

Mr. RICHARD McBRIDE, being duly sworn, testifies as follows:—

The Chairman: Have you any statement to make, Mr. McBride, any voluntary statement?

A.—No; I don't know of any statement; if you would just ask me questions.

Mr. Helmcken: Mr. McBride, when were you a member of the Government? A.—Up to the 3rd of September, 1901.

Q.—And from what date? A.—In June, I think, 1900.

Q.—During the time when you were a Minister were you concerned in the settlement of the land matters connected with the British Columbia Southern Railway and the Columbia and Western? A.—I was present at Cabinet meetings when the matters were discussed. I have just refreshed my memory through Mr. Prentice. I was present at a meeting on the 10th of September, on the 19th of December, and on the 10th of August—according to Mr. Prentice's memorandum.

Q.—That is 1900? A.—1900 and 1901; 10th of September and 19th of December, 1900; and the 10th of August, 1901.

Q.—There is an Order in Council of the 19th of December, 1900; also one of 10th September, 1900, and one of the 10th of August, 1901 (the three documents being handed to witness). A.—Yes.

Q.—There are two of the 10th of August (handing another document to witness), 1901. A.—Yes; I was present at those Council meetings. It would be impossible for me, Mr. Chairman, to recall all these particulars; it is so long ago. I sat in Council, though, on those occasions, and those Orders in Council were passed in due course on the recommendation of the Chief Commissioner. I have a general recollection of the matter, but not a specific one at the present moment. But, however, from my best recollection, the Chief Commissioner in his recommendations, which in the end amounted to a rescission of certain Orders in Council, gave the Council to believe that he was making a good bargain for the country, that he was getting for 600,000 acres what under the Act the country would be compelled to give 900,000 acres for; it was a business proposition; and that is my general recollection of the whole thing. The last meeting of Council on the 10th of August was held at the request of Mr. Turner, as nearly as I remember. It is difficult for me to keep these things in my mind, because I have not been bothering my head about it, and I did not keep any private memorandum. At that meeting that final Order was passed. At that time, though it did not strike me as being a final Order, it was something in the nature of a negotiation. You must understand that these negotiations were going on from time to time, that is, the Company had a claim against the Province, and I remember several occasions on which, I think it was, Mr. McL. Brown appeared before the Executive and discussed the matters generally. I never at any time went into the full details of the thing; it came from the Department of Lands and Works, and it is customary, if the Minister brings a recommendation into Council, it passes.

Q.—After discussion, I suppose? A.—After general discussion, yes.

Q.—Was this plan produced to you at the time of the Order in Council (showing map to witness)? A.—There was a plan produced, I would not say it was this; but a plan showing the blocks of land.

Q.—Well, that is referred to in the Order in Council, you see, There are the signatures. A.—Yes. And the question was discussed as to the remoteness of one particular block, but then it was agreed on that it could be legally disposed of under the terms proposed by the Chief Commissioner.

Q.—That is the Executive act? A.—Yes.

Q.—Were you advised of that? A.—Well, the Council so concluded. And I don't know whether the Attorney-General was present or not, at that last meeting. I know that Mr. Turner was there, and Mr. Wells and myself; but I presume that he must have so advised; I do not think for a moment the Council would do a thing like that unless they had full advice therefor.

Q.—You have no recollection whether the Attorney-General was there? A.—Well, I would not swear positively. If you can get the minutes, though, they will prove everything at once. Mr. Prentice tells me he was not there. Mr. Dunsmuir was away.

Q.—No; the 19th of December. A.—Oh, you are discussing the 19th?

Q.—Yes. A.—Well, now, I really could not tell you who was or was not there, and be frank with you. These discussions I took little or no part in, they were not in my Department, and I was not at all familiar with the matter, except that I carefully listened to every-

Mr. McBride—*Continued.*

thing that was said, and used my own judgment in the matter. Mr. Wells evidenced a desire to have the thing settled. I know that they were continually applying to the Government; I don't know how many times they applied, but I know I have often heard him say himself he would like to get the thing straightened up, it had been standing fire so long, and passing from one Government to another.

Q.—On the 10th day of August, 1901, there is an Order in Council rescinding this particular Order in Council. Do you recollect that (handing document to witness)? A.—Yes; that is the last one I attended; I think I only attended one Cabinet meeting after that.

Q.—Do you recollect the reason why that Order was passed rescinding the other Order? A.—Well, on the recommendation of the Chief Commissioner. I might say it is customary, Mr. Chairman, if Ministers recommend Orders, and if they think it right afterwards to recommend their rescission, that is a matter of confidence between colleagues.

Q.—The minutes represent the conclusion reached by the Executive? A.—Exactly so.

Q.—On the 10th of August, 1901, there is an Order in Council that certain lands be granted to the Columbia and Western Railway Company (handing document to witness). Were you present at that meeting? A.—I was.

Q.—That is apparently passed at the same session? A.—These matters I did not look upon as final exactly. I know that Mr. Wells was being pressed, as he stated himself in Executive, to make some settlement, and Mr. Turner was very anxious to have the thing concluded. It was a matter that had arisen in his time, and he was very anxious to have the whole thing straightened out.

Q.—That settlement, or attempted settlement, was giving these lots 4,593 and 4,594 over to the Columbia and Western? A.—As I recollect it; yes.

Q.—Was any reason advanced why these particular blocks should be given to the Columbia and Western instead of taking the land that had been reserved for that purpose? A.—The reason was advanced that 600,000 acres there would do what 900,000 acres elsewhere would take; we were saving 300,000 acres.

Q.—Was it explained to you that they could obtain 900,000 acres from the land reserved contiguous to the line of railway? A.—Well, now, I have no distinct recollection, Mr. Helmcken, I cannot tell you just exactly in detail what happened at those different Council meetings; some of them would last hours and hours, and the conversation would be of a general character and of a confidential nature.

Q.—Precisely. A.—I don't think, if I wanted to—I could not disclose, because I have forgotten. Of course when I went out of the Ministry I lost all interest in these things and never bothered my head about them.

Q.—You went out of the Ministry on the 3rd? A.—I resigned on the 3rd of September, 1901; I resigned and gave up my keys and left my Department about an hour after I resigned.

Q.—Now, can you tax your memory as to whether there was any particular value set upon lots 4,593 and 4,594 at that time? A.—There was not, to my knowledge. I had no personal knowledge of any particular value of these lands; except that in a portion of our discussion—we knew perfectly well that they were in proximity to the Fernie coal lands, and that possibly that might greatly add to their value. But in my Department there was no data or anything that would assist me in arriving at any particular conclusion.

Q.—Had you any knowledge at all as to the value of those lands? A.—I had not.

Q.—And was any reason advanced for endeavouring to accept the settlement of the blocks 4,593 and 4,594 beyond the fact that you were saving between 200,000 and 300,000 acres to the Province? A.—No; the Chief Commissioner thought he was negotiating a good thing; and he was very candid in his statements and recommendations; and I thought so, too. I considered 300,000 acres of the public domain in British Columbia of very considerable value; and in the absence of any specific knowledge of any peculiar mineral properties attached to anything, I would certainly say that the Chief was very wise in his treaty-making. This thing had been what you would call a “chestnut”; we used to have it up and up day after day; informal meetings of the Cabinet would take place and we would discuss it. Other Governments would not settle it up, and I suppose it was a matter which we thought we could settle up, and Mr. Dunsmuir wanted to get rid of it.

Q.—Did you have any conferences with the Ministers outside of the Executive touching a settlement of these matters? A.—No.

Mr. McBride—*Continued.*

Q.—Did any person of the C. P. R., or on behalf of the C. P. R., wait upon you asking for a settlement? A.—No; never.

Q.—You have heard a statement made that two members of the House were mixed up with a land transaction that was not consummated? A.—I have.

Q.—Have you any personal knowledge of that matter? A.—Absolutely none.

Q.—Good, bad or indifferent? A.—Absolutely none, good, bad or indifferent; except what I have been told.

Q.—In this sworn evidence on Saturday, was that the first intimation you had of the matter? A.—It certainly was.

Q.—And you were not concerned, directly or indirectly, with any matter connected with lots 4,593 and 4,594? A.—I certainly was not. Except in so far as a Minister.

Q.—I understand. A.—Everything that happened while I was a member of the Dunsmuir Government up to the 3rd day of September, 1901, I am equally responsible for with my colleagues, whether I was in Council or not; and I do not place any qualifications on that position at all; absolutely none.

Q.—What I mean, there was nothing in the settlement, or attempted settlement, in connection with the lots 4,593 and 4,594 which was to be to your personal advantage pecuniary, directly or indirectly? A.—Certainly not. There is one matter which I would like to mention, and that is with regard to the land grant for the section—sections four or five, which was in dispute last session. Now, I don't know just how far that was discussed when I was a member of the Government, but I do not recollect the Ministry concluding, as such, that the Company was entitled to the land grant under that Subsidy Act, despite the conditions of the Statute.

The Chairman: That is section four, you mean? A.—Well, a section concerning which a considerable amount of dispute has been made. I have no distinct recollection—it might have been discussed, and might have been discussed in my presence, but I want to lay myself clear on that point, because of the position which I took with regard to that Bill last year, and which I believe now to be the right one, and that is, that in the face of the action of the Company, as disclosed by the Votes and Proceedings of the House, by way of applying for an extension of time in which to complete that section, that is section five, I think,—

Mr. McPhillips: Five, or six? A.—It occurred to me that to insist upon demanding what the Bill called for last year was most decidedly inconsistent with the application made prior to that time for an extension of time to build that specific road. Because, if the Company had abandoned its desire to build that road, by arrangement with the Turner Government, why apply for an extension of time? That was the position I took in the House last year. And I may have discussed the matter with my colleagues, and the Government, while I was in it, might have reached a definite conclusion with regard to it. But I want to be perfectly frank, so far as I am concerned. I know that we never caucused any Bill while I was in the Government. Nor did I ever lend my consent to the introduction of any such measure.

Q.—You recollect the Bill in question, do you, Mr. McBride, the one you are referring to, No. 85? A.—Well, there was a Bill last Session, 87 wasn't it?

Q.—87 or 85? A.—Last Session?

Q.—Yes; this one (handing document to witness). A.—I don't think it got past the Committee.

Q.—Yes; the report is adopted and order for the second reading was discharged. A.—I see; yes; I recollect that.

Q.—Now, under the terms of that Bill, do you think it would have been open to the Company to get these very lands, 4,593 and 4,594? A.—Well, Mr. Helmcken, it never struck me in that way. That view of the case never occurred to me. Because I was, so far as my recollection goes, of the opinion, on the recommendation of the Chief Commissioner, that everything was in order. Of course, it is open to that construction, I do not hesitate to say so.

Mr. McPhillips: Mr. McBride, you mention some minutes of Cabinet Council meeting. Are minutes kept of the Cabinet Council meetings? A.—They are confidential. The Hon. Mr. Prentice was Clerk of the Executive, and in his absence very often he delegated me to take his minutes. These are the peculiar property of the Cabinet and cannot be disclosed.

Q.—Upon what do you base that contention? A.—Those minutes are practically what takes place in the Cabinet Council, and what takes place in the Cabinet Council, according to

Mr. McBride—*Continued.*

the oath of office, I believe, is not to be divulged. I have nothing to hold back; I never knew anything that took place, all the time I was a member of Mr. Dunsmuir's Ministry, in a Cabinet Council that could not be published in the press of this country.

Q.—But you did make a remark whether the Committee could get them? A.—Well, that is as to the names of those present. I think I was speaking then as to Mr. Eberts being present on the 10th of August.

Q.—Yes. Well, at any rate, there are such minutes; if the Committee have a right to see them, or if they have not a right to see them, they will exercise their judgment in the matter, and intimate it. A.—Well, I think, Mr. Chairman, with all due regard for Mr. McPhillips, that those minutes are documents that could not be—

Q.—I have not said they could be— A.—Cannot be abstracted from the secrecy.

The Chairman: The Committee have not asked for them yet. A.—I know, according to my understanding of the matter, those are very, very secret. They are properly the machinery upon which the Governmental structure is built. You know, in these things, like a business concern, you have to have a measure of secrecy in what you do. But I am convinced that the customs and usages in the Old Country and at Ottawa—those are public documents; those Orders in Council and recommendations of Ministers, you are entitled to have these, but—

Q.—Of course, the works dealing with these matters (text-books) state that in England they do not keep any such minutes, but I think it is a fair thing for us to know if there are minutes, and if in the public interest we should ask for them; and then, again, if we could get them if we asked for them, is a matter to be taken into consideration by the Committee. But, in the public interest, I think it is well to find what the fact is. A.—I do not remember—speaking about the other Cabinet meeting—who were present on the 10th of September or the 19th of December. But Mr. Prentice was good enough to refresh my memory this morning and tell me I was present at all of those. In fact, from the time that I was a member of the Government, Mr. Chairman, I don't think I ever missed a single Cabinet meeting; save in my absence from town, I never missed one.

Q.—The point that the Committee may very well enquire into might be this: it might be a fair matter for this Committee to know who were present at these various Cabinet Councils, and sometime request that much information anyhow; and that much information could be gathered from any member of the Executive at the time, who would refresh his memory from these minutes? A.—Well, the theory, if you are asking me a question, Mr. Chairman, if I am not going out of the way, the theory of the working of a Cabinet Council is this: whatever is done by Order in Council is done by every single individual in the Government. There is no doubt about that.

Q.—But we had the Hon. the Attorney-General state here that the rescinding Order of the 18th of March, 1902—that was not in your time? A.—1902?

Q.—Yes. A.—No; that was the last subject of these proceedings, so far as I know (pointing to Order in Council).

Q.—But he said that at that time that was a majority decision of the Cabinet Council? A.—Well, I don't think he would be justified in going any further, or, in fact, I cannot see that there was any necessity to go that far, because what is passed is always the work of the majority of the Council present, and just so soon as that majority acts the whole Cabinet is bound.

Q.—Well, evidently Mr. Eberts seemed to place some stress upon it; he made the observation? A.—Well, very often in a Cabinet Council, Mr. McPhillips, there are some very, very heated arguments and long-drawn debates. But it is invariably the rule that recommendations of Ministers to their colleagues carry.

Q.—Now, dealing with these blocks 4,593 and 4,594, which are dealt with by the Order in Council of the 4th of September, 1901, you say, Mr. McBride, that you assumed— A.—No; the 10th of August.

Q.—No; but it was signed by the Governor on the 4th of September? A.—Oh, finally approved.

Q.—Yes; you say you assumed, and consider rightly assumed, that these particular blocks became within the purview of the Columbia and Western Railway Subsidy Act of 1896? A.—Yes.

Q.—Yes. You were not the Attorney-General, to start with; you were the Minister of Mines at that time, were you not? A.—I was the Minister of Mines.

Mr. McBride—*Continued.*

Q.—You so understood— A.—I understood it was all in order and I am pretty sure it must have been.

Q.—And it was the recommendation of the Chief Commissioner of Lands and Works? A.—Yes.

Q.—And, consequently, you understood, as stated, that the blocks came within the purview of that statute, the Land Subsidy Act? A.—Yes, I know that my old colleague, Mr. Wells, would not recommend anything unless he knew. It was claimed that it would be a very advantageous thing.

Q.—That was done on the 4th of September? A.—I was not in the Cabinet on the 4th of September. It is the 10th of August.

Q.—But the Order was not effective until approved of by the Lieutenant-Governor? A.—That is right.

Q.—There was not anything effected under it until the 4th day of September, 1901? A.—No. I resigned on the 3rd. My impression on the 10th of August was this was simply a further step in the negotiations. Because we had had many negotiations; the Chief Commissioner was trying to do his best; and I knew the thing would have to go further; I knew that that was not a finality at all.

Q.—Now, I draw to your attention, Mr. McBride, this Order in Council of the 10th of August, 1901, approved by His Honour the Lieutenant-Governor on the 4th of September, 1901; as you say, that Order in Council was approved the day after you had retired from the Government? A.—Yes.

Q.—I want you to look at the first page of the Order in Council, and to note this language in it: “be granted to the Columbia and Western Railway Company in full satisfaction of its subsidy in respect of the first and third sections of the railway, and that Crown grants therefor be issued accordingly.” Now, would you say that that language and that Order in Council was prepared whilst you were still a member of the Government—in those terms? You see that is not a part of the minutes, as I take it, or is it?

Mr. Helmcken: There is the report inside; and then on that is the minute and the Governor signs it.

Witness: This was drawn up afterwards.

Q.—Was that drawn up in your time, I mean? A.—It might not have been drawn up until after I resigned; it may not have been drawn up until the 4th of September. Mr. Prentice could tell you. I think this was prepared by the Provincial Secretary; I am not quite sure.

Q.—That is signed in the end by W. C. Wells and J. H. Turner. A.—But this is what we have before us (indicating).

Q.—You have that matter before you? A.—Yes.

Q.—“The undersigned has the honour to report.” A.—Yes.

Q.—The recommendation in this Order in Council appears at pages one and two, as they are numbered here. A.—Yes.

Q.—And that was before you at that Cabinet meeting on the 10th of August? A.—Oh, yes, it must have been.

Q.—Well, then, this first page, unnumbered, first page of the Order in Council, would not be before you on the 10th of August, 1901? A.—No.

Q.—Therefore, the language I have drawn your attention to would not be before you at that Cabinet Council? A.—Well, I don't know—

Q.—You see they are separate headings, all three. A.—Where is the paging of this?

Q.—That goes to the back; you see they put it inside always. A.—Oh, yes.

Q.—This would be before the Council (indicating), and then this is drawn up afterwards, and it is inserted on the inside. That is the practice of the Dominion Government too. A.—Yes, I see. I never familiarised myself with this branch of the business, because that comes from the Provincial Secretary's office. But this would be—this, I am sure, is prepared by the Provincial Secretary, or by the Governor's Secretary; that is all that was before us, I am pretty sure (indicating). But Mr. Prentice could enlighten you on that in a minute.

