island Mountain Company's works; Mr. Flynn, I am not clear about.

Q.—Does the process adopted by Mr. Martin fail to save the gold?

A.—On the contrary, it saves within 5 per cent. of the best and most expensive methods known.

Q.—Would you have advised the Government to take over the Island Mountain Company's works if the general meeting at Bakerville had not been opposed to it?

A.—As their representative, it would have been my duty to have carried out their wishes, and I would have done so although against my judgment.

Q.—Did the Government make any effort, to your knowledge, to obtain possession of the mining machinery now lying at Yale?

A.—Yes; the Hon. Provincial Secretary, last spring, consulted me as to the best means for getting possession of it. I informed him that I was a director, and the heaviest shareholder in the company, and would endeavour to get a meeting of the directors and induce them to make over the property to the Government, on payment of the amount laid out by the Cariboo Company, which, I think, was some \$1,900.

Q.—Do you know of any Cariboo ores being sent to San Francisco to have working tests made?

A.—Yes; both to San Francisco and to Portland; I sent some ore from the Bonanza lode to Fisk of Portland, and I know of two lots that were sent to Mr. Kustel and one to Mr. Lockhardt of San Francisco, and their advice was to work it by the simple roasting and amalgamating process, although they admitted that the chlorinating process would save a greater percentage of gold, it was altogether too expensive to be thought of for working Cariboo ores until salt and acid could be obtained there cheaper.

Mr Beaven—In what year was that?

A.—The first lot sent Fisk was 10 years ago; the two lots sent to San Francisco was about 18 months ago.

Mr. Grant—In your opinion, were the requirements of the Act passed last Session intitled "An Act to aid in the further development of quartz mines" complied with by the Government in the erection of the present test works?

A.—Yes; because the wording of the Act, although to my mind immaterial, does not accord with the petitions asking for the testing works.

Q.—In your opinion would the petition that was presented to the Government on the subject have force and effect of law, or would the Act passed by the Legislature be considered the law governing the case?

A.—I am not a lawyer, therefore I would rather not answer that.

Q.—Do you know how much money, as a maximum sum, the President of the Island Mountain Company stated to the Government would be necessary to complete the Island Mountain Company's works so that they would have been in a position to work ores on a large scale?

A.—The President informed the Government \$2,500 would be required to set the plant in running order for crushing and concentrating ores.

Q.—Did that include the erection of a roasting furnace?

A.—No; certainly not, to the best of my belief.

Q.—Do you know how much it was estimated that it would cost to place the works in a position to roast and chlorinate as well as crush and concentrate ores?

A.—I have never heard.

Q.—Do you think that a less expenditure than will be required to place the present test works in a satisfactory position to reduce and work ores would have been sufficient if the test works had been erected in connection with the Island Mountain Company's plant?

A.—I decidedly do not think so.

Q.—Don't you think there would at least have been a saving in the motive power as well as in the crushing and concentrating appliances had the test works been erected in connection with the Island Mountain Company's works?

A.—I believe that the \$32,000 would have been expended by the Island Mountain Company, and not the same satisfaction given as the present works give which have not cost \$20,000.

Q.—Are the present works complete?

A.—With the exception of a concentrator.

Q.—How much will that cost laid down and set up in Cariboo?

A.—I believe the cost in San Francisco is \$400. The weight I do not know.

Q.—Have you reference to the true venner?

A.—Yes.

Q.—Are you aware of any other proposition having been made to the Government by the President of the Island Mountain Company than that contained in a letter dated May 22nd, 1888, and found in the First Report of the Select Committee on Quartz Development?

A.—Not any to my knowledge.

JOSEPH MASON.

C. F. JONES, Secretary of the Committee, witness:

Mr. Higgins—You served Mr. J. C. Bales with a notice to attend a meeting of this Committee to-day, as per a resolution passed at the last meeting of this Committee?

A.—Yes.

Q.—Did you serve him personally?

A.—Yes.

Q.—Where did you serve him?

A.—At his office, on Bastion Street, Victoria.

C. F. JONES.

The Chairman here requested the Secretary to call on Mr. J. C. Bales and ascertain his reason or reasons for not attending this meeting as a witness, as per notice delivered to him on the 27th February, and to inform him that the Committee has adjourned till to-morrow morning at half-past 10 o'clock, A. M.

The Committee adjourned at 1 o'clock to meet at 10 A. M., 2nd March, 1889.

#### NINTH MEETING.

March 2nd, 1889.

Present—Messrs. Grant, Beaven, Higgins, Mason and Col. Baker.