Q.—But, as far as your memory carries you, it would be the inside two pages, being the report? A.—Yes, the report of the Minister. Then that is sent up to the Executive officially.

Q.—I draw your attention to the fact, Mr. McBride, that in the report the same language appears, “and the said grants be in full and final compensation and satisfaction of all lands

Mr. McBride—*Continued.*

earned by the Company under the terms of its Subsidy Act in respect of the first and third sections of the railway, and that Crown grants of the said alternative and deficiency blocks be prepared according to the descriptions herewith disclosed, and that the said Crown grants be subject to all existing royalties," etc. A.—Well, that was to close up all obligations due by the Government of the country to the Railway Company; that was my impression.

Q.—At that time? A.—Yes. I know that was the Chief Commissioner's desire.

Q.—Apparently, then, this Order in Council is complete in itself as to terms, isn't it? A.—I should judge so; yes.

Q.—That is, it proposes to give to the Railway Company this grant of land, and the Railway Company is called upon to accept it in full satisfaction of its subsidy in respect of the first and third sections, is it not? A.—I should judge so.

Q.—Therefore, that was a proposition with an added condition, an added stated condition that it is in full satisfaction? A.—Oh, yes. These were just in the way of negotiations by the Chief Commissioner; I always looked upon them as such.

The Chairman: Q.—You did not look upon that as final? A.—No; but we were trying to do our best to get the thing settled, because it was hanging fire continuously.

Mr. McPhillips: I draw your attention to the fact that if a Government or private individual proposes to give something in that way, it is then virtually a proposition which, if accepted, would be complete, would it not—with the difference, of course, as to enforcement, no doubt, as against the Crown and an individual—there would be that difference no doubt? But, in short, what I mean, the Government had made up its mind to give those lands, had it not? A.—Yes.

Q.—In full satisfaction of the land subsidy had in respect of the first and third sections? A.—Yes.

Q.—And the Railway Company were called upon to receive that as full satisfaction? A.—Yes; and subject to any future action of the Executive; because the action of the Executive is just as elastic as that of an individual.

Q.—Were there any other terms proposed at that time? A.—No; I didn't hear any other discussed; not that I can remember of; no. If they were discussed, they were not discussed, as far as my memory goes, in my hearing.

Q.—Do you know whether the decision of the Government was communicated to the Columbia and Western Railway Company? A.—I couldn't say, Mr. McPhillips.

Q.—Well, now, you have heard, Mr. McBride, a portion, at any rate, certain evidence given before this Committee? A.—Yes.

Q.—About a changed line of action pursued by the Government of the day after that Order in Council was passed? A.—I have.

Q.—And you have heard, of course, that the Order in Council was rescinded? A.—I have.

Q.—And also heard that Mr. Wells proposed some other terms to the Columbia and Western Railway Company? A.—I have.

Q.—Before those grants would be delivered over? A.—I have.

Q.—Of course, you have nothing to do with that—I mean, it is not in your time? A.—No.

Q.—So far as you know, you had not called for any further terms than those set forth in that Order in Council? A.—No; I have told you all I can remember, Mr. McPhillips. But I can easily see why it would be quite in order for the Government later on, if they wanted to make any changes to do so.

Q.—That is, if it was an incomplete transaction it could be altered and changed? A.—Apparently so.

Mr. Smith: Mr. McBride, you say you consider that that was a business proposition at the time? A.—I did; yes.

Q.—When did you come to think that it was not a business proposition? A.—Subsequently there was a great deal said about the large deposits of coal and oil there; and if that came to the knowledge of the Chief Commissioner and he knew, within his own knowledge, that those lands were unusually valuable, I think it would be his duty to take advantage of that fact.

Q.—Of your own knowledge, had you ever investigated to see if really, in your own opinion, the Government would be justified in withholding those Crown grants? A.—Well, no further than any member of the House did.

Q.—Yes. A.—No further than any member of the House.

Mr. McBride—*Continued.*

Q.—But you did come to that conclusion, did you? A.—I did, certainly.

Q.—When? A.—So I voted.

Q.—When did you first arrive at that conclusion? A.—Well, when the matter was brought up in the House.

Q.—Not before then? A.—No; because I did not know what had gone on; I had no knowledge at all of what was done by the Government after I left it.

Q.—But there was nothing took place in the House, was there, that gave any information as to what had been done and why it was to be changed? A.—No; but last Session it was asked if these Crown grants had been issued, and the Government said no, they had been cancelled, and so then I came to the conclusion that the whole thing had been called off and had never reached a finality.

Q.—But you did not know why it had been called off? A.—I did not. And I was not in a position to divulge the things that occurred when I was in the Council.

Q.—When this came up in the House this session, Bill No. 16, did you know then that anything had taken place to make it a reason why the grants should be cancelled, and why you would have been justified in voting for the Bill? A.—The explanation of the Premier.

Q.—Public information or private? A.—Public information.

Q.—What was that information? A.—Well, on his bringing down the Bill, the Premier's speech; and then in caucus among ourselves, in the Opposition caucus.

Q.—What reasons were given there? A.—Well, that the land was extraordinarily valuable, and that it was in the best interests of the Province not to dispose of them under the terms originally proposed. You see, we asked the Government last session if the Crown grants had been issued, and they said there were no Crown grants. Then I at once concluded that the negotiations which had been carried on while I was in the Government had reached an end.

Q.—But you found out recently that there were Crown grants issued which were not delivered? A.—Exactly so.

Q.—Well, you did not consider that that bound the Government? A.—No; I did not; certainly not.

Q.—Had this thing been consummated at the time of this discussion and the Order of Council of the 10th of August—you thought then it was a business proposition—and had the deeds been at once issued, you would have been quite satisfied that the Government had done their duty in delivering them? A.—Oh, certainly, certainly. I was quite willing to abide by the recommendation of the Chief Commissioner, and the wording of the Order in Council; but, as I have already told you, it was then in the nature of negotiation, and I knew it was by no means complete.

Q.—But if it had been completed just in that way, if it had been delivered on the 10th of August, you would have thought that they were right in doing it? A.—Certainly, certainly; I would take my share of responsibility.

Mr. McPhillips: I think, Mr. McBride, you said the Government said the Order was cancelled; we never had that information. A.—That the Crown grants had not issued.

Q.—They said, in answer to the question, that no Crown grants had issued. A.—I particularly remember that there were questions asked, and at that time it struck me that I should not divulge what I knew had taken place in the Council. But I, on reflection, concluded that it would be a breach of faith, and I would be going outside of the Council room of the Government of which I was a member at that time, and doing something that I was not authorised to do by my oath of office. And I was quite satisfied to let the matter rest at that; because, under the peculiar circumstances that I found myself placed in in the House, one day a member of the Government, in charge of a Department of the Government of the day, and the next day Leader of the Opposition, you can readily imagine that I was in possession of information and things, that I was in possession of as a member of the Government, which it would be unfair of me and wrong of me to make use of, generally speaking.

Q.—But, as a matter of fact, Mr. McBride, questions were asked quite apart from you, bearing on this particular land, in the House, were they not? A.—Yes.

Q.—In fact, I asked questions myself without any communication with you at all. I did not know of any of these things. But you understood from the answers given by the Ministers in the Legislature that no Crown grants were issued or prepared, or anything of that kind? A.—Quite so. My conclusion was that the negotiations of the Chief Commissioner had never been consummated.

Mr. McBride—*Continued.*

Q.—I see. A.—As I tell you, after I resigned from the Government I did not take any further interest in the matter. I never took any specific notice of this particular matter, more than any other question of public import.

Q.—The Journals of the House of the 8th of April, 1902, page 51, certain Crown grants are referred to, and then there is an answer, "There are no Crown grants now prepared and not issued." And these do not appear there, lots 4,593 and 4,594. A.—Will you let me see it.

Q.—And there is another one a little further on, Mr. Oliver says. (Book handed to witness).

Mr. McPhillips: We never knew of the cancellation until the Premier brought down that Bill; at least, I did not know it; of the cancelling Order of the 18th of March.

Mr. McCaul: Mr. McBride, I understand you to say that the last meeting of the Executive which you attended was this meeting of the 10th of August, where those two Orders of Council were passed. A.—And on the 3rd of September, when I resigned.

Q.—Previous to the meeting of the 10th of August, I think you stated that Mr. G. McL. Brown had been before the Executive on several occasions? A.—Well, I would not—he came over there with plans and maps on several occasions; I would not be sure, Mr. McCaul.

Q.—These were negotiations leading up to this Order in Council? A.—Exactly so; regarding the claims of the railroad for land subsidy.

Q.—And these blocks 4,593 and 4,594 would be discussed in those interviews between Mr. Brown and the Executive? A.—Well, I don't know that any particular blocks were discussed; it was simply to get the thing settled up; and then with regard to the question of those other lands.

Q.—Do you recollect whether there had been any meeting of the Executive when this subject was discussed immediately previous to the 10th of August, 1901? A.—Not specifically.

Q.—Could you find out by reference to the minutes whether you were present at any meetings between the 27th of July and the 10th of August? A.—I might.

Q.—You think you might? A.—Yes.

Q.—You don't recollect, now, a meeting of the 2nd of August? A.—I do not.

Q.—Do you recollect a letter from Mr. G. McL. Brown, addressed to the Chief Commissioner of Lands and Works, being produced and disclosed in the Executive prior to the 10th of August? A.—I cannot say that I do; I would like to see the letter and then I would be able to tell.

Mr. McCaul: There is a letter from Mr. Brown to the Chief Commissioner of Lands and Works, dated the 31st of July.

Mr. Helmcken: We have not got that; we have asked for it.

The Witness: What was the letter about?

Q.—The letter was asking that the land matters of the Columbia and Western Railway Company should be settled up. A.—I would not be at all surprised, because I know that he was continuously—

Q.—Do you recollect that letter? A.—No; I do not; I could not swear.

Q.—You recollect, though, meetings of the Executive prior to the 10th of August, 1901, where this question of settling up the grant of land was discussed in the Executive? A.—I could not give you any specific occasion.

Q.—Could you refresh your memory by looking at the minutes and see if you were present at a meeting on the 31st of July and 2nd of August? A.—Yes.

Q.—You will do so during the recess? A.—I can do it for you if you have the minutes.

Mr. Helmcken: We have not got them. A.—I don't know that I can see them now.

Q.—I only want you to say if you were present; I think there was a meeting on the 31st of July and one on the 2nd of August. A.—If I was in Victoria I was present. I was present at all the Cabinet meetings pretty much.

Q.—I only wanted you to consult the minutes to see if you were present. A.—I have not got the minutes and doubt that I could get access to it, Mr. McCaul.

Q.—You have no clear recollection of a letter of the Company being discussed at the Executive? A.—No.

Q.—You say that the meeting on the 10th of August was called at Mr. Turner's request? A.—Yes; as near as I can recollect.

Q.—What notice did you get of an Executive meeting? A.—Very informal; sometimes a day's notice and sometimes an hour's.

Mr. McBride—*Concluded.*

Q.—Do you happen to know if Mr. Wells was in the city at the time that Mr. Turner gave notice of this meeting? A.—I could not say.

Q.—You don't happen to recollect whether Mr. Wells had been absent from the city some eight or ten days prior to the 10th of August? A.—I could not say.

Mr. McCaul: It is of particular importance that Mr. McBride should find out whether he was present at those meetings of the 31st of July and the 2nd of August, and I would like him to refresh his memory, if he can, by looking at some notes, or diary, or anything that would give that information. A.—Well, I never kept a diary, Mr. McCaul, and I have no way of telling; I have absolutely none. I never kept a diary of any kind.

Q.—Well, at the time this Order in Council of the 10th of August was before the Executive, I understand you to say you had no knowledge then of any special value attached to those lands? A.—Exactly so; I had not.

Q.—And you were the Minister of Mines and would be the person, naturally, to know if there were coal deposits or mineral deposits on those lands? A.—The Department of Mines has no jurisdiction over coal or oil lands.

Q.—Well, as a matter of fact, at that time? A.—I had no knowledge, personally; I had no knowledge, except, as I said, that the lands being contiguous to the coal lands of Fernie struck me as perhaps being a feature in the case.

Q.—Do you recollect, at that meeting of the 10th of August, whether this Order in Council had previously been prepared and was laid before the meeting or not? A.—I did not pay any particular attention to that.

Q.—You don't recollect? A.—No.

Q.—You don't recollect whether there was any particular designation at that meeting of the 10th of August? A.—No.

Q.—But your impression was that that was merely another step in the negotiations which the Government had been carrying on with Mr. Brown? A.—Quite so.

Q.—And under that Order in Council, as Mr. McPhillips has pointed out, was a proposition to the Company which was open to the Company to reject or accept the proposition? A.—Oh, yes.

Q.—Up to the time you left the Government you had no notification by the Railway Company of acceptance? A.—No; I had not.

Q.—That is all; unless you can find out if you were present at those meetings. A.—No; I never have kept a diary at all.

Q.—If you can find that out in any way, you will let me have the information? A.—I certainly will.

Mr. Duff: So far as I know at present, I have no questions to ask Mr. McBride. If Mr. McBride is back before the investigation is concluded, it may possibly be that something further may develop.

The Witness: Yes.

Witness stands aside.

HON. W. W. B. McINNES, being duly sworn, testifies as follows:

Mr. Helmeken: You are the Provincial Secretary in the present Ministry? A.—Yes.

Q.—How long have you been such? A.—Since the 1st of December last.

Q.—Will you produce a certified copy of the oath of office? A.—Yes, this is it (producing document); that is, of the Executive oath?

Q.—The Executive oath? A.—Yes.

Q.—There is another oath of office? A.—Yes, there is another oath of office. But this is the only oath that has any reference to the secrecy of the proceedings.

The document produced was marked "W. W. B. McL., No. 1."

Q.—There was an application made to the Government to intervene in certain litigation in connection with Lot 4,593? A.—That was in reference to one of the blocks.

Q.—4,593? A.—Yes.

Q.—And do you produce a copy of that correspondence? A.—Yes; this is a copy of all the correspondence that has taken place on it through me; two letters from Davis, Marshall & Macneill, and my formal acknowledgment. (Documents produced.)

Q.—And no action has been taken by the Government with regard to intervention? A.—No action whatever.

Hon. Mr. McInnes—*Concluded.*

Q.—Now, have you discovered in your files any application made by the Company for a petition of right? A.—No.

Q.—And there is no formal application, so far as you know, that has been made for a petition of right on behalf of the Canadian Pacific Railway Company? A.—None, so far as I know.

Q.—Or of the Columbia and Western? A.—No; there has none whatever, so far as I know.

Q.—You have heard it stated in evidence that two members of the House were mixed up in a syndicate for taking over certain lands known as lots 4,593 and 4,594; have you any knowledge of any such state of affairs? A.—None whatever.

Q.—Have you ever been waited upon by any representative of the Canadian Pacific Railway Company or Columbia and Western, relative to a settlement of this matter? A.—Never.

Q.—Has any professional gentleman waited on you with regard to obtaining a settlement? A.—No.

Q.—As to any benefit, directly or indirectly, pecuniary, by any settlement of lots 4,593 or 4,594? A.—In no way whatever, I may say, directly or indirectly, incidentally or remotely—to use the language of a predecessor of this place this morning. I may say that I was asked yesterday to search in the Department for a covering letter which was supposed to have been sent to George McL. Brown with the Order in Council of September 4th. I have had a thorough search made, and there is no trace of such a communication from my Department. And the chief clerk in my Department said that he had had a search made down in the Lands and Works Department as well, and there is no trace of a letter there, and their impression is that it must have been handed over without any covering letter.

Witness stands aside.

The Committee here adjourned to meet at 2:30 to-day.

Tuesday, May 5th, at 2:30 p.m., the Committee met, pursuant to adjournment; and on applications of Mr. Duff and Mr. McCaul, in order to give them time to examine documents, the Committee adjourned until to-morrow, May 6th, at 10 a.m.

WEDNESDAY, May 6th, 1903.

At 10 a. m. the Committee met pursuant to adjournment. Present, the full Committee.

Mr. Duff requested to be procured from the Lands and Works Department copies of all correspondence between the Department of Lands and Works and John Watt and W. A. Smart, in respect to oil prospecting licences, from 1897 up to the present date.

Mr. W. J. Taylor, K. C., appeared to be cross-examined.

W. J. TAYLOR testifies as follows:—

Cross-examined by Mr. McCaul: Mr. Taylor, I understand you to have said that you were in no way acting as a solicitor or in any professional capacity for the Canadian Pacific Railway Company, the Columbia and Western, or George McL. Brown, in respect to this subsidy matter? A.—Yes; I said I was not acting for those companies or Mr. Brown.

Q.—But you are a very great personal and intimate friend of Mr. Brown. A.—Yes.

Q.—And I think you gave us to understand yesterday that the measure of your friendship for Mr. Brown was the measure of your animosity for Mr. Wells? A.—Well, I suppose that is an inference to be drawn from what I said.

Q.—Were you aware, Mr. Taylor, that these blocks of land, 4,593 and 4,594, the blocks of land in question, had originally been part of the subsidy of the British Columbia Southern? A.—No.

Q.—You were not? A.—At least I have heard that now, Mr. McCaul; but I was not aware of it at that time.

Q.—You never had any knowledge of that at any previous time until this Committee has been sitting? A.—Oh, yes, I have heard that since, a dozen times.

Q.—Were you aware of it at the time you saw Mr. Wells in Montreal, in October or November, 1901? A.—No, I don't think so, then.

Mr. Taylor—*Continued.*

Q.—You don't think so. Did you know that Mr. G. McL. Brown was in Montreal when you left Victoria to go down there with Mr. Flumerfelt? A.—No. Mr. Brown had been out here, and he said he was going to be in Montreal.