Minutes of previous meeting were read and adopted.

MR. J. C. BALES, Acting Secretary of the Island Mountain Quartz Mining and Milling Company, was examined as witness:

The Chairman—By the note you received the other day, you have some idea as to why you are here, Mr. Bales?

Mr. Bales—Yes.

Q.—Have you any objections to telling the Committee what you know of the matter—the financial standing of the Island Mountain Company?

A.—I have not.

Q.—When did your connection with the Island Mountain Company commence?

A.—The books were opened in May, 1887, which must be the date of my commencement with the Company?

Q.—Do you remember what date in May?

A.—I think the first entry in the bank book was the 23rd of May, 1887, deposit made by me on account of payments made by the members of the Company.

Q.—Do you remember how much cash was paid in from time to time by you since that date?

A.—About \$15,000.

Q.—Do you mean that sum in addition to any overdraft that was accorded by the bank on the guarantee of the Government?

A.—The books are not kept in that form; the amounts collected by me were paid into the bank to the credit of the Company, and when exhausted, the overdraft commenced.

Q.—What is the amount of the overdraft at the present time?

A.—Including interest to December 31st last, nearly \$22,000.

Mr. Mason—Including the \$20,000 loan?

A.—Yes.

Mr. Grant—Are you aware of any moneys having been paid out on behalf of the Company by the management in Cariboo, and that did not pass through your hands?

A.—Yes; and No. I will explain:—The President sent cheques to me to take to the bank and remit to him the coin to pay the men. This was in good form—the cheques were cashed by me in the bank, the money remitted, the President would send me a statement of the expenditure, which was passed through the books.

Col. Baker—Was there an overdraft at the bank on the 23rd of May, 1887?

A.—No.

Mr. Higgins—(The affidavit of P. C. Dunlevy, dated May 19th, 1887, was here shewn witness; also statement of the 23rd of May, 1887, certifying as to the amount on deposit to the credit of the Island Mountain Company, addressed to the Hon. Provincial Secretary; also certificate of Mr. George Gillespie, made 23rd May, 1887, and report of Mr. James Champion, Mining Engineer, dated 11th May, 1887.)

Q.—What date did you become Secretary of the Island Mountain Company?

A.—I do not know that I am Secretary at all—I opened the books for the Company, but have not been appointed properly, and I do not keep the minute book.

Q.—Do you keep the bank book?

A.—I have the custody of the bank book.

Q.—Have you had charge of the finances of the Company since the 23rd of May, 1887?

A.—Yes; but not to date.

Q.—Have you audited the accounts?

A.—I have kept them as far as I have been able to.

(Witness was here referred to Mr. Dunlevy's affidavit, also certificate of Mr. George Gillespie).

Q.—Did you deposit any portion of that \$20,000 which was to the credit of the Island Mountain Company on the 23rd May, 1887?

A.—No.

Q.—Do you know the nature of the deposit certified to by Mr. George Gillespie?

A.—I cannot say anything about it.

Q.—Was it not passed over to you as cash assets of the company?

A.—No; it never passed through my hands at all?

Q.—Then it never passed through your books in any shape?

A.—Never.

Q.—You know nothing about that \$20,000?

A.—I do not.

Q.—Did it not strike you as singular to have an account of that kind?

A.—No; I do not know anything about their business in that particular.

Q.—Would it be a possible thing to arrive at a correct idea of the standing of a firm or company unless all the assets and liabilities of that company were in your possession?

A.—Of course it would not be possible.

Q.—Have you any idea of when the money, which was deposited on the 23rd of May, 1887, was withdrawn?

A.—Yes; but it is only an idea.

Q.—Has that \$20,000 ever appeared on your books as to the credit of the company?

A.—No.

Q.—The \$15,000 mentioned to Mr. Grant as paid in was not paid by “calls”?

A.—No; there were no “calls.”

Q.—Do you know of any large sum having been paid to any person or persons by cheque or otherwise after you took charge of the affairs of the company for other than services performed?

A.—Yes, I know of one, for the purchase of machinery in San Francisco.

Q.—Was that payment made out of the \$15,000 you received from the members in payment for stock, or from the overdraft?

A.—Partly from overdraft, and partly from stock payments.

Q.—What, to your knowledge, did the \$20,000 consist of, that is, the \$20,000 certified to as at the credit of the company on the 23rd of May, 1887?

A.—I do not know.

Q.—Then you have no knowledge when that \$20,000 was drawn out, or in what shape it was ever deposited?