Q.—Who said that? A.—Mr. Brown.

Q.—So that you fully anticipated seeing him when you got there? A.—No; I did not. He said he was going to Montreal; he is frequently there; but I was timing my trip there to go with Mr. Flumerfelt.

Q.—I suppose you talked with Mr. Brown pretty frequently before this, about the grants? A.—No; not a great deal. He said he had a great deal of difficulty—

Q.—Did you ever talk with him about these land subsidy matters at all? A.—Just in that way.

Q.—Just in that way. Mr. Taylor, did you go down to Montreal with Mr. Brown previously, in that year, 1901? A.—1901, no; I think I was in Montreal in 1900; I was down once before that, at any rate.

Q.—In 1901? A.—Well, I could not fix that, Mr. McCaul.

Q.—Were you in Montreal in June or July, 1901, with Mr. George McL. Brown? A.—I was in Montreal and Buffalo—when was the Exposition in Buffalo—I was there then.

Q.—In 1901. A.—Well, I was East then, whenever that was.

Q.—You were with Mr. George McL. Brown in Montreal in June or July, 1901? A.—What do you mean, with him?

Q.—Well, he was there when you were there? A.—He was there.

Q.—You saw him there? A.—Certainly I did.

Q.—Did you send a telegram to Mr. Eberts from Montreal in June or July, 1901? A.—A telegram to Mr. Eberts.

Q.—Yes. A.—What about?

Q.—I am asking you; do you recollect sending any telegram to Mr. Eberts? A.—No; I do not think I sent any telegrams to Mr. Eberts from Montreal; I might possibly have done so, but I don't think so.

Q.—How did you come to telegraph to Mr. Eberts, asking if these two blocks in question could not be changed from the British Columbia Southern subsidy to the Columbia and Western subsidy? A.—I did not telegraph him any such thing as that.

Q.—You swear you sent no such telegram? A.—Certainly, I do.

Q.—And received no answer from Mr. Eberts? A.—And received no answer from Mr. Eberts in consequence of it.

Q.—So that any telegram which Mr. Wells may have seen purporting to have been signed by you, from Montreal, at that time, to that effect, would be a forgery? A.—A forgery? Well, I never sent one.

Q.—It would not be your telegram? A.—It would not be my telegram. I don't believe there was one, either.

Q.—At the time you were talking to Mr. Wells in Montreal, the conversation you have mentioned at the Windsor, did you know what particular blocks of land in question—were in question? A.—No.

Q.—You did not know at all? A.—What do you mean, by numbers, or where they were in Kootenay?

Q.—Did you know that there were any particular blocks, or were these just general lands? A.—No, except that he said there were five or six hundred thousand acres of them valuable.

Q.—Except that he said there were five or six hundred thousand acres of them valuable, that is all you knew about it. Mr. Taylor, did you ever call at Mr. Wells' office in connection with land subsidy matters of the B. C. Southern, or of the Columbia and Western? A.—No.

Q.—On no occasion? A.—No.

Q.—Neither in connection with the one or the other? A.—No.

Q.—You never saw Mr. Wells? A.—Oh, yes; I have seen Mr. Wells—do not understand me, Mr. McCaul, to say that I have not been in his office about any matters; I have at odd times.

Q.—I am not talking about other matters; you might have been there about ships or anything else; I am talking about the subject we are discussing now. Did you ever see Mr.

Mr. Taylor—*Continued.*

Wells with regard to any land subsidy matters connected with the B. C. Southern Railway?

A.—No.

Q.—You will swear that, will you? A.—Certainly, I will, certainly; prior to this time I am talking about now.

Q.—Prior to the conversation you had with him in Montreal? A.—Yes.

Q.—You never saw him about the B. C. Southern subsidy matters? A.—No.

Q.—Nor the Columbia and Western subsidy matters? A.—No.

Q.—Now, Mr. Taylor, do you not recollect discussing the terms of an Order in Council with respect to the B. C. Southern subsidy with Mr. Wells? A.—Certainly not.

Q.—You do not recollect it? A.—No.

Q.—Will you swear that you never did? A.—Yes, I will swear I never did, certainly.

Q.—Did you ever see Mr. McNeill, Mr. Wells' private secretary, in regard to any land subsidy matters connected with the B. C. Southern, or with the Columbia and Western? A.—No; I don't think I ever had any talk with him on anything of that kind at all, at any time.

Q.—Nothing at all. On no occasion? A.—No.

Q.—On no occasion with Mr. Wells? A.—On no occasion with Mr. Wells.

Q.—This is not mere recollection, you are swearing positively you actually had not any conversation either with Mr. Wells or with Mr. McNeill with regard to the land subsidy? A.—I am swearing positively; it is a matter of recollection; of course, everything like that is.

Q.—Well, do you wish to say now you do not recollect, or, as a matter of fact, you did not have? A.—Oh, I have positively no recollection of any conversation of that kind at all, or approaching it at all.

Q.—You have no recollection? A.—I don't mean to qualify it.

Q.—You are swearing positively that you never had? A.—Yes; to the best of my recollection and belief, I never had.

Q.—To the best of your recollection and belief, you never had, but you won't go further than that? A.—How can I possibly go further than that with anything?

Q.—You are not prepared, then, to make a definite positive statement that you never had any conversation with Mr. Wells? A.—I believe I never had; and I will make it as positive as I can make any statement, as positive as I believe you are standing there.

Q.—That is all.

Mr. Duff: I have a few questions to ask Mr. Taylor; but it occurs to me that perhaps my learned friend (Mr. McCaul) might state, if it is suggested or proposed to be shown that these interviews did take place that have been suggested to Mr. Taylor in cross-examination—that it would be convenient if my learned friend would specify the date and circumstances, in the usual way that that is done on cross-examination, so that it will be quite clear that Mr. Taylor's attention is directed to the precise interview that took place, and the particular Order of Council that is dealt with.

Mr. McCaul: I would like to have the opportunity, when I get the exact dates of that brought forward, and I will ask Mr. Taylor about that, to fix the time, place and circumstances exactly.

Mr. McCaul: Mr. Taylor, there is one question I want to ask before dealing with this, that may be impressed on your recollection. Do you recollect, in Montreal, ever receiving a telegram from Mr. Eberts, with the single word "impossible" in it, in regard to any subsidy? A.—I don't think so, Mr. McCaul. I don't remember any such telegram as that.

Q.—You have no recollection of any telegram received by you from Mr. Eberts, with the word "impossible"? A.—No, I have no recollection of any such telegram. Understand, when I go away I frequently wire Mr. Eberts, and he wires me; but I don't remember any such telegram as that in this connection.

Q.—But you might recollect of a telegram composed of a single word "impossible," if it was sent down? A.—I have no recollection of it.

Q.—You have no recollection of ever having received any such telegram? A.—No.

Q.—You won't swear that you did not receive it, of course? A.—I will say this, Mr. McCaul, I certainly have no recollection of it. I would not like to say that any telegram from anyone, two or three years ago, saying "impossible"—that it may not have been sent.

Mr. Duff: If any further evidence is to be given in regard to telegrams, I should think the most satisfactory course would be to endeavour to get possession of the documents. If they cannot be got, then, of course, secondary evidence may have to be given of them.

Mr. Taylor—*Continued.*

Perhaps my friend might state what it is. There cannot be any possible harm in placing the Committee in possession of it.

Mr. McCaul: I think the line of my cross-examination is pretty fully indicated, what I am referring to. I would like to have an order of the Committee to the Attorney-General's office to produce any and all telegrams that passed between Mr. Taylor and Mr. Eberts, between the 1st of May, 1901, and the 10th of August, 1901.

The Chairman: It is usual that when reference is had to any documents, to have them produced before the Committee.

Mr. Helmcken: You want telegrams passing between Mr. Taylor and the Attorney-General.

The Chairman: This means private telegrams? You cannot ask them to be produced.

Mr. Helmcken: Anything personal we have got nothing to do with.

Mr. McCaul: A matter, possibly, in relation to public business might be a personal telegram addressed to the Hon. D. M. Eberts.

The Chairman: We can ask for them, but we do not know whether they will be produced.

Mr. Duff: In order really to get at anything of that kind, it should not be limited to official documents; but, possibly, I should think my friend (Mr. McCaul) would be able to state something about the nature of the telegram, what was the subject-matter the telegram dealt with; and if you limit it to a particular subject-matter, then that would cover the whole ground. If a telegram did pass between Mr. Taylor and Mr. Eberts as to the Columbia and Western land grant or British Columbia Southern land grant, I suppose that is a matter that the Committee should properly have before it. It might be a question whether it was an official telegram or private telegram, still it would have a bearing.

Mr. Helmcken: It would be for the Attorney-General to object if it was private.

The Witness: I suppose it is time to object when you see what it is; I have no objection to anything.

Mr. Helmcken: We will ask for all telegrams between Mr. W. J. Taylor, K. C., and the Hon. D. M. Eberts, or the Attorney-General, between the 1st of May, 1901, and the 10th of August, 1901.

Mr. McCaul: And, more particularly, a telegram from Mr. W. J. Taylor in or about June or July, 1901, asking, in effect, if blocks A and B of the British Columbia Southern land subsidy grant could be transferred to that of the Columbia and Western Railway Company; and Mr. Eberts' reply to that, some time in June or July, 1901, to the effect, "impossible."

Mr. McCaul: I want you to look at these Orders in Council, number 721 and 722, both of the 19th of December, 1901, (handed to witness). A.—Yes. Do you want to ask me about these?

Q.—I just want you to look at them and see what they are. Mr. Taylor, did you ever see a draft of either of those Orders in Council before they were passed? A.—I don't think so, Mr. McCaul.

Q.—You don't think so? A.—No.

Q.—Did you, in the month of December, 1900, or shortly prior to the 19th of December, 1900, in Mr. Wells' office in the buildings here, have any conversation with Mr. Wells in regard to the subject-matter of either of those Orders in Council? A.—I don't remember having any conversation with him at all about those things. I frequently used to see Mr. Wells and talk about matters political generally, but I don't remember any conversation about these at all.

Q.—Then you may or may not have? A.—I don't think I did, Mr. McCaul.

Q.—Will you swear that, at the time and place that I have specified, you did not have a conversation with Mr. Wells? A.—Let us see the time and place;—the place is his office; when?

Q.—In his office in this building, shortly prior to the 19th of December, 1900? A.—No; I don't think I did.

Q.—I have specified now the time and place; will you swear positively you did not have any conversation with Mr. Wells in regard to the subject-matter of these Orders in Council? A.—I don't think I did. I have no recollection at all of that being the subject-matter of conversation.

Q.—You don't think you did? A.—I don't think I did.

Q.—It is impossible? A.—All things are possible—

Mr. Taylor—*Continued.*

Q.—But you don't think you did? A.—No.

Q.—You might or might not have had? A.—I don't say I might; I say, the best of my recollection is I did not have it.

Q.—And that is as far as you can go? A.—That is as far as a man can go with anything.

Mr. Duff: Mr. Taylor, I want to make it a little more clear with regard to your visits East in 1900. I am not quite sure whether you said that you had had two visits to Montreal prior to the visit in October, or one? A.—Well, I was at the Buffalo Exposition, Mr. Duff; I don't just remember the date when that was.

Q.—I remember that. But what I mean is: was that the only occasion on which you were there during that year, or the year prior to that? A.—Mr. Duff, I go East, if I can, every year. My youngsters are at school and my family are there, and I go once a year, if I can, anyway.

Q.—Do you happen to recollect whether in that particular year you were there more than once in 1901? A.—No.

Q.—You cannot remember? A.—I know I was not there more than twice.

Q.—You were not there more than twice? A.—No; certainly not.

Q.—And the occasion of the visit to the Buffalo Exposition, however, was distinct from the occasion on which you had this interview with Mr. Wells? A.—Oh yes.

Q.—Now, you did not, I think, quite answer a question of Mr. McCaul about the first visit; you were with Mr. Brown? A.—I was with Mr. Brown. But I did not go with Mr. Brown.

Q.—You were in Montreal on the first occasion, you remember? A.—Yes; I went straight to Montreal.

Q.—You went straight to Montreal from here? A.—Straight to Montreal; at least I think I did. I may have gone to Toronto first.

Q.—You did not go with Mr. Brown? A.—No.

Q.—Was Mr. Brown there when you got there? A.—I met him there, but whether he went there before me, or just after, I cannot tell you.

Q.—Now, following out the suggestion that has been made here with regard to telegrams suggested that were sent in the months of June or July, of that year—did you, on that occasion, discuss with Mr. Brown, or have any sort of talk with him at all, about the question of the Columbia and Western land grant? A.—No; the only talks that I have had with Mr. Brown with respect to anything of that kind at all—he told me he had a great deal of difficulty getting their subsidies settled, and could not get anything definite from them at all.

Q.—Did you have a talk with Mr. Shaughnessy? A.—About this?

Q.—Yes. A.—No; certainly not.

Q.—You never talked with Mr. Shaughnessy at all on this subject? A.—No, Mr. Duff.

Q.—Of the Columbia and Western land grant or the British Columbia Southern land grant? A.—No; I never discussed it with Mr. Shaughnessy.

Q.—You never discussed it with Mr. Shaughnessy at all? A.—No.

Q.—Or with any other official of the C. P. R. or of the Columbia and Western? A.—Oh, no; Mr. Brown is the only one I have talked with about it.

Q.—Mr. Brown is the only man you have discussed the matter with at all at any time? A.—Yes.

Q.—Have you any objection to state, Mr. Taylor, what the occasion of your visit East was on that particular time that you speak of? A.—You mean in June or October?

Q.—In June or July. A.—I went over to see the Exposition, and see my children.

Q.—You went to see the Exposition? A.—And to see my children. I did not go on business.

Q.—Although you saw Mr. Brown quite frequently you say? A.—Oh, yes.

Q.—Saw him quite frequently? A.—I saw him when we were in town together, yes.

Q.—But you had nothing but general discussion with regard to this question of the Columbia and Western land grant; the only discussion amounted to this, that Mr. Brown gave you to understand that he had a great deal of difficulty getting the grant through. A.—There was never any discussion of the B. C. Southern or the Columbia and Western; he said their land grants in Kootenay he could not get settled.

Mr. Taylor—*Continued.*

Q.—Their land grants in Kootenay he said they had difficulty in having settled? A.—Yes.

Q.—You and Mr. Brown were intimate friends; did you offer your friendly offices in any way with regard to that? A.—What do you mean by that, Mr. Duff? I don't want to catch up your question—

Q.—I understand that. A.—Mr. Brown has spoken to me, and said that he had difficulty, and expressed private opinions, and one thing and another, and reasons why some of the things were not done, and I have made suggestions to him, certainly. In that sense I have.

Q.—Now, in the course of discussion of that character, Mr. Taylor, did you acquire any knowledge of the conditions under which the British Columbia Southern land grant at that time stood; I mean with reference to the agreement between the Government and the Crow's Nest Coal Company? A.—How do you mean? I knew that they were entitled to a land grant.

Q.—Yes. A.—And I knew from his conversation that it was not settled.

Q.—But what I mean to say, did you know at that time, or did you not, that one of the conditions of the grant from the Dominion Government to the Canadian Pacific Railway Company, in connection with building the Crow's Nest Railway, imposed certain conditions as to the coal lands held by the British Columbia Southern? A.—No; I did not know that, Mr. Duff. I don't know that yet. I have heard that lately, that there was some arrangement whereby the Crow's Nest Coal Company and the B. C. Southern were mixed up in the division of land, or something; but just what it is I cannot tell you.

Q.—But, at all events, in June or July, 1900, when you were in Montreal, or when you were East, and when you were talking about this matter with Mr. Brown, you were not aware of the fact that it would be more advantageous to the Canadian Pacific Railway Company—when I speak of the Canadian Pacific Railway Company, I mean the substantial interest of the Canadian Pacific Railway Company, not necessarily the Company itself—to hold this land under the Columbia and Western subsidy than to hold it under the British Columbia Southern subsidy? A.—No, Mr. Duff; and I don't know that yet. I have heard rumours of that kind.

Q.—At any time, while you were there, did Mr. Brown, or any other person on behalf of the Canadian Pacific Railway Company, or any of these other railway companies in which the Canadian Pacific is interested, make any suggestion at all to you with regard to transferring a part of the British Columbia Southern grant to the Columbia and Western Railway? A.—No; I never discussed it with him.

Q.—Never heard it suggested? A.—Never heard it suggested; no.

Q.—Never heard it suggested at all? Now, Mr. Taylor, did you ever act as solicitor for the Columbia and Western Railway Company? A.—No.

Q.—At any time? A.—No.

Q.—I mean to say, before or since the C. P. R. became interested? A.—No, I did not, Mr. Duff. At the time that Mr. Heinze was the promoter of the Columbia and Western Railway I did some work for Mr. Heinze.

Q.—That is to say, you acted for the promoters before the charter was given? A.—Yes. But not for the Railway Company.

Q.—We are not concerned about that. A.—No. I had nothing to do with them after that, except the settling of some claims in connection with the construction of Mr. Heinze's smelter. I spent a week in Rossland settling up some of the construction contracts relating to the Trail Smelter when Mr. Heinze had it.

Q.—Did you ever act in any way for the British Columbia Southern Railway? A.—No; I never acted in any capacity for them.

Q.—You never acted in any capacity whatever for them? A.—No.

Q.—Now, did I understand you to say, then, that you never had any conversation with Mr. Wells at all with regard to the British Columbia Southern Railway grant? A.—I mean to say that. Not more than what I have told you. It is quite possible, Mr. Duff, that he may have said something to me at some time; I don't remember any occasion of that kind; if he could refer me to it—I don't recall any incidents.

Q.—But did you ever interview him in the interests of anybody? A.—No. Mr. Duff, I am very glad you asked me that question. I never did interview him in the interests of anybody, in connection with any of these roads. I have several times talked with Mr. Wells, as I have with some other members of the Government and some supporters of the Government, with regard to politics, as distinct from—

Mr. Taylor—*Continued.*

Q.—(Interrupting)—What I understand you to say is that any interviews you had with Mr. Wells, or any other members of the Government, or supporters of the Government, which might affect matters of this kind at all, would be upon their purely political aspect, and no other? A.—Certainly.

Q.—You never interviewed them in the interest of any parties? A.—No; not in any capacity. And the only talks I had with him were solely on that basis I have mentioned.

Q.—Now, were you consulted at all, Mr. Taylor, by Mr. Eberts with regard to these matters? A.—Which matters?

Q.—In the interests of the Government at all; I mean to say, for example, with regard to the Columbia and Western grant, or with regard to any of these subject-matters dealt with in Council? A.—No, I never have been; Mr. Eberts does not discuss those propositions with me—that is, Executive propositions. Sometimes Mr. Eberts has—ever since he has been in politics—he sometimes asks me questions about Statutes and the interpretation of them; in other words, to give him a legal opinion, for the benefit of what I can give him, and whatever use he makes of it is for him to determine.

Q.—Did you ever have any interview with Mr. McNeill in the interests of any person in reference to any of these matters? A.—No, Mr. Duff; I had no interviews with anybody in connection with the Government in connection with those matters. I don't want to qualify that in a sense by saying one man or another; but I have not interviewed anybody—

Q.—Anybody at all? A.—in the interests of any particular person at all—or any person.

Q.—Were you consulted by anybody with respect to those Orders of Council as to the form they should take, or the terms of them? A.—No, I was not, Mr. Duff.

Q.—And you did not advise with regard to them? A.—No; I did not advise with regard to the forms.

Q.—Now, this conversation that took place at Montreal; I gather from what you say that that conversation took place prior to Mr. Wells' visit to Mr. Shaughnessy? A.—I don't know that.

Q.—I understood you to say that Mr. Wells said that he was going to see Mr. Shaughnessy? A.—Yes, it was prior to his interview with Mr. Shaughnessy; I inferred that.

Q.—Prior to that, Mr. Wells had not seen Mr. Shaughnessy? A.—Well, I don't think so; I presume that.

Q.—I understood you to say you advised him not to see him? A.—I did not advise him not to see him, but not to see him about those—

Q.—Yes, not to make the proposal that was discussed between you, to Sir Thomas Shaughnessy? A.—Yes.

Q.—Well, am I correct in gathering this, as the effect of what took place between you and Mr. Wells on this subject, that Mr. Wells stated that his intention was, before delivering up the Crown grants to all or some portion of the lands that were being dealt with, to insist upon some arrangement being made with the C. P. R. or the Columbia and Western Railway Company, by which the C. P. R. system should be extended westward to Spence's Bridge? A.—I said that.

Q.—I mean to say, that would fairly express the effect produced upon your mind by what Mr. Wells said to you on that subject, would it? A.—Well, Mr. Duff, the effect that it has produced on my mind I would rather not give you. I am considerably prejudiced against Mr. Wells, I admit. I will tell you exactly what he said and what I said.

Q.—Well, I will put it this way: does my question fairly put the meaning conveyed to you by what Mr. Wells said to you? A.—Well, as I have already told you, no, it does not. But my impression and what may be the fact may be two different things.

Q.—I will put it this way, then. Did Mr. Wells give you to understand that, before delivering up the Crown grants, it was his intention to impose as a condition that the C. P. R. system should be extended westward to Spence's Bridge? A.—If you persist in that question I will tell you what it struck me, the whole conversation.

Q.—I only want to get at—of course I don't want anything kept back— A.—I don't want to keep anything back nor do I want to give opinions as distinct from facts, if I can avoid it. But the impression produced on me was this: that he had come there with those grants and he was going to make some terms about them; that he had taken the precaution, from what he said, to speak to Mr. Dunsmuir about it, at all events, before he left, so that in case the thing fell through and he did not make anything by it, or made any false move or

Mr. Taylor—*Continued.*

anything of that kind, he could turn around and say to Mr. Dunsmuir, "I told you and you told me to do this; you know all about this." In other words, he was going to open negotiation upon that basis; and, in other words, I thought it was an invitation for an offer, if you want it put straight.

Q.—You yourself thought it amounted to an invitation for an offer from the C. P. R. to Mr. Wells personally, do you mean, Mr. Taylor? A.—Well, yes.

Q.—Yes, I see; but the question, rather, I want to get at is this: Mr. Wells certainly did tell you—at least I understood you so in examination in chief, that Mr. Wells did tell you, that before delivering the Crown grants he proposed to make some arrangement with Sir Thomas Shaughnessy with regard to the extension of the system? A.—Oh, yes; he told me what I said yesterday. Were you here?

Q.—Yes, I was here. But the effect of what you said yesterday was not altogether clear to me at the time, Mr. Taylor. Would you mind repeating now? A.—Not at all.

Q.—What did occur, so far as you can remember? A.—Well, as I told you, he asked me to sit down beside him. And he said he had the grants here for the C. P. R. lands, the subsidy lands in Kootenay, and he said he was in a very peculiar position; that the Company should do something for him.

Q.—For him or the Government? A.—The term he used was, that he was in a very peculiar position and the Company ought to do something for him. I said, "How do you mean?" He said, "They ought to do something to help us out—to help the Government out—they ought to build a road from Spence's Bridge and help us out." I said to him, "You can hardly ask them to do that, can you, to hang up a subsidy for a railway in one part of the country after the road is built, to make the Company build another before you give them the subsidy?" Well, he said, there was more in it. He then said about the twenty or thirty thousand acres.

Q.—What was it he said about the twenty or thirty thousand acres? A.—He said, "There ought to be twenty or thirty thousand acres in it for us." And I said, "Against the time that you get around nineteen or twenty of your crowd there won't be very much left out of six hundred thousand acres, if they all got thirty thousand acres apiece, would there?" And he said, "There is more in it not to give it to the Company at all, but to have it located." And thereupon I said, "Why, you cannot do that Mr. Wells; look here, the first thing you know—here is a Government making Crown grants and one Minister goes dubbing around the country with the grants in his pocket sparring for terms, the first thing you know people will say that you are trying a hold-up."

Q.—Well, you take it, then, that so far as Mr. Wells was concerned—I mean to say from your interview, you took it that, in the first place, there was to be a condition to help the Government out by way of further railway building, and in the next place, there was to be a subsidy to the individual members of the Government or something of that sort? A.—Oh, no; I didn't think it was that; I said it entirely ironically.

Q.—I thought you said you considered Mr. Wells was offering himself for an invitation? A.—I said an invitation for an offer. What I meant, Mr. Duff, was an invitation for an offer, in this way—that I understood that the Government, as a Government, had completed an act, that is to say, they had made certain grants, they had made no terms with regard to those grants, and then one Minister of the Crown took the grants personally and came there, and before he delivered them he was going to put some kind of a term on them; and the term that he was going to impose was something that was entirely outside the Executive—do you see?

Q.—I quite understand that. A.—And that he had taken the precaution to speak to Mr. Dunsmuir before he left.

Q.—What were the terms, Mr. Taylor; one term was a building of the railway, and then there was this other matter of twenty or thirty thousand acres in it? A.—I did not understand that that was a *sine qua non*, that they should do that, from what he said.

Q.—But those were the terms that he suggested.

Mr. McCaul: I hardly think it is fair of the witness to state his impressions and ideas of what those things are; he can state the facts and the conversation that took place, and allow the inference to be drawn by the Committee.

The Chairman: This is a full and free inquiry, and the Committee are very anxious to get at the bottom of this; the Committee intend to allow every latitude to the Counsel on both sides.

Mr. Taylor—*Continued.*

Mr. Duff: I do not want to put any gloss on anything; I am not cross-examining with that in view at all, but to get as clearly as possible, Mr. Taylor's recollection of what actually did take place.

Mr. McPhillips: I have one observation to make here; I think the objection taken by Mr. McCaul would have a great deal of force in a Court of law; but viewing this examination pretty much in the line perhaps that the Royal Commission is taking in Ontario, possibly it is a matter where we ought to have a little more elasticity. At the same time I would suggest to Mr. Taylor, through you, Mr. Chairman, that, in so far as he could refrain from giving his own conclusions from what was stated, I think it would be better; because it will only mean that Mr. Wells will retaliate, and we will get away afield.

The Chairman: You mean to suggest that no witness should give his opinion?

Mr. McPhillips: He should not say what he thought was passing in another person's mind, but what actually occurred.

Mr. Taylor: I think, in view of Mr. Taylor's candid expression of animosity towards Mr. Wells, it should not be allowed.

Mr. Duff: It is not a question, as I say, of trying to put a gloss on it at all, but what we want to get at is, what is Mr. Taylor's present state of mind as to the substance of what Mr. Wells said to him. I do not suppose Mr. Taylor could pretend to remember the precise words used.

Mr. McCaul: He says he did give the precise words.

The Witness: No, Mr. McCaul; do not misunderstand me; I do not for a moment mean to say that every word I have given you is the exact word Mr. Wells used. I am giving you the conversation substantially; substantially, it is as I have given it to you.

Mr. Duff: There were two things mentioned; one was the building of the line to Spence's Bridge, and the other was this twenty or thirty thousand acres; I want to get, as clearly as possible, what really happened with regard to that. Was it the suggestion that somebody should personally get that, or what was it? The point I want to get at, Mr. Taylor, is this: you say that Mr. Wells then said, "There ought to be twenty or thirty thousand acres in it for us." Was there anything said by Mr. Wells at the time to you that this condition of his involved some personal advantage to him or to other members of the Government in the shape of a land subsidy from the C. P. R. or from anybody else? A.—Well, I thought that was suggestive.

Q.—Well, that is as far as you would go; you thought it was suggestive? A.—Well, I think that that is all that I could fairly say. Because the thing sort of switched when I said, "You cannot do that, Mr. Wells, very well after the grants are made."

Q.—Your view, however, evidently was that the suggestion involved at the time a subsidy to each supporter of the Government? A.—Well, Mr. Duff, I gave what some one has called a jocular answer; I think it was an ironical answer, myself. I said, "Against you get around nineteen or twenty of them there wouldn't be very much left out of six hundred thousand acres, at thirty thousand acres apiece." I think the absurdity of it would strike anybody.

Q.—I see. Now, just one other point that I did not ask you about. A.—I had another reason, Mr. Duff, that I thought about the whole thing at the time.

The Chairman: Do you wish to state any other reason, or is it just a remark that you make? A.—Well, it is more than a remark; I had a reason.

Mr. Duff: I think any circumstances which would bear on this matter at all, and which created an impression on your mind, you can fairly state.

The Chairman: Does it bear directly on the proposed granting of lands to the Columbia and Western? A.—It does in a way, yes; and it also does not.

Q.—It is in a rather peculiar position, then, both ways. A.—It is from the observation that he made about this conversation that took place in Victoria that I referred to.

Q.—The Committee would like to hear what you have to say,—the reason that you intended saying. A.—Well, my idea of it was this: I had always had a lurking idea, and it was corroborated when he told me that he had sent this party to me in Victoria to consult me with reference to accepting a retainer to interest myself with Mr. Eberts to check a prosecution of a road boss up country who had embezzled—who had put a fictitious name on the pay-roll. That confirmed the belief that he was trying to get a catch on me some way or other to have a hold on Mr. Eberts. And when he made this other suggestion he was putting it out as a

Mr. Taylor—*Continued.*

feeler to me to see if I would fall into it, so as to have a hold on Mr. Eberts; that is what I think about it.

Mr. Duff: Your general view of the conversation was, among other things, that Mr. Wells was laying a trap for you? A.—Yes, Mr. Duff.

Q.—And he was trying to involve you, as you say? A.—And he did it cautiously; he did not say too much, he just threw out the feelers; and if I had risen to it, probably—you can draw your own conclusions.

Q.—No specific proposition was made, but a tentative suggestion as to what might be done? A.—That is the way it was.

Q.—Well, at all events, it did convey to your mind that if you had fallen in with it, something more specific would have been stated? A.—Yes, probably it might mean something.

Q.—When you came back did you inform Mr. Brown of this conversation? A.—With Mr. Wells?

Q.—Yes. A.—No, I did not inform Mr. Brown about it.

Q.—You did not? A.—No.

Q.—Nor any other person acting on behalf of the C. P. R.? A.—No.

Q.—Did you have any further interview with Mr. Wells in Montreal? A.—No; that was the last interview I had. I think it was the next night I left there.

Q.—Then when you returned here did you inform Mr. Eberts? A.—No, I did not, about that; I expressed an opinion to him, as I had expressed it two or three times before.

Q.—Did you inform him of the fact that you had been, as you considered, approached in this way? A.—I had said that once or twice to him about other matters; not exactly in those words.

Q.—That is hardly an answer to my question; I ask you whether you informed Mr. Eberts of the interview you had with Mr. Wells? A.—No; I said, "Mr. Eberts, look out for that little man; he is trying to get you in a hole."

Q.—That does not matter. You stated yesterday, I think, that you heard rumours going around behind your back? A.—Yes.

Q.—To the effect that you had made some improper proposal to Mr. Wells? A.—Yes; I have heard a variety of rumors; there are hardly any two of them alike.

Q.—Did Mr. Brown ever inform you that Mr. Wells had made a charge against you, which was made here by him, namely, that you had proposed, in order to get the Crown grants delivered to the C. P. R., that a land company should be formed, and that he and others were to be interested in it? A.—Yes, he told me a charge was made against me.

Q.—Mr. Brown told you? A.—Yes.

Q.—Did Mr. Eberts tell you that? A.—Mr. Eberts did.

Q.—About when was it that you first got information with regard to these statements having been made? A.—I got it last spring.

Q.—Last spring; about what time would that be? A.—Just about the time, shortly after that—

Q.—Shortly after that Order in Council was cancelled? A.—Yes.

Q.—Did they state to you anything with regard to the grounds on which the Government had acted in cancelling the Order in Council? A.—No.

Q.—He did not tell you that that was one of the reasons that actuated Mr. Dunsmuir? A.—No; they did not say any of the reasons that actuated the Government; they told me about the reference to myself.

Q.—Did you discuss the matter with any other member of the Government at that time? A.—No.

Q.—Did you go to Mr. Dunsmuir about it? A.—No; I was not friendly with Mr. Dunsmuir, had not been for some time.

Q.—As a matter of fact, you say you had not mentioned the matter to any other of the members of the Government? A.—No, I had not.

Q.—Did you understand that it had been discussed in Council? A.—I understood that, yes.

Q.—That this matter had been discussed in Council? A.—Well, I don't know discussed in Council.

Q.—But among the members of the Government? A.—I mean among them; but not in Council.

Mr. Taylor—*Continued.*

Q.—Among the members themselves? A.—Yes, I did, Mr. Duff.

Q.—Did you take any steps at all— A.—No, that is what I complain of, it was done behind my back, it was done under the guise of confidence; when Mr. Eberts told me and Mr. Brown told me, they told me in confidence. I have been told by one or two other parties in confidence, since, about it; and each man would say, "You must not bring me into this matter." I could not do anything. And I offered then, the first time I heard it, I said, "I will give \$500 to the Jubilee Hospital if Mr. Wells will make that statement to any outsider, where I can use it." And I saw no opportunity, Mr. Duff, to ever get a chance to refute this matter until I asked Mr. Green here this Session, one of your Committee, if he would move for a Select Committee of the House to inquire into this matter and give me a chance; and I believe this Committee is the result of it,—or else Mr. Oliver and him together.

Mr. McCaul: There is one question I want to ask you. Did you understand, Mr. Taylor, that the whole six hundred thousand acres was to be divided up between twenty supporters, thirty thousand acres to each man? A.—No, I told you that I made that suggestion ironically.

Q.—You did not take that seriously? A.—Well, I took it as a feeler thrown out to catch me, and I made him that answer.

Q.—But you did not think it was a wise proposition to divide up the whole six hundred thousand acres among twenty members? A.—I think it would be an idiotic one.

Mr. McPhillips: How did the question of six hundred thousand acres come up, Mr. Taylor; did you happen to know that those two grants, in the aggregate, would amount to that? A.—When he said he had the grants, he said five or six hundred thousand acres were valuable.

Q.—You got that information from Mr. Wells? A.—Yes, that is what he said.

Q.—Well, did he say to you that there were certain grants that he had delivered over to the Columbia and Western Railway Company, but there were certain other grants that he had retained? A.—No; we did not have any discussion about that at all.

Q.—He did not say that? A.—No.

Q.—He did not show you the Crown grants at the time? A.—Oh, no. I never have seen those Crown grants, Mr. McPhillips.

Mr. Helmcken: Whether jocularly or ironically, you were referring to the Government party. Your answer to this yesterday was: "(Q.) What did you mean by referring to nineteen or twenty of 'your' crowd? (A.) Just what I said, Mr. Helmcken. (Q.) What did you mean? (A.) I meant his crowd, I meant his party, the Government party. (Q.) The Government party? (A.) Yes, speaking generally; nineteen or twenty of them." Now, speaking jocularly or ironically, why did you refer to that at all? A.—Refer to what?

Q.—To the Government party, nineteen or twenty of them? A.—I did not refer to the Government party in the talk with him.

Q.—But you told us yesterday? A.—No.

Q.—I wanted to know the meaning of that expression "your" crowd, and you said, "Just what I said, Mr. Helmcken." A.—Yes.

Q.—(Reading same extracts again.)—What was the idea of referring to that at all? A.—Referring to what?

Q.—To the Government party? A.—Well, Mr. Helmcken, you asked me yesterday what I meant by that, and I said I meant just what I said—you said, "What did you mean?" I said, "I meant his crowd, I meant his party, the Government party." Of course, that was the only conclusion you could take from it.

Q.—You knew who the Government party were at that time? A.—Knew the members composing it?