A.—I do not know; if I have no knowledge of the deposit of that sum, I have no means of knowing of its withdrawal.

Mr. Grant—Do you remember if there was \$20,000 to the credit of the Island Mountain Company in the company's bank-book on the 23rd of May, 1887?

A.—Yes; there was \$20,000 there at that date.

Q.—Do you remember how much, as a sum total, was passed through the bank-book of the company up to the present time?

A.—I cannot remember the figures.

Q.—Is it \$20,000 or \$30,000?

A.—I should think \$35,000; a cross entry would not affect the balance of the book, as it is an entry placed on both sides of it; it would merely affect the sum total, not the balance.

Q.—If \$35,000 is the sum total that was placed to the credit of the company in the bank-book, and only \$15,000 has been paid in by you to the credit of the company, where would the other \$20,000 have come from?

A.—Suppose \$35,000 has been deposited to the credit of the Company, and \$55,000 passed to the debit of the Company in the bank account, the result would be an overdraft of \$20,000.

Q.—Inasmuch as the sum total of the credit is, as you think, \$35,000, would it not point to a credit of \$20,000 at the time you made your first payment into the bank?

A.—There is an entry in the bank book of \$20,000 to the credit of the Company, reversed as to amount on the other side of the account, which is what I referred to in saying that an entry of that kind would not affect the balance of the book. This is not entered in the books of the Company.

Mr. Higgins—Is that the cross entry?

A.—Yes.

Col. Baker—So that would be, out of the \$35,000, or thereabouts, that you say was part of the credit of the Company about \$15,000 was actually paid by the members?

A.—Yes; collected by myself and paid into the bank.

Q.—And in addition to that there is an overdraft of about \$22,000, which would make up the total of \$37,000 which you say is expended?

A.—Yes.

Mr. Grant—The \$15,000 you paid into the bank, plus the indebtedness or overdraft at the present time, would show, would it not, that an expenditure of \$37,000 had been made by the Company as far as you know?

A.—Yes.

Mr. Mason—Are you aware of the present indebtedness?

A.—I am not.



Q.—The amount of business transacted was from May 23rd, 1887, to February 23rd, 1888, all you had to do with?

A.—Yes.

I should like to add to my evidence that Mr. George Gillespie will probably be able to clear up the \$20,000 entry.

J. C. BALES.

The Committee here adjourned till Thursday, the 7th inst., at 10 o'clock, A. M.

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TENTH MEETING.

March 7th, 1889.

Present—Messrs. Higgins, Beaven and Mason.

On motion, Mr. Higgins took the chair.

The minutes of the previous meeting were read and confirmed.

Mr. J. C. BALES re-appeared before the Committee to amend some slight errors in his evidence given at a previous meeting. The changes were allowed by the Committee, and corrected copies of the same were ordered.

Mr. Higgins also put a few additional questions to Mr. Bales.

Q.—To your knowledge, Mr. Bales, are the Island Mountain Company's works proceeding?

A.—I do not know.

Q.—Is the Island Mountain Company indebted to the bank for interest on the guarantee of the Government?

A.—Yes; for principal and interest about \$22,000.

Q.—Has the Company ever paid any interest on this, to your knowledge?

A.—Yes; the interest is calculated and charged in current account.

J. C. BALES.

Col. Baker here arrived and took his seat with the committee.

Moved by Mr. Higgins—*Resolved*, That George Gillespie, Esq., Assistant Manager of the Bank of British Columbia, be and he is hereby requested to attend as a witness at the next meeting of this committee, and to bring with him all books, papers, notes, bills of exchange, vouchers, cheques, etc., etc., having reference to the deposit and withdrawal of the sum of \$20,000 which, in accordance with the certificate of the said George Gillespie, Esq., stood at the credit of the Island Mountain Quartz Mining and Milling Company on the books of the said bank on the 23rd of May, 1887.

Mr. Grant here arrived, to whom Mr. Higgins resigned the chair.

Resolution put to the Committee on the following division:—

Yeas.—Messrs. Higgins and Mason. Nays.—Messrs. Beaven and Baker.

The Chairman gave the casting vote in favour of the yeas, and the resolution was consequently carried.

The Secretary was requested to inform Mr. George Gillespie of the wishes of the Committee, and the same was adjourned subject to the call of the Chairman.

Confirmed, March 9th, 1889.

JOHN GRANT,  
Chairman.

## ELEVENTH MEETING.

March 9th, 1889.

Present-- Messrs. Grant, Beaven, Higgins, Mason, and Col. Baker.

The minutes of the previous meeting were adopted.