Q.—Yes. A.—Well, subject to the usual variation each Session, I knew pretty well.

Q.—Well, could you tell me nineteen or twenty that were in the Government party? A.—Mr. Helmcken, do not understand me to say for a moment that there was anything serious in my saying that there were nineteen or twenty; it would not mean any individual members of the House. I told you in my testimony yesterday that there was nobody referred to; I had never spoken to anybody, and I don't believe any man had spoken to him about it either. I told you the observation I made to him, to show the idiocy of the suggestion.

Q.—That may be; but why did you illustrate it by that reference? A.—Why did you ask me? I did not illustrate it to him. I laughingly said to you when you asked me—I said,

Mr. Taylor—*Continued.*

“Why, the Government party, I suppose; he would play fair, he would divide all around.” That is what I said to you yesterday.

Q.—That is the expression that you used? A.—Yes; I said that somewhere; I don’t know whether it is there or not. What page have you got?

Q.—317 and 318. A.—I did not mean anybody there; and I do not now.

The Chairman: “I had no idea of anybody being in it.” A.—That is what I say now.

Mr. Helmcken: When did you have this conversation with Mr. Eberts relating to the rumours which had come to your ears with regard to the cancellation of the Crown grants. A.—I did not hear any rumours about the cancellation of the Crown grants; the rumours were in reference to myself; that Mr. Wells had made some statement—

Q.—When did you hear that, Mr. Taylor? A.—I heard that very shortly after that recision Order there.

Q.—That recision Order was made on the 18th of March, 1902? A.—Well, then, it would be shortly after that.

Q.—Did you have any conversation with the Attorney-General then about this matter?

A.—Certainly, I did.

Q.—Have you had more than one interview with him? A.—Oh, I have expressed myself often about it to him.

Q.—To the Attorney-General? A.—Yes.

Q.—To anybody else in the Ministry? A.—In the Ministry,—the only thing I ever said, once, to Col. Prior—

Q.—When he was in the Ministry? A.—Yes; it did not amount to much.

Q.—To Mr. Prentice? A.—I have not spoken to Mr. Prentice since I understood that he did the man-Friday act for Mr. Wells, running around with these tales to Mr. Dunsmuir; I have neither spoken to him nor to Mr. Wells since.

Q.—And did you have any conversation with Mr. George McL. Brown, Mr. Taylor? A.—I expressed what I thought about Mr. Wells to him.

Q.—Can you tell me whether you had any conversations with Mr. George McL. Brown touching this matter of the recision of the Crown grants? A.—No; I did not discuss that aspect with him; I was too hot about the other thing.

Q.—But with regard to the Attorney-General; did you have any conversation with him with regard to the cancellation of the Crown grants? A.—No; I did not discuss the merits of the thing at all with anybody.

Q.—But did you discuss it at all? A.—No; I did not discuss it at all. I discussed these statements that I had heard that Mr. Wells made about me.

Q.—I see. And that was when in 1902? A.—Some time in the end of March, then; if that is the 18th it would be shortly after that.

Q.—Previous to the 18th of March, 1902, had you any conversation with the Attorney-General relative to these land matters? A.—No; I had not discussed it at all.

Q.—Nor with any member of the Ministry of the day? A.—No; I never saw any of them with reference to it at all.

Q.—Did Mr. George McL. Brown tell you about any of his interviews with any members of the Government with regard to these Crown grants? A.—No; Mr. Brown told me several times that he had had a great deal of difficulty getting this thing settled up; could not get anything done.

Q.—Did he mention any particular Minister that was giving him any trouble? A.—No; he did not.

Q.—How did he refer to the matter? A.—Just as I have told you.

Q.—That he was having a lot of difficulty getting his matters settled? A.—Yes.

Q.—Did he attribute it to any person raising any difficulty at all about the settlement? A.—No, Mr. Helmcken, it came up in quite a casual sort of way, and I told him, “You better take my house and rent it, you will have to live here.” And he used a colloquial expression; he said he didn’t know but he would.

Q.—He was referring to his delay? A.—In getting his land subsidy matters settled, and other matters; he said he had a lot of matters to attend to.

Q.—Those land subsidy matters, did he specify what the land matters were? A.—As to what he wanted to get?

Q.—Yes. A.—No, except that he wanted to get them settled.

Mr. Taylor—*Concluded.*

Q.—Did he refer to the Columbia and Western or the B. C. Southern or the Canadian Pacific Railway, or just speaking generally? A.—Oh, he said the C. P. R. Kootenay subsidies; the land grants in Kootenay is what he referred to; “our land grants in Kootenay” is what he said; he did not use any railway name in connection with it.

Q.—How many times have you had those conversations? A.—Well, I have had several chats with him about it.

Q.—You were posted from what he told you? A.—I was posted from his conversation that he could not get what he thought he ought to have.

Q.—Did he mention what he thought he was entitled to? A.—Oh, no; he said he could not get anything definitely done.

Mr. Helmcken: I think Mr. Brown should be brought here for further examination.

Mr. Duff: I would like to have Mr. Maclean, of the Attorney-General's Department, and Mr. Gosnell, as there is some correspondence not produced which I desire to ask them about.

Mr. McPhillips: I should like to know, Mr. Taylor, if you could fix it reasonably closely when it was that you left Montreal in October or November. Did you look that up to see when you returned, Mr. Taylor? A.—Well, no, I have not, Mr. McPhillips. As I told you yesterday, I could fix that, I think, pretty fairly accurately. I went to New York to see the horse show there.

Q.—I think that was in November; it is usually in November. A.—It is some time late in the fall, I know. I think Mr. Flumerfelt went down in advance, and I think the show was on all week; and I think I got there on Wednesday.

Q.—In New York? A.—Yes. I know I did not get there for the first day or two of it, anyway.

Q.—Did you return to Montreal then after that? A.—No; I went from there to Boston; I think I went direct to Toronto then.

Q.—After that? A.—Yes.

Q.—And you did not return to Montreal before coming here? A.—No.

Q.—Most likely it would be some time about the middle of November, then, when you returned home? A.—As to those dates, I could fix it; I should think it was probably later than the middle of November. You see, I stayed in Toronto a little while with my children and friends.

Q.—You knew of the rescision Order of the 18th of March, 1902? A.—I heard of that, yes.

Q.—And I suppose you heard that independent, quite, of Mr. Brown, and may have heard it from him, even? A.—I heard that they had had a discussion about it, and that they were cancelled, or were going to cancel them or something.

Q.—I would like to know, Mr. Taylor, whether you ever knew, at any subsequent time to that cancellation, from Mr. Brown, or from anybody in the service of the Canadian Pacific Railway or the Columbia and Western Railway Company, that some agreement had been come to between the Government and the Company whereby, by another method, the Company would be reinstated in its land grant that had been cancelled? A.—No, Mr. McPhillips, I never heard of that agreement. I have heard the discussion you have had in this Session here; I have read that in the press.

Q.—But you never heard from Mr. Brown, or anybody in the service of the Columbia and Western Railway or the Canadian Pacific Railway Company, that some agreement had been got up between the Government and the companies? A.—No.

Q.—Whereby they would become reinstated in this land grant that was cancelled? A.—I never discussed that with anybody, Mr. McPhillips.

Q.—Because a point that strikes members of this Committee, I should think, is this: there seemed to be a great deal of laches, if you may so put it, apparently, on the part of the Railway Company. An act out of the ordinary was done, the grants were cancelled, and then a great delay takes place? A.—I hope you are not going to blame me for that. I am here answering a charge. I don't know anything about that part of it.

Q.—You never heard of any such thing, that the position was to be cured in any way? A.—Oh, no. I did not concern myself about it. I heard dozens of talks, Mr. McPhillips, with members and friends about matters political, and in connection with railways, and one thing and another; and it goes in at one ear and out the other; I would not attempt to remember them all.

Witness stands aside.

R. E. GOSNELL, being duly sworn, testifies as follows :—

Mr. Duff: Mr. Gosnell, I think you were secretary for the Premier in August, 1901, were you not? A.—I was; yes.

Q.—It has been given in evidence here that there was a letter which was handed by Mr. Brown to Mr. McNeill and handed by Mr. McNeill into the Executive on the 31st of July, 1901; and also that an answer to that letter was sent by Mr. Turner, who, for a short time apparently, was acting Premier, signing Orders in Council. Do you know anything about that, or could you by search find out whether those letters, or copies of them, are among your records as secretary of the Premier? A.—Well, I have been searching for that letter; I remember the letter very well, Mr. Duff.

Q.—Did you read it? A.—As far as my recollection goes, it was a letter marked “private,” from Mr. Brown to Mr. Turner; it is some time ago now, and it was passed from our office, I think, into the Lands and Works office, and I have never seen the letter since.

Q.—It was a letter addressed to Mr. Turner, marked private? A.—I think so; of course, it is some time ago. But there was a letter.

Q.—Was there not an answer from Mr. Turner? A.—There was an answer; I find an answer in the letter book, a copy of which I gave to Mr. Helmcken; I presume that is an answer to that letter.

Mr. Helmcken: No, that is the 15th of May, that letter. A.—Well, that is the only letter we have in the records.

Mr. Helmcken: That is a letter from Mr. Dunsmuir that you handed in.

Mr. Duff: The letter of the 15th of May is a letter signed by Mr. Dunsmuir; it is not in answer to this. A.—That is the only letter that we have.

Q.—That is the only letter that you have? A.—Yes, in the Premier's book.

Q.—Well, that is addressed to Sir Thomas Shaughnessy, I think.

Mr. Helmcken: No, to Mr. Brown.

Q.—Addressed to Mr. Brown. Have you searched for letter to Sir Thomas Shaughnessy? A.—Yes.

Q.—And have not found any at all? A.—No.

Q.—Would Mr. Turner's letters, written at that time, be copied in the Premier's book? A.—They would; yes; and I have searched for that—that is, an official letter written by Mr. Turner at that time would be in the Premier's letter book.

Q.—But this, I understand, was a private letter—marked private? A.—Yes; I think so; yes.

Q.—And the answer to a letter of that kind written by Mr. Turner, would that necessarily be copied into the Premier's book? A.—No, it would not; not in all probability. Mr. Turner had a private book of his own, that is, for letters of a private and semi-private nature.

Q.—Of course, this letter being marked private, it was still an official letter in a sense, it was Government business, because it was handed in to the Executive. Would a letter of that kind, dealing with the Government business, although marked confidential—would the answer to a letter of that kind be copied in the Premier's book? A.—That I cannot say. I am not cognisant of all the letters of that character that go through; I only copy what are put in my hands to copy.

Q.—Why do you think it was that it went into the Lands and Works Department, having been marked confidential? A.—I have a distinct recollection; it was a letter from Mr. George McL. Brown to Mr. Turner, and I remember that letter having been sent—I would not swear positively, but that is my recollection, that that letter was sent into the Lands and Works office.

Q.—You remember that letter— A.—It was a very short letter.

Q.—But it was a letter, at all events, that went to the Executive? A.—I don't know whether it went to the Executive or not; I handed it to the Lands and Works office. I remember it being asked for.

Q.—Did you have anything to do with drafting any Order in Council in August, 1901, in connection with the Columbia and Western subsidy? A.—No.

Q.—You did not see anything of that at all? A.—No.

Q.—Did you know anything of any instructions which were given to the Lands and Works Department by the Executive after that meeting of the Executive of the 2nd of September, 1901? A.—I have no recollection of anything in connection with the Columbia and Western land subsidy.

Mr. Gosnell—*Continued.*

Q.—This is a memoranda which was attached to the Order in Council dated the 10th of August (handing documents “A” and “B” to witness). The Order in Council recites that the lands described in memoranda “A” and “B,” from the report of the Chief Commissioner of Lands and Works dated the 10th of August, 1901, which report is said to be made in pursuance to instructions of the Executive Council on the 2nd of August, 1901. Those are the memoranda referred to. Looking at them, did they come through your hands in any way that you recollect? A.—No; I have no recollection of having had anything whatever to do with them.

Mr. McCaul: Mr. Gosnell, did you hand that letter that you speak of, yourself, to the Lands and Works office? A.—Well, of course, it is some time ago; my recollection is that that letter was asked for before it was filed. It came into the office, I remember, I think, from Mr. Turner; he handed it to me on one occasion when I was taking his letters.

Q.—That was on the 31st of July? A.—I would not like to say that.

Q.—About the date of the letter? A.—About the date of that.

Q.—Did you hand it in yourself to the Lands and Works office? A.—The letter was called for there by some person that came from the Lands and Works office, or I took it in; I am not positive upon that point, but my recollection is very clear that it was passed from our office to the Lands and Works office.

Q.—And you think you took it yourself? A.—I have a recollection, though not a positive recollection, of handing it to Mr. McNeill, whether in my office or not—

Q.—Mr. Wells was away at that time; do you recollect that? A.—Well, Mr. Wells was away about that time.

Q.—And your recollection is that you handed it to Mr. McNeill? A.—That is my recollection of the letter.

Mr. Smith: Was it sealed up when you had it? A.—No; there was no envelope on it. I got it in the usual way from Mr. Turner, in taking his letters. And it was called for before it was filed in the letter book.

Mr. McPhillips:—You said that the letter was marked private? A.—That is my recollection of it.

Q.—Where would it be marked private, do you remember? A.—I think it was marked private on the left hand corner—if that is what you mean.

Q.—Yes; you noticed that when? A.—At the time that it was handed in; at the time that I received it from Mr. Turner.

Q.—Then it had been, you assume, read by Mr. Turner, of course, previous to your getting it? A.—Oh, yes; he handed it to me with other correspondence.

Q.—With instructions of any kind? A.—Not that I remember of at the present time. I don't think there were any instructions with regard to an answer, or anything of that kind; except that it was handed to me for the purpose of filing.

Q.—For the purpose of being filed. A.—Being filed, in the regular way, with other letters.

Q.—You have not been able to find it? A.—I have not; no.

Q.—Did you read the letter, do you remember, Mr. Gosnell? A.—Well, I have an indistinct recollection that it referred to the Columbia and Western land grants, something—I have not a very distinct recollection of it.

Q.—Wouldn't it occur to you to inquire whether the memoranda referred to in connection with the letter, to inquire where it was? You say you don't recognise that memoranda that Mr. Duff handed to you. A.—No, I do not.

Mr. Duff: That memoranda is attached to the Order in Council.

Mr. McPhillips: It is rather a pertinent matter to find out whether that went with the letter. A.—No; there was nothing with the letter.

Q.—You don't remember whether the letter stated in the body of it whether there was any memoranda accompanying it? A.—I think not; it is my recollection that there was no reference to any memoranda in the letter.

Q.—What was the reference that you made to Mr. McNeill—what did you say about that? A.—My recollection of the matter is simply this: this letter had been handed in—had been handed to me by Mr. Turner, and was among the Premier's letters to be filed; Mr. McNeill or some person came from the Lands and Works Office and asked me for that letter—for a letter that had been handed to Mr. Turner by Mr. McNeill, I think for Mr. Brown,

Mr. Gosnell—*Continued.*

to the Executive ; and I took the letter out of the basket and either handed it to Mr. McNeill in my office or took it into Mr. Wells' office and handed it to him there. That is my recollection of it.

Q.—Speaking from your recollection, you think what you did, then, was confined to the delivery of the letter, but not of any memoranda such as has been mentioned to you? A.—I am quite certain. I have a very distinct recollection of that letter.

Q.—Do you remember to whom the letter was addressed? A.—The letter was addressed to Mr. Turner, I think ; I would not swear that it was, but my recollection is that the letter was addressed to Mr. Turner and was signed by Mr. George McL. Brown.

Q.—Now, Mr. Gosnell, if that letter was of such importance that Mr. McNeill would come for it to you, don't you think that the contents were more than merely a covering letter ; or what had it been, do you know? What was the nature of the letter? You see we have had, in accordance with the rules of law—I won't say we have really accounted for the loss of it, but it is equivalent to it nearly. It is the practice to index the letters with the subject-matter dealt with in the letter? A.—Yes, but this letter had not been filed, that is, it had not been officially filed in the office when it was sent out.

Q.—You had it in the basket ready for filing? A.—Yes.

Q.—But it was delivered up before that was done? A.—Yes. Letters are very frequently handed in to be filed and they are asked for before they are filed, and they are sent to that Department, of course, with the understanding that they will be sent back, or filed in some other Department.

Q.—In handing that letter out to Mr. McNeill, in ordinary course it ought to have been returned? A.—It ought to have been returned, yes, but I have no recollection of ever seeing it again.

Q.—Mr. McNeill says, so far as he knows, he did hand a certain letter into the Executive; we think that it is perhaps the same letter, although it is not perhaps exactly ear-marked yet; but, reverting again to the letter, can you say what its general contents were, Mr. Gosnell? A.—No, I could not. I know it had reference to the Columbia and Western land grant.

Q.—But more than that you don't know? A.—If I had been answering the letter, of course my attention would have been called more particularly to the nature of its contents; but, as a matter of fact, I do not go through private or official letters very particularly unless I have to deal with the matters contained in them.

Q.—But, as far as your recollection carries you, in any case, it was only a letter, no enclosure referred to in it? A.—I don't think there was any enclosure.

Q.—Well, at that time, Mr. Turner was not the Premier, of course? A.—No, he was acting Premier.

Q.—And in that way the letter came to you, did it ; you were then the Premier's secretary? A.—Yes, I was then the Premier's secretary. But the letter was addressed to Mr. Turner, I think, as acting Premier.

Q.—Although it was addressed to Mr. Turner, did it come into your hands because he was acting Premier? A.—Yes.

Q.—It did not come into your hands otherwise ; I mean, that was not the Department Mr. Turner, presided over? A.—I may say that while Mr. Turner was here I did act as his secretary as well as Mr. Dunsmuir's.

Q.—At that time you were acting as Mr. Turner's secretary as well as Mr. Dunsmuir's? A.—Yes ; I filed his letters which were not of a strictly departmental character ; that is what I mean.

Q.—When do you think this time was, Mr. Gosnell, when this letter was in your possession and got by Mr. McNeill? A.—I should have to refer to—I would have to think back as to the circumstances to connect the time.

Q.—You have no record that you could turn to? A.—I have no record, no.

Q.—But do you know whether the Premier, Mr. Dunsmuir, was in Victoria at the time? A.—I don't think he was.

Q.—Have you any recollection as to where he was at that time? A.—I couldn't say positively ; I have an idea that he was in San Francisco, though I am not sure.

Mr. Helmcken : Mr. Dunsmuir says he was here on the 31st of July, 1901. A.—I am referring to the time that Mr. Turner was acting Premier ; Mr. Dunsmuir was not in the City at that time.

Mr. Gosnell—*Continued.*

Mr. Helmcken: You are right.

Mr. McPhillips: When Mr. McNeill came to you for this letter, Mr. Gosnell, do you recollect whether he desired it for the purposes of the Lands and Works Department, or whether he was a messenger of the Executive for this particular letter? A.—Of course, this occurred two years ago, Mr. McPhillips, and there are hundreds of such things occurring all the time; but my recollection is that he came and stated that the letter was asked for, for the use of the Executive.

Q.—That he came for it and asked for it for the use of the Executive? A.—As I understood it at the time, Mr. Brown was pressing for some action in connection with the Columbia and Western, and this letter had been handed in—I believe that, I am not certain on that point—in connection with that matter, and, as I understood it at that time, the Executive were going to deal with the matter, and they wanted it for that purpose.

Q.—So that Mr. McNeill was really obtaining the letter for the purposes of the Executive? A.—For the Executive, yes.

Q.—Your recollection is, Mr. Gosnell, that when you delivered out that letter, it was before it was acted on, not after it was acted on? A.—It was before, yes.

Mr. Helmcken: Did you follow the letter up, Mr. Gosnell? Why didn't you get hold of it to index it? A.—It never was indexed.

Q.—Why didn't you get hold of it and index it? A.—As I say, when letters are sent out—it was handed to Mr. McNeill for the use of the Executive, and I expected, in the natural order of events, it would come back again.

Q.—But when it did not come back again, why didn't you get it? A.—That is a matter I have no recollection of, what happened after that.

Q.—I throw it out as a suggestion that a matter of official business like that, when a letter of that kind comes in it ought to be indexed; and when a letter comes to your Department it is your duty to get it and index it. A.—A great many letters, I may say, are handed from one Department to another before they are indexed, because they refer to matters that pertain to another Department, and it is supposed they are indexed there; in that way.

Mr. Duff: Do you know of any instructions that were given by Mr. Turner to Mr. McNeill in consequence of that letter? A.—No, I do not.

Q.—You are sure that the letter was handed out for the use of the Executive, and not to Mr. McNeill by way of instructions that some action would be taken on it, or as to some report that was to be prepared in the Lands and Works Office? A.—My recollection is quite distinct on that point, that it was asked for for the use of the Executive at that particular time.

Q.—The letter would come into your hands, you are quite clear, during Mr. Dunsmuir's absence? A.—Yes, I think so; that is my general impression.

Q.—And for the use of the Executive, in Mr. Dunsmuir's absence? A.—Yes.

Q.—Did the letter come to you in your capacity as Mr. Turner's private secretary, or as secretary of the Premier? A.—Well, that is a fine distinction: I was acting for both of them at the time?

Q.—There was nothing to mark it one way or the other? A.—No, I think not.

Q.—The manner in which it came did not indicate anything on that. Did Mr. Turner hand you the letter along with other correspondence? A.—Yes.

Q.—Did he give it to you as a letter which had been before the Executive? A.—He handed it to me, and as a letter that he had received, and without instructions at all; I took it for the purpose of filing.

Q.—Then you had no instructions to deliver it to Mr. McNeill? A.—I had no instructions at all, except that I knew that it was wanted for the Executive. It is possible that Mr. Turner may have asked me where that letter was; at all events, I gave it to Mr. McNeill when he came for it.

Q.—In the first place, Mr. Turner handed you the letter, you say, and gave you no instructions at all about it? A.—No.

Q.—And when Mr. McNeill came for the letter he told you he wanted it for the Executive? A.—Yes.

Q.—For the use of the Executive. In the ordinary course, do the letters that are wanted for the use of the Executive go to Mr. McNeill? A.—No; but that was a letter which the Lands and Works had to deal with; it was a Lands and Works matter.

Mr. Gosnell—*Continued.*

Q.—Was it not this, Mr. Gosnell, that Mr. McNeill got the letter from you for the purpose of preparing something for the Executive, and not that the letter was to go to the Executive, but that he got it for the purpose of preparing a report? A.—I know he asked for it, he said the Executive wanted to see it—he wanted it for the use of the Executive; that is all I know about it.

Q.—We have got these facts, that the letter was handed into the Executive on the 2nd of August, and the Executive took some action, the action being that they directed that a report should be made from the Lands and Works Office on the question of the Columbia and Western subsidy. A report was prepared pursuant to that direction, and an Order in Council was passed on the 10th of August. Now, are you sure that that letter was not got from you by Mr. McNeill as the basis of that report of the Lands and Works Department? A.—I have no knowledge of that subject whatsoever.

Q.—The only thing you know is that in some way it was intended for use for the purposes of the Executive by the Lands and Works? A.—No, I would not say by the Lands and Works.

Q.—Why would you give it to Mr. McNeill then? A.—Well, because it is very common for—it is common even for a clerk who has nothing whatever to do with the Executive; a Minister may ask him to come to me for a letter, and I give it to him, in the ordinary way. I may say there is no set rule in the matter.

Q.—But, Mr. Gosnell, would you do that with a letter marked private to the acting Premier? Would you, knowing that letter was marked private, hand it out to Mr. McNeill without instructions from Mr. Turner, and without distinct instructions as to what way the letter would be used? A.—Oh, yes; I would.

Q.—A letter which has been handed to you as the private secretary of Mr. Turner, would you hand it to another person without understanding specifically what it was going to be used for, and having some warrant for doing it? A.—It depends entirely upon the circumstances. I had every reason to suppose that Mr. McNeill was authorised to get that letter, and I gave it to him.

Q.—Did this occur, or does your recollection enable you to say whether or not this did occur, that Mr. Turner instructed you to hand that letter to Mr. McNeill? A.—No; I am sure there were no instructions to that effect.

Q.—Well, you think you would hand that letter out without instructions from somebody, excepting Mr. McNeill himself? A.—I knew it was a matter that had to do with the business of the Lands and Works Department; and when Mr. McNeill came for it I naturally concluded he was authorised.

Q.—But here was a private letter addressed to Mr. Turner, which was handed to you by Mr. Turner, as you say, without any instructions whatever. Even although it did deal with a matter which the Lands and Works Department had to do with, would you, without any warrant from Mr. Turner, or consulting him at all, give that to Mr. McNeill?—Not Mr. Wells, but to Mr. McNeill?—would that be the ordinary course, I mean? A.—Well, there are no rules governing such matters at all.

Q.—I don't mean that. A.—It is a mere matter of ethics.

Q.—Would it be your duty as secretary? A.—It would not, but we have daily official relations with each other, handing correspondence backwards and forwards, and we don't ask for written instructions from a Minister.

Q.—I don't suggest written instructions. A.—Or verbal instructions either.

Q.—But you would not certainly hand that to Mr. McNeill without knowing that it would be Mr. Turner's desire? A.—Without believing it would be.

Q.—But your belief would amount to a certainty, wouldn't it, before you would do it? You wouldn't take chances? A.—Mr. McNeill is secretary of that Department; and we naturally conclude when a man comes asking for a certain letter, in that case, he is authorised to ask for it.

Q.—What ground had you for supposing that Mr. Turner desired you to give that letter to Mr. McNeill, a private letter, unless you had instructions, or something which practically to your mind amounted to instructions? A.—Because I knew at the time that the Columbia and Western matter was being dealt with, and I knew naturally—

Q.—Would that be a sufficient ground for giving a private letter out, alone in itself, to Mr. McNeill? A.—Well, now, that is a matter of ethics, Mr. Duff.

Mr Gosnell—*Concluded.*

Q.—Not at all; I am not asking you a matter of ethics, but as a matter of practice as private secretary to a Minister. You have had a good deal of experience. It would occur to one that the most likely thing that would have happened, unless your recollection is absolutely certain, would have been that, in view of the circumstances, Mr. Turner would have asked you to turn that letter over to Mr. McNeill for the purpose of preparing documents pursuant to order of the Executive. But you seem to think that you handed the letter over without any authority from anybody to do it, although it is marked private. A.—It is possible there may have been telephone messages in connection with it; you see it is two years ago.

Q.—But you would hardly go so far as to say positively that you did not receive something— A.—No, I would not like to say.

Q.—which amounted, in your opinion, to instructions from Mr. Turner to give that letter to the Lands and Works Department? A.—I might have had instructions; I cannot recollect at the present time.

Q.—Wouldn't you say, also, this, that you would not, in the ordinary course, have handed that letter to Mr. McNeill without having something that amounted to instructions, or being perfectly certain in your mind that it was Mr. Turner's desire that you should give it to him? A.—In all probability, if Mr. McNeill had asked me for it in the ordinary way, I would have given it to him without any instructions.

Q.—Have you searched for a covering letter addressed to Mr. Brown, enclosing a copy of an Order in Council of the 10th of August; it was approved on the 4th of September, but it passed on the 10th of August, 1901. That is a letter we have been looking for and have not been able to get yet. A.—10th of August.

Mr. McCaul: At any rate your recollection is clear that that letter was handed to Mr. McNeill for the use of the Executive? A.—Yes, I am quite certain of that; and I wish to assure the Committee that I know absolutely nothing more about the matter other than that; I have no desire to conceal anything.

Mr. Duff: I am not suggesting that, Mr. Gosnell.

Witness stands aside.

Mr. McCaul: When I was examining Mr. McBride yesterday I was trying to fix the dates of two meetings of the Executive, one of the 31st of July and another of the 2nd of August, and the fact that Mr. McBride was present at them and that Mr. Wells was not present at either of those two meetings. I can prove that by calling Mr. McInnes, who has since looked at the minutes.

HON. W. W. B. McINNES, being re-called, testifies as follows:—I think, if you will allow me to say so, that the correct way would be to call one of the members of the Executive who has refreshed his memory by looking up the entry, to give the evidence. Personally, I can give no evidence on the point.

Mr. McPhillips: The handwriting of the minute is that of Mr. McBride? A.—Well, I cannot swear to the handwriting.

Mr. McCaul: I will call Mr. Prentice then, after he has had a chance to look at the minutes.

Witness stands aside.

HON. J. D. PRENTICE, being re-called, testifies as follows:—I have looked at the minutes; I looked at them yesterday. The regular minutes were discontinued some time in May. I used to keep those minutes, but I was away from time to time, and they were kept on slips of paper, and very irregularly kept after May. Up to May they were kept with regularity and read at the following meeting and signed by the President of the Council. I have gone through those minutes since May as to this point, and I can find no trace of meetings on those dates.

Mr. McCaul: No trace of any meeting on the 31st of July or 2nd of August in the minutes? A.—No.

Mr. Duff: Or the 10th of August? A.—On the 10th of August, 1901, no.

Mr. Duff: Would you mind stating how long that hiatus extends? A.—From May, 1901.

Q.—Down to the present time? A.—Down to the present time, well, down to the time that Mr. McInnes became Provincial Secretary.

Hon. Mr. Prentice—*Continued.*

Q.—As a matter of fact, during that period the practice of taking minutes of an Executive meeting was practically discontinued? A.—Minutes were kept, but very irregularly kept; they were kept on slips of paper and they are kept in the book. If you desire I will make a more perfect search.

Mr. McPhillips: Do you feel yourself at liberty to tell the Committee who were present at the time the Order in Council of the 18th of March, 1902, was passed, cancelling the Crown grants? A.—I feel quite at liberty to; we were all present.

Q.—The Executive, consisting of whom? A.—Mr. Dunsmuir, Col. Prior, the Attorney-General, Mr. Wells and myself.

Q.—And there was also an Order in Council passed rescinding that Order in Council granting these lands to the British Columbia Southern (showing document to witness); it bears date the 19th of December, 1900. A.—There were present at that meeting—by referring to the minutes yesterday—minutes were kept then—Mr. Eberts, Mr. Wells, Mr. Turner and Mr. McBride.

Mr. Duff: Which meeting was that? A.—19th of December, 1900.

Mr. McPhillips: That was when the two Orders in Council, Nos. 721 and 722, were dealt with (handing documents to witness)? A.—Yes.

Mr. Duff: I want to ask Mr. Prentice some questions, but I don't know whether I should proceed now.

The Witness: I am quite ready to go on.

Mr. Duff: You were not present, Mr. Prentice, I understand, at either of the meetings of the 2nd of August or 10th of August, 1901? A.—I don't remember about any meeting on the 2nd of August. I was not present on the 10th of August. The 10th of August, I know, I was not in Victoria. The correspondence in what was then my Department, the Provincial Secretary's office, several letters state that in the absence of the Provincial Secretary, and so on—they were drafted in that way. On the 10th of August, I think, I was in Rossland.

Q.—At all events, on the 10th of August this Order in Council was passed that we have been referring to, and you were not present on that date? A.—I was not present at that time; I was not in Victoria.

Q.—Now, referring to the 2nd of August, Mr. Prentice, the Order in Council of the 10th of August recites that the lands described in the memoranda referred in a report of the Chief Commissioner of Lands and Works dated the 10th of August, 1901, made in pursuance of instructions from the Executive Council of the 2nd of August, 1901—that is, that the meeting of the Executive Council of the 2nd of August, 1901, evidently gave instructions to the Chief Commissioner of Lands and Works with regard to these lands referred to in memoranda "A" and "B." That might refresh your recollection. Were you present at any meeting of the Executive at the time that was dealt with? A.—No, I was not. I have not satisfied myself that I was not here on the 2nd of August, but I have that I was not here on the 10th of August.

Q.—But I want to know whether you were at either of the meetings of Council in which this question of subsidy, at least transferring the blocks A and B from the British Columbia Southern to the Columbia and Western, was dealt with? A.—I am perfectly sure I was not.

Q.—You are quite sure about that. You have stated in your evidence already that, prior to Mr. Wells' departure for Montreal, you and Mr. Wells had a meeting with the Premier in Mr. Wells' office? A.—Yes.

Q.—And that there was an understanding then that before the Crown grants for deficiency blocks A and B should be delivered to the Railway Company that some arrangement should be made between Mr. Wells and the Railway Company for the extension of the Railway Company's line in a westerly direction to Spence's Bridge? A.—Yes.

Q.—Now, Mr. Wells' instructions on that were positive, I gather from what you said? A.—I understood them to be.

Q.—You understood them to be positive. Mr. Eberts was the only other member not present at that time? A.—I think he was the only one absent.

Q.—He was the only one absent. So that three out of four members of the Government, a day or two before Mr. Wells left for Montreal, settled upon that positively? A.—Yes, that was clearly understood, I think, at the time; that is my recollection of it.

Q.—I think also you said that was the result of your view, that these lands were very valuable? A.—My recollection of it is that I was aware in 1900, on the 10th of September,

Hon. Mr. Prentice—*Continued.*

1900, when the question of these lands first came up—I was aware then that there was an extra value attaching to these lands. That is my recollection of it; in fact, I am absolutely positive about it; that I knew there was an extra value attaching to these lands on the 10th of September when these lands were first discussed; and when the Government then refused to give them in connection with the lieu lands of the B. C. Southern, there was full discussion in Council and the Government decided—I don't know whether I am giving away Executive secrets, but, at all events, the lieu lands of the B. C. Southern were given to the north, and those lands were refused.

Q.—Were you present at the meeting of the Council, then, in which that was afterwards changed from the B. C. Southern. A.—No, I was not.

Q.—You were not present? A.—No.

Q.—I understand from Mr. Wells' evidence that the suggestion at that meeting with regard to the condition that was to be imposed, namely, the extension of the Canadian Pacific Railway line westward, was made by him? A.—I don't remember what suggestion was made by him, or what was made by Mr. Dunsmuir or myself. I remember that Mr. Dunsmuir took a very keen interest in the matter, and went into the matter, and I think got to understand more about it than he had before. And I know we were all of the opinion that those Crown grants were not to be delivered up, and Mr. Wells was so instructed, unless he could get an extension of the railway to Spence's Bridge, and also the question of getting the return of certain lands from the C. P. R.; it had to be a bargain, and it was so concluded, it had to be a bargain that would enure to the benefit of the Province.

Q.—It had to be a *quid pro quo*? A.—It had to be a *quid pro quo* and a good *quid pro quo*.

Q.—There was no doubt that the C. P. R. was entitled to some 900,000 acres of land, roughly speaking, as deficiency lands, for the construction of section 3? A.—Yes, entitled to something; I don't know the acreage.

Q.—Well, we may assume that that is the amount? A.—I think it was about 900,000 acres.

Q.—900,000 acres? A.—In connection with section 3.

Q.—And these two particular blocks made altogether 600,000 acres? A.—Yes, made altogether in the neighbourhood of 600,000 acres.

Q.—But, at all events, you considered them so valuable that you felt you were justified in demanding a very substantial *quid pro quo* before these lands were handed over? A.—I presume that undoubtedly was one of the reasons.

Q.—That was the view you acted on? A.—Undoubtedly, one of the reasons; yes.

Q.—Now, when Mr. Wells returned, I suppose he reported to you the result? A.—I knew from Mr. Wells—I was away when Mr. Wells returned; I think I had gone to Halifax to my wife—but immediately I returned I learned from Mr. Wells that he had brought the Crown grants back, that he failed in his mission, failed to get better terms from the C. P. R. I knew it at once.