MR. GEORGE GILLESPIE, Assistant Manager of the Bank of British Columbia, appeared as witness.

Mr. Higgins shows witness certificate dated May 23rd, 1887, as follows :—

"SIR,—At the request of Mr. Dunlevy, I beg to certify that we hold to the credit of the Island Mountain Quartz Milling and Mining Company, in this bank, the sum of \$20,000.

(Signed) "GEO. GILLESPIE,

*"Assistant Manager, Bank of British Columbia."*

Q.—Will you state, Mr. Gillespie, what was the nature of that credit?

A.—When I got your notice to come here, I did not know exactly what position to take, or how much information I should be called upon to give, and on getting legal opinion, this certificate is all the information that I need to give.

Q.—Did you bring any books, papers, notes, bills of exchange, vouchers, cheques, &amp;c., &amp;c., having reference to the deposit of that sum?

A.—No.

Q.—Were you advised not to do so?

A.—No, I was not.

Q.—Then I understand you to say that you object to answering any question, or produce any books, papers, notes, bills of exchange, vouchers, cheques, etc., with reference to this deposit of \$20,000?

A.—Yes, without the authority of the Directors of the Island Mountain Company; but we would be willing to do so if authorized by them, as the obligations of the bank are to observe absolute secrecy in reference to their accounts.

GEO. GILLESPIE.

Mr. Higgins said he had no further questions to ask Mr. Gillespie, as that gentleman had done all in his power, under the circumstances, and he (Mr. Higgins) was satisfied on this score, and, so far as he was concerned, the enquiry was at an end.

It was then moved by Mr. Beaven, seconded by Mr. Higgins—

That the evidence so far taken before this Committee be reported to the House by the Chairman. Carried.

The Committee then adjourned till Tuesday, 12th inst., at 10 o'clock, A. M.

Confirmed, March 12th, 1889.

JOHN GRANT,  
*Chairman.*

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## REPORT OF SELECT COMMITTEE

APPOINTED TO ENQUIRE INTO MATTERS RELATING TO WEST HALF OF  
SECTION 11, RANGE 2, COWICHAN DISTRICT.

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### MR. SPEAKER :

Your Select Committee appointed to enquire into all matters connected with the west half of Section 11, Range 2, Cowichan District, beg to report as follows :—

That your Committee have obtained from the Lands and Works all the information in the possession of that department relating to this land, and find that it was never actually reserved by any authority for the use of the Indians, but the land was pre-empted on 17th February, 1874, and the same was on 16th November, 1876, conveyed by Crown grant to Archibald Dods, and the Government has collected taxes thereon up to the present time.

We find, however, by reference to correspondence, as reported in Sessional Papers of 1876, pages 244, 264, 288, 289, 292, 293, 310, and 324, that Mr. Dods was never permitted by the Indians to take possession of his purchase, they claiming it as part of their settlement, and having some buildings and potato patches thereon, refused to move off the said land on to their reserve. Mr. Dods persisted in trying to hold possession, and was forcibly driven off by the Indians, and it was only by his yielding to their demands and going quietly, that a threatened breach of the peace was prevented.

The correspondence, which is very voluminous, between Mr. Dods and the Chief Commissioner, the Indian Reserve Commissioners and the Indian Department, has been submitted to and carefully perused by us.

In April, 1886, Mr. T. Fell, without knowledge of the claim put forward by the Indians to the land, relying upon the perfect title shewn by the Crown grant, loaned to Mr. Dods \$200, on the security of a mortgage on the said land.

Shortly afterwards, Mr. Dods' equity of redemption in the said land was sold by the Sheriff to Thomas J. Williams for \$160, and Mr. Fell, to protect himself, bought the said interest from Thomas J. Williams.

An action of ejectment was commenced in Mr. Dods' name against the Indians residing on the land, and on 21st December, 1886, the said action came on for trial before Sir M. B. Begbie, who refused to allow the trial to proceed unless the Indian Commissioner was made a party, on the ground that the Indians were the wards of the Crown, and, therefore, in the same position as infants.

Mr. Fell's actual cash outlay and expenses of suit, including interest and taxes, is stated by him to be \$800.

Your Committee are of opinion—

1. That if the Indians are removed from the land by process of law, they will return again, or revenge themselves on the settler who lives on the land.

2. That the Government should take into their serious consideration the advisability of acquiring the land from the present owner, and making the same part of the Indian Reserve.

The evidence taken by your Committee is submitted herewith.

HENRY FRY,  
*Chairman.*

*28th March, 1889.*

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