Q.—Have you any explanation of the failure to cancel the Crown grants for so long? A.—Well, Mr. Wells was ill after that; and I think his explanation is about the correct one, that we were busy with Canadian Northern things and the matter was allowed to drift. It simply was not taken up. That is my recollection of it.

Q.—What brought it to a head, do you remember—I mean to say, the question of cancellation? A.—Mr. Dunsmuir told you the other day what brought it to a head.

Q.—I mean to say, you concur in Mr. Dunsmuir's statement with regard to that? A.—Certainly; yes.

Q.—That Mr. Dunsmuir himself brought the matter to a head when he learned from Mr. Wells what had taken place in Montreal? A.—Yes.

Q.—I mean to say, the proposals of Mr. Taylor? A.—Yes; Mr. Dunsmuir told you the facts. I think it was on the 15th day of March, so far as I recollect, when Mr. Wells gave me this information. I went to Mr. Dunsmuir either the same day or the next day; I think I went both days. I drove to Mr. Dunsmuir's house and informed him of the offer Mr. Wells had told me. At that time I understand Mr. Dunsmuir was bringing pressure on Mr. Wells to deliver up those Crown grants; Mr. Wells informed me that Mr. Dunsmuir was pressing him to deliver up the Crown grants.

Hon. Mr. Prentice—*Continued.*

Q.—To deliver up the Crown grants to the Canadian Pacific Railway? A.—To deliver up the Crown grants to the Canadian Pacific Railway; and Mr. Wells was very anxious indeed about it; and he was forced into confiding to me exactly what had been said. I drove out the same day, or the following day, to Mr. Dunsmuir; and the result was that the Crown grants were cancelled; on the 18th of March it was brought to a head.

Q.—Now, the point I would like a little light on is this: It appears to have been quite distinctly understood among you, prior to Mr. Wells' departure for Montreal, that the question of building westward was a condition precedent to the delivery up of those grants. When you found out that the C. P. R. were unwilling to enter into that arrangement, why was it that the question of the delivery of the Crown grants still remained an open question? A.—Well, I don't know. There may have been negotiations going on about which I knew nothing, after that.

Q.—So far as you are concerned, before Mr. Wells left you thought the matter was settled, if the C. P. R. refused to agree to the proposition? A.—As far as I knew: Still, there may have been other negotiations; there may have been an offer come back from the C. P. R.

Q.—The members of the Government at that time, I think you said, at the meeting of the Executive Council all the members were present. I don't want to ask you what occurred at the meeting of the Executive, but can you tell whether or not all the members of the Government were aware of the grounds on which Mr. Dunsmuir was acting at the time of the cancellation of the grants; I mean to say, was the matter discussed among you generally? A.—I don't know that I ought to state that, or not, in view of that oath of office you have got there.

Q.—I do not want to press you to say anything, if you think conscientiously you ought not to say it. A.—Let me see the oath (document handed to witness). I have no wish to keep anything back; absolutely no wish.

Q.—I understand that. Do you know whether Mr. Dunsmuir made known to all the members of the Government the ground on which he was acting? A.—I believe Mr. Dunsmuir made that known outside of the Executive altogether.

Q.—Then, of course, you can state. A.—Mr. Dunsmuir himself would be able to tell you better about that; I could only say from hearsay.

Q.—I won't press you any further on that.

The Committee here adjourned until 2:30 p. m. to-day.

WEDNESDAY, May 6th, 1903.

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

HON. J. D. PRENTICE in the witness-box; further examined by Mr. Duff:—

Q.—Before the meeting of the Executive at which the Crown grants were cancelled and the Order in Council was rescinded, Mr. Prentice, do you remember whether Mr. Dunsmuir stated to the other members of the Executive that, as far as he was concerned, he was going to insist on the Crown grants being cancelled? A.—Before the 18th of March?

Q.—Yes. A.—Stating to the Executive?

Q.—No; stating to other members of the Executive? A.—I don't remember Mr. Dunsmuir mentioning it to me at all.

Q.—No; you don't remember that; and you did not hear him say anything about it? A.—No.

Q.—Now, there is no doubt, however, that at that time, as expressed in the action of the Executive on that date, the policy of the Government was fixed that these deficiency blocks were not to be granted to the Columbia and Western Railway Company? A.—That policy was fixed before Mr. Wells went to Montreal, unless certain conditions were granted by the C. P. R.

Q.—But I mean to say, quite independently of these conditions, that came down on the 18th of March? A.—I don't think the matter had been discussed in Council in the meantime.

Q.—You don't think it had been discussed in the meantime. But the determination of the Government at that time, I mean at or about the 18th of March, 1902, as expressed in

Hon. Mr. Prentice—*Continued.*

the Order in Council of that date, was that these lands were not to be granted to the Columbia and Western Railway? A.—Yes; undoubtedly, that was in the Order in Council of the 18th of March.

Q.—Now, was there any change in that policy at all subsequently? A.—Subsequently to the 18th of March?

Q.—Yes. A.—No; certainly not.

Q.—No change whatever? A.—No; certainly not.

Q.—Now, you mentioned in your previous evidence the fact that there was a Bill introduced in the session of 1901 dealing with the Columbia and Western subsidy; and you also stated that that was a Bill that you had no knowledge of. That appears in your evidence. A.—I have not seen my evidence.

Q.—I will give you that, if you like. I only want to ask you a little further explanation of your language. I will read you what you said,—page 252: “I have forgotten about that Bill”—that was the Bill of 1896 you had forgotten about—“that is too long ago. I thought you were referring to the Bill of last session. (Q) There was one put in and withdrawn. (A) I don’t know anything about that. (Q) But, in any case, it would seem the British Columbia Southern Railway Company would stand as being entitled to these particular lands. (A). The Orders in Council would show. But I wish it to be distinctly understood that I don’t know anything about that Bill of May, 1901.” A.—That is it, exactly; nobody else either, as far as I can make out.

Q.—Well, do you mean to say—? A.—There is no record of it at all.

Q.—But you know there was a Bill? A.—I know it from the record of the House. I don’t remember anything about it. It must have been, if it was introduced at all—I don’t believe it was ever introduced, but if it was brought down, it must have been brought down very late in the Session.

Q.—Have you ever heard of a Bill brought down on the last day of the Session, together with a message from the Governor? A.—That is 1900?

Q.—No, 1901. A.—No, the Session of 1901 it must have been.

Q.—I am perhaps misusing language when I say brought down; but I mean to say the Bill was prepared. At least I ask you the question whether you don’t know that the Bill was prepared, or there was a message from the Governor, and the Bill, for some reason, was not introduced? A.—No; I don’t know anything about that.

Q.—Now, a letter has been put in here dated the 15th of May, 1901, addressed to Mr. Brown and signed by Mr. Dunsmuir. The 15th of May, 1901, would be a few days after the close of the Session; the Statutes show that the Session closed on the 11th,—I mean to say the Bills were assented to on the 11th. This letter is as follows:—

“15th May, 1901.

“G. McL. Brown, Esq., Executive Agent

“Canadian Pacific Railway Co., Vancouver.

“SIR,—Referring to your application for an extension of the time for earning the land subsidy of the Columbia and Western Railway, I am authorised to say that the Government will introduce at the next Session of the Legislature an Act authorising the Lieutenant-Governor in Council to grant the lands in respect of the fourth section of the Railway (Christina Lake to Midway) which has been completed.”

I suppose you knew about that? A.—I always understood and still believe that the C. P. R. were entitled to their subsidy for the fourth section.

Q.—You must have known about the letter? A.—I must have known; but, at all events, I agree with it.

Q.—Was there, to your knowledge, any other agreement made between the Government, or any member of it properly authorised, and the C. P. R., or the Columbia and Western, with reference to this subsidy, any other agreement than is expressed in this letter? A.—Between the Government and the Columbia and Western?

Q.—Between the Government and the C. P. R. or the Columbia and Western? A.—No; not to my knowledge.

Q.—Was there any arrangement that you are aware of by which this was altered in any way? A.—Let me read that, to see exactly what it is. (Letter handed to witness.) No, I don’t know anything altering that.

Q.—Mr. Prentice, this Bill, No. 76 (handing witness Sessional Papers, 1901, page 6, Columbia and Western Railway Subsidy Act Amendment), do you know anything about that Bill, the contents of it? A.—No, I do not. That is the one you have been talking about.

Hon. Mr. Prentice—*Continued.*

Q.—That is the one you never saw? A.—That is the one I never saw.

Q.—After the Order in Council of the 18th of March, do you know of any arrangement made between the Government and the C. P. R. or the Columbia and Western touching the subsidy for the fourth section? A.—I do not.

Q.—Then this Bill, No. 87, which was introduced in 1902, was, I suppose, introduced pursuant to this letter of Mr. Dunsmuir's of the previous year? A.—I think so; yes.

Q.—Did you observe that under that Bill the Columbia and Western Railway Company were given the power to select the land themselves? A.—Yes; but I understood that Bill, and do understand it still, while power is given, the Government need not grant it. There was no change of policy so far as the Government is concerned. It was never intended by that particular Bill that we should give these particular lands.

Q.—But in the Act of 1896, the original Subsidy Act, of which this Bill 87 was intended to be an amendment—the original subsidy of the Columbia and Western Railway Company—authorised the Governor in Council to grant lands to be selected by the Governor in Council; while this amending Act commands or directs that there shall be granted to the Columbia and Western Railway Company a certain subsidy, and that these lands are to be selected by the Company, and not by the Lieutenant-Governor in Council. Having that in view, you still say that there was not intended to be any change of policy with regard to that? A.—I say so most positively, yes.

Q.—And so far as the subsidy of the Columbia and Western was concerned, as far as you are aware at all events, the intention was that the only alteration that was to be made was that the Company should be entitled to the subsidy for the fourth section notwithstanding the non-completion of the fifth section? A.—That is so. Otherwise there would be no need for legislation at all.

Q.—That the Government were to be in the same position precisely with regard to their discretion with regard to the selection of the land and the granting of the land. A.—Well, the Act speaks for itself. But so far as the policy of the Government is concerned it was not changed at all.

Q.—I was not asking you with regard to the construction of the Act. Of course the Bill speaks for itself. A.—The Bill; that is right.

Q.—It was stated by Mr. Brown in his evidence that the proposal that these deficiency blocks should be granted to the Columbia and Western Railway Company came from the Government. Did you make any such proposal to the Columbia and Western Railway Company, or to any person on behalf of that Company? A.—No.

Q.—Excepting, of course, the copy of the minute of the Order in Council, which, I suppose, would be sent through your office to Mr. Brown? A.—It may have been.

Q.—It may have been apart from any formal communication of that kind. A.—I made no offer at all.

Q.—Were you at any time aware, or are you aware, of the Government, or any member of the Government, or any person on behalf of the Government, approaching the C. P. R. or the Columbia and Western Railway Company, or proposing to them, that these two blocks should be taken by them? A.—No; I am not aware of any such.

Q.—So far as you know, the proposal came from the Columbia and Western Railway Company; or do you know anything about it? A.—I don't know anything about it.

Mr. McCaul: To clear up the minutes, to see if there were any minutes of the 31st of July and 2nd of August, 1901—did you make a further search? A.—Yes. I found two memoranda in my own handwriting, showing that we were all present except Mr. Wells. Those minutes deal with other things, they do not refer to the Columbia and Western land grants, or any other land grants.

Q.—The minutes of the 31st of July or the 2nd of August? A.—Of the 31st of July or the 2nd of August. And the minutes go to show that we were all present except Mr. Wells; but they did not apparently deal with any land grants at all.

Mr. Duff: Is there anything with regard to the 10th of August? A.—No.

Mr. McCaul: I suppose these matters might have been referred to without any special minute taken of it? A.—It is quite possible; yes. Although, as I stated in my evidence, I am pretty well positive they were not discussed before me. There might have been two meetings the same day.

Hon. Mr. Prentice—*Continued.*

Mr. McPhillips: Mr. Prentice, with respect to the discussion that took place between Mr. Wells and the Premier when you were present, previous to Mr. Wells going to Montreal, was that the discussion of terms or conditions that would be proposed to the Columbia and Western, quite apart from any conclusion of the Executive in the matter? A.—I never understood that the transaction had been completed. This was merely following out the negotiations. Mr. McBride gave the same evidence the other day.

Q.—Yes; but as I drew the attention of Mr. McBride, I also draw your attention to the fact, that the Order in Council in itself would appear to be complete. It says “in full satisfaction of the subsidy for sections one and three.” A.—Yes. Well, I never saw that Order in Council until here the other day.

Q.—But your notion of it was, too, that it was not a concluded decision of the Government. A.—That was my impression, yes.

Q.—Although it would seem to be in terms. It says “in full satisfaction of subsidies for sections one and three.” A.—Yes; but I never saw that Order in Council.

Q.—You had never seen that even before Mr. Wells' going to Montreal? A.—No.

Q.—What I particularly wish now, Mr. Prentice, if you could give it, would be this; whether following the Order in Council of the 10th of August, assented to by the Governor on the 4th of September, 1901—whether following that in any way, up to the time of Mr. Wells' going to Montreal, the Executive, as such, ever changed the position of matters and added some other term? A.—I don't remember that it was dealt with in Executive, at a regular Executive meeting after that.

Q.—Then, Mr. Prentice, in what way do you view the position of things as a Minister of the Crown, and still a member of the Government, with an Order in Council such as that is, reading as it does—what view do you put upon it, when it is stated that, we will say at best, three Ministers propose to ask some further terms? A.—Well, my opinion was that the very fact of Crown grants having been created did not convey title. Notwithstanding the fact that those Crown grants were in existence, so long as they were not delivered to the C. P. R., the C. P. R. got nothing, and the transaction was not concluded. No matter what that Order in Council might have stated.

Q.—But then, don't you think it would have been a right thing that the Government should come to some conclusion as a whole and not in part? A.—I don't express any opinion about that. Many things may be better.

Q.—Well, at any rate the Order in Council of the 4th of September, 1901, was standing when Mr. Wells went to Montreal—intact? A.—Of the 10th of August—or the 4th of September if you call it;—I presume so.

Q.—Yes. And no further term had been proposed by the Executive to the railway? A.—Those negotiations did not come through me. I may tell you frankly that I have not had correspondence or conversation with anybody outside the Executive with regard to those things. There may have been negotiations going on with Mr. Wells and I know nothing about it.

Q.—But you are at liberty to say, Mr. Prentice, aren't you, that there was no Executive act changing the Executive act of the 4th September, 1901—? A.—I think there was not.

Q.—previous to Mr. Wells going to Montreal? A.—I think not.

Q.—Certainly this meeting between the Premier and Mr. Wells in your presence was not a Cabinet meeting? A.—No, it was not a regularly called Cabinet meeting.

Q.—And you would not term it an Executive decision arrived at there? A.—No; although very often there are irregular meetings held.

Q.—But there was no act, at least there was no recorded decision of the Executive Council following that meeting? A.—But there need not be any recorded meeting of the Council. Many things are decided in Council that are not recorded.

Q.—Well, would you say that that was a decision of the Government arrived at then and there; that some further terms should be imposed on the C. P. R. by Mr. Wells? A.—Mr. Eberts was not present at that meeting. There were only four of us in the Government then. But I considered it binding upon Mr. Wells, most assuredly.

Q.—But it was not a regularly called Cabinet meeting? A.—No; it was an irregular meeting, if you like to call it—it was not a regularly called Cabinet meeting, no. I think that I went into Mr. Wells' room by accident. However, I cannot say.

Hon. Mr. Prentice—*Continued.*

Q.—You would not really consider a meeting of that kind as being the deliberative act of the Lieutenant-Governor in Council, that is subject to assent later? A.—I don't know what construction would be placed on that. I consider Mr. Wells was bound by it.

Q.—Well, what do you say that that decision was, Mr. Prentice, the decision come to then and there? A.—It was that Mr. Wells should take those Crown grants with him to Montreal and should only deliver them to the C. P. R. if he was able to secure concessions from the C. P. R. by way of railway construction and by waiving a certain acreage of the land. That is to say, he was to make a bargain, as I stated before, a bargain that was to be for the benefit of the Province; otherwise, he would bring the Crown grants back with him.

Q.—Then you understood Mr. Wells was in an inhibition from handing over those Crown grants unless there was a railway built from Midway to Spence's Bridge, and unless they accepted those Crown grants for six hundred and odd thousand acres in full satisfaction of their right to some 896,000 acres? A.—I have forgotten the acreage.

Q.—Well, approximately, 900,000 acres, as against 600,000? A.—Yes.

Q.—You then understood that Mr. Wells took those Crown grants, with those conditions engrafted upon it? A.—I certainly did; yes.

Q.—Now, Mr. Wells then, according to your view, Mr. Prentice, would not have been entitled to have handed those Crown grants over to Sir Thomas Shaughnessy, or anybody representing the Columbia and Western Railway Company, without those conditions first having been agreed to? A.—He would not have been entitled to do that; no.

Q.—Well, were you, to your knowledge, or any member of the Government, to your knowledge, advised during Mr. Wells' absence in Montreal that he was there meeting with success or had failed to achieve this end? A.—No; I was not.

Q.—You did not know one way or the other? A.—No.

Q.—Was it understood with Mr. Wells as to how he would crystallize these conditions if they were agreed to? A.—No.

Q.—That there should be, for instance, an agreement? A.—No; no details were arranged.

Q.—Was he instructed to consult counsel in Montreal? A.—No; I think not; not that I remember of.

Q.—And be careful that the thing was on proper grounds? A.—Not that I remember of. He is the Minister of the Department, I presume he would do that in any event.

Q.—Was Mr. Wells advised by the Premier or yourself, or was it the united opinion of you two, that he preface the position to Sir Thomas Shaughnessy by saying that the subsidies were forfeited? A.—No; that was not discussed.

Q.—The Chief Commissioner of Lands and Works says that in his memorandum. A.—But in my evidence before I said I presumed that was used as a sort of argument or lever with the C. P. R. That was not discussed between Mr. Dunsmuir, myself and Mr. Wells.

Q.—Now you said, Mr. Prentice, in your examination, I think, that on the 10th of September, 1900, you personally became aware of the value of these particular blocks of land being greater than that, speaking of land generally, in that neighborhood? A.—Yes, I certainly was aware of that.

Q.—On the 10th of September, 1900? A.—Yes.

Q.—Well, we have had it here from Mr. Gore that there is no geological data in the Lands and Works Department, and we have had it from Mr. McBride, the then Minister of Mines, that he had no data in his office. Upon what do you base your knowledge? A.—My recollection is that it was stated before the Executive that it was valuable.

Q.—Who had said that? A.—I would not swear to it, but my impression is, Mr. Gore.

Q.—I think you are right. A.—He explained that a great many applications had been made in his office, and that this land was supposed to be valuable. That may be all I have heard. I have no special knowledge at all of the value of those lands. I could not swear that it was Mr. Gore, but that information came to me some way.

Q.—Yes; Mr. Gore said in his evidence yesterday that for seven or eight years the Department had been in receipt of applications both for coal licences and petroleum licences? A.—That was within my knowledge on the 10th of September, 1900.

Q.—Yes. Then on the 20th of September, 1900, an Order in Council was passed giving these same identical lands to the British Columbia Southern Railway Company, was it not? A.—The 19th of December.

Hon. Mr. Prentice—*Continued.*

Q.—19th of December? A.—I understand so; yes.

Q.—Now, there is no question about it, Mr. Prentice, that these lands were in a reserve set apart for settling the land grant of the British Columbia Southern Railway Company, is there? A.—I have no knowledge of that. I always understood that both those blocks were reserved for railway purposes.

Q.—But don't you remember that they were reserved for the British Columbia Southern Railway Company? A.—I believe the Gazette at that time does not state so.

Q.—No; but the Columbia and Western Railway Company was not in existence at all at the time that reserve was placed upon the land? A.—I don't remember the dates, but it was long before my time that that reserve was put on.

Q.—Well, with your knowledge on the 10th of September, 1900, of the peculiar or likely increased value of these particular lands over and above other lands, nevertheless, the Government granted them to the British Columbia Southern Railway Company, did they not? A.—I understand so; on the 19th of December.

Q.—1900. Were you then a member of the Government? A.—I was a member of the Government.

Q.—Yes. Well, did you engraft any condition? A.—When I say granted them—there was an Order in Council passed, that was following up the negotiations; there was nothing concluded then, notwithstanding the Order in Council.

Q.—But in passing that Order in Council of the 19th of December, 1900, did you then, or at a later period, consider it right to impose any further conditions upon their being taken over by the Railway Company? A.—That was only part of the negotiations; that was never consummated. No Crown grants were issued them. That Order in Council was rescinded later.

Q.—I know. But if I remember right, that Order in Council was assented to on the 9th of September, 1901, and you passed an Order in Council on the 10th, confirmed on the 4th of September, granting the self-same lands to the Columbia and Western Railway Company. You observed that, didn't you, when you examined the two Orders? A.—I think you are confusing the dates. The one of the 10th of September was the 10th of September, 1900, when the lands were first dealt with.

Q.—No, on the 10th of September, 1901, an Order in Council was approved giving these self-same lands to the Columbia and Western Railway Company; but, as a matter of fact, the Order in Council rescinding the Order in Council of the 19th of December, 1900, was not assented to by the Lieutenant-Governor until the 19th of September, 1901? A.—The Order in Council of the 19th of December, 1900, was not assented to—

Q.—Was not rescinded until the 19th of September, 1901? A.—Yes, that is right, I believe.

Q.—You observed that when I examined you before? A.—Yes; that is right.

Q.—But what I want to get at now, Mr. Prentice, if you have any knowledge of it, is this: it might be assumed that the British Columbia Southern Railway Company had some vested right—it is open, anyhow, to argument—in these particular blocks of land, which, by some means or other, was given to them, either at the request of the British Columbia Southern Railway Company or voluntarily by the Government; this Committee, perhaps, does not know; but I wish to draw your attention to this, that the British Columbia Southern Railway Company had these particular blocks of land set apart for them; in fact, they were entitled under that Order in Council of the 19th of December, 1900, to these particular lands; but that Order in Council was rescinded, and the self-same lands were given to the Columbia and Western Railway Company. What I want to find out is this: whether at that time the Government was asking from the British Columbia Southern Railway Company any further concessions, before they could get these lands, than the terms of the Order in Council of the 19th of December, 1900? A.—That I don't know.

Q.—You don't know? A.—I am not aware; no. I was not present on the 10th of August when that Order in Council was passed—or on the 19th of December.

Q.—It might be argued later that it would not be right to impose a condition, in that their rights were given up under the Order of Council of the 19th of December, 1900. A.—I see your point.

Q.—It was not applicable to them under the Order of Council of the 19th of December, 1900? A.—Oh, I don't think that would hold. I think we were entitled to make any further grants we liked, until the matter was finally settled.

Hon. Mr. Prentice—*Continued.*

Q.—Well, what you say is that you don't know of any such thing, but you always thought it was open to the Government to impose conditions? A.—I do; yes; or refuse to give those lands altogether.

Q.—Now, Mr. Prentice, coming to the time when Mr. Wells came back from Montreal, would you say that immediately upon your return you were advised of the fact that he had not handed over these two particular Crown grants? A.—I was aware of it.

Q.—You were, you say, early after his return? A.—Mr. Wells returned, and I was away at the time; I was in the East myself. But I knew when I returned, immediately; I don't think there was any time lost in informing me of it.

Q.—What month would you place that in, Mr. Prentice? A.—Very early in January, I should say.

Q.—1902? A.—Yes.

Q.—I think you said—correct me if I am wrong—that after Mr. Wells returned, Mr. Dunsmuir, the then Premier, expressed surprise—or I don't know whether it was surprise, but when spoken to about these Crown grants not being delivered over, he took some steps to have them delivered over. A.—I think you ought to ask Mr. Dunsmuir himself about that. I can only give you hearsay evidence on it. It would not be considered evidence at all. And I am not aware of what negotiations were going on. If Mr. Dunsmuir did so, I don't know what his object was or what his reasons were.

Q.—But then you knew, in any case, early after Mr. Wells' return, that those conditions that were imposed were not complied with? A.—Certainly.

Q.—Well, then, would not the natural corollary to that be this, that under any condition of things, unless those were agreed to, these Crown grants could not be delivered over? A.—There might be further and other conditions agreed to later, or fresh conditions.

Q.—Well, following on that, there was no Executive act proposing any conditions? A.—No; I don't remember.

Q.—And, later on, the Order in Council of the 18th of March, 1902, was passed, rescinding the Order in Council of the 4th of September? A.—Yes.

Q.—Do you say that that Order was passed consequent upon those conditions that Mr. Wells was asked to exact in Montreal not being agreed to? A.—That was the primary reason, I believe.

Q.—That was the primary reason you believe. A.—Although the climax came from another reason, which has been given to this Committee.

Q.—Well, that was part of the reason, anyhow? A.—That was the primary reason.

Q.—Well, will you say—I don't know whether you are at liberty to say, but you will be guided by your own discretion—but did it come within the knowledge of yourself and colleagues, or some of them, that, throughout in this matter, neither the British Columbia Southern Railway Company nor the Columbia and Western Railway Company were entitled to these lands in respect to the rights that they did have under the respective land subsidy Acts? A.—Because they were not contiguous to the line of railway, and so on?

Q.—Or any other statutory reason? A.—That point was discussed in Executive, I believe.

Q.—But that was not held to be applicable to the British Columbia Southern at all; it was dealing with the Columbia and Western? A.—I don't remember. I know that point was raised after the Crown grants had been issued—after the Order in Council of the 10th of August. An opinion was got from the now Chief Justice. That opinion, I believe, is dated subsequently to the 10th of August—in October.

Q.—Dated 21 days after the date of the Crown grant. A.—Which, as I said before, all goes to show that this transaction was not completed. Because, notwithstanding the fact that these Crown grants were in existence, we were still trying to find out whether the Government had the power to give those lands in connection with the Columbia and Western. The Crown grants were in existence, I believe, then, and we were asking advice as to the legality of giving those lands at all. I believe the advice was to the effect that they could be given.

Q.—But did the Government come to a decision on that point; are you at liberty to say? A.—I am not at liberty to say. And I do not remember either.

Q.—Did they become satisfied that there was the power to grant them? A.—I presume they did.

Hon. Mr. Prentice—*Continued.*

Mr. Helmcken: The Crown grants, Mr. Prentice, are dated the 3rd of October, 1901, and Mr. Hunter's opinion is dated the 24th of October. A.—Well, yes; that is exactly what I have been saying.

Q.—Was any advice taken previous to Mr. Hunter's as to the legality of the transaction?

A.—Not that I know of.

Q.—Was the Attorney-General's advice that the transaction was in order? A.—I don't remember anything about that.

Q.—There was no advice given that you recollect of? A.—No.

Q.—Do you think the Cabinet have authority to make any such arrangement as that,—statutory authority? A.—That is a matter of opinion, now.

Q.—Still, it is the Executive act that it was done? A.—Yes.

Q.—When did you first become acquainted with the value of these blocks, did you say? A.—I think it was on the 10th of September.

Q.—1900? A.—1900. I think Mr. Gore was before the Executive; I am under the impression that it was from him that I got the information.

Q.—And the claim of the Company was somewhere about 900,000 acres? A.—There were other matters discussed with the land subsidy, but I believe that for that particular section they were entitled to something like 900,000 acres.

Q.—And were you aware at the time that in the reserve there were sufficient lands, assuming the Company to be entitled to 900,000 acres, to give them the land in the reserve? A.—That I cannot remember. I cannot tax my memory with that.

Q.—That was not brought to your attention? A.—At all events, on the 10th of September, it was decided in the Executive that they would be allowed these lieu lands, I think it was on the north; at any rate, the lands north of lands that should otherwise have been granted, and section 4,594.

Q.—Was there any evidence before you, or brought to your knowledge, as to the value of the 900,000 acres? A.—I think not.

Q.—And was any reason given why the Company would not take the 900,000 acres out of the land reserve? A.—I don't suppose the Company—I don't remember anything about that—I don't suppose the Company was represented that day. The Company would have no choice, if they said you must take them or nothing.

Q.—Was such proposition made, that they would have to take the 900,000 acres? A.—An Order in Council was passed to that effect.

Q.—No; the Order in Council was giving them lieu lands? A.—I think there was an Order in Council passed on the 10th of September giving them the 900,000 acres. At all events, on the 10th day of September it was decided to give the lieu lands to the north and not those two blocks, Bc and Bb.

Q.—Going down to the 10th of August, 1901, were you ever advised as to the value of the 600,000 odd acres? A.—On the 10th of August?

Q.—Yes. A.—I had no further knowledge particularly. But I was not present on the 10th of August. I was not in Victoria on the 10th of August, 1901.

Q.—You were not at that meeting? Still, you had a meeting with Mr. Dunsmuir and Mr. Wells in October, 1901. Was it ever explained to you what the value of the 600,000 acres was? A.—I have no knowledge of the actual value now. My information, no doubt, was greatly increasing, as it is still.

Q.—But you had information as to the value in September, 1900? A.—Yes.

Q.—What was your knowledge as to the value of those blocks then? A.—Only that they were more valuable than other lands; they were supposed to be valuable because of the fact, I presume, that coal prospecting licences had been applied for over those lands for seven or eight years.

Q.—But beyond that you had no particular information whatever? A.—No; I had no special knowledge.

Q.—Did the Minister lay any information before you at that time? A.—I don't remember that he did; I think not.

Q.—So that, as far as you are concerned, you really had no knowledge as to the excessive value of the 600,000 over the 900,000 acres? A.—Well, I have very little more knowledge than that to-day; I cannot swear that those lands carry any tremendous value to-day. But I did know on the 10th September, 1900, that they were supposed to be valuable.

Hon. Mr. Prentice—*Continued.*

Q.—Well, we have it in evidence, Mr. Prentice, that Mr. Wells made a communication with you after his return from Montreal. Would you kindly tell the Committee what Mr. Wells told you? A.—I couldn't remember the details of the conversation. I knew that Mr. Wells had brought back the Crown grants with him because he failed to carry out what he intended; what he tried to carry out; that is to say, that he failed to get further concessions from the C. P. R.

Q.—Well, there was another communication which he communicated to you, was there not? A.—That was communicated to me later.

Q.—When? A.—As far as I can fix the date, it was on the 15th day of March; three days before the rescinding Order in Council was passed.

Q.—I will come back to that in a minute. This matter of 600,000 acres; that was a matter of great moment to the Government, was it not? A.—What?

Q.—This settlement with the C. P. R. was a matter of great moment to the Government; it was not an ordinary transaction? A.—Well, it was not being discussed very much by the Government at that time.

Q.—Was it being discussed by any of the Ministers? A.—Not very particularly.

Q.—Anybody waiting on any of the Ministers asking and urging that this matter be completed? A.—Well, I did not see anybody waiting on them.

Q.—But did any Ministers see you? A.—I had some conversations with Mr. Wells about it.

Q.—Relative to a settlement? A.—Relative to a settlement; vaguely, yes.

Q.—Was not there some pressure being brought to bear to get this thing through? A.—I have no personal knowledge of that. Nobody brought any pressure to bear on me.

Q.—Would that conversation between Mr. Wells and yourself lead you to believe that there was pressure being brought to bear on others? A.—Certainly; yes.

Q.—But the matter was not of such importance as to call an Executive on it? A.—I don't remember any Executive meeting being held to discuss it.

Q.—Can you tell us whether an Executive was held after Mr. Wells returned, when he placed before the Executive what he had accomplished or failed to accomplish? A.—I am not positive about that. I am not positive. I know very well I knew about it; but I am not positive whether that was explained at an Executive meeting or not.

Q.—Do you know of any other Ministers that knew of the same thing? A.—I cannot swear for the other Ministers.

Q.—Did you have any conversation with them that would inform you as to whether they were aware? A.—It is a long time ago; I was under the impression they all knew about it.

Q.—It is a matter of great moment. A.—I knew about it; and I was under the impression that the other Ministers did also.

Q.—Had you any conversation with the other Ministers which would lead you to believe that they did know? A.—I very likely discussed it with Mr. Dunsmuir, the Premier.

Q.—With any other of your colleagues? A.—Not to my knowledge, no.

Q.—Now, you told us you were of the impression that on the 15th day of March Mr. Wells made a communication to you. Will you kindly let us know what that was? A.—When I say the 15th of March, it may have been before; it may have been some days before that; but what I want to convey is this: that it was on the same day or the following day after Mr. Wells gave me the information that I rode out to Mr. Dunsmuir's house and gave him that information as Premier. The information was, as far as I remember, as sworn to by Mr. Dunsmuir: Mr. Wells informed me that when he was in Montreal Mr. Taylor had conversation with him, and was prepared to have given to him, I understood, a twentieth share, about 30,000 acres, of those lands if he would deliver up the Crown grants; or words to that effect; I do not presume to remember the exact words. That same afternoon—it was on a Saturday, at all events—the same afternoon or the next day, I drove out to Mr. Dunsmuir's house and gave him that information, telling him, as he said, that I preferred that Mr. Wells himself should give the information before he acted upon it. Mr. Dunsmuir told you exactly the truth with regard to it.

Q.—It was a matter of such moment that you thought it was advisable and desirable that you should communicate that fact to the Premier? A.—Yes. I would do it again to-morrow.

Hon. Mr. Prentice—*Continued.*

Q.—Was any action taken on that by the Premier? A.—Now you come down to Executive secrets again; that is what I am not allowed to divulge, the things that took place in the Executive of the 18th of March.

Q.—Then what you stated to the Premier resulted in an Order in Council passing on the 18th of March? A.—That is the climax, I suppose.

Q.—As a matter of fact, without divulging what did take place in Executive, did not this communication that you tell us of just now enter into the consideration at all? A.—I have no doubt at all it did.

Q.—And it did enter largely into the discussion at that time? A.—I am not prepared to say what took place in Executive.

Q.—All the members of the Government were present at the meeting? A.—At that meeting we were all present, on the 18th day of March. Colonel Prior was then a member of the Government; he was present also.

Q.—Had you any conversation with any of your colleagues previous to the Executive relative to this communication? A.—I have no doubt at all; I think I discussed it with Col. Prior.

Q.—Any other? A.—No—and Mr. Dunsmuir, of course.

Q.—Yes; certainly with Mr. Dunsmuir. Your only other colleague at that time was the Hon. the Attorney-General? A.—Yes.

Q.—Had you any conversation at all then with Mr. Taylor relative to this matter? A.—Never; no; never in my life.

Mr. McPhillips: At this meeting when you three, the Premier, Mr. Wells and yourself, were present, did Mr. Wells open the matter to Mr. Dunsmuir in some such way as the following: "Do you know, Mr. Dunsmuir, that these two blocks of land that are being given to the Columbia and Western Railway Company are lands of a peculiar and particular value; do you really understand that?" That is, did he draw to Mr. Dunsmuir's particular attention the fact that these lands had some peculiar value, and wanted Mr. Dunsmuir to thoroughly understand what the Government was doing? A.—Well, I cannot remember the details, but I know that Mr. Wells, at that time, wished that Mr. Dunsmuir should more fully understand the transaction, I fancy both with regard to the value and also to the legal point arising, as to the right of the Government to give those lands in connection with the Columbia and Western.

Q.—This becomes important, for this reason, that the Committee have been advised by Mr. Wells' evidence so far, that he wanted Mr. Dunsmuir to thoroughly understand what was being done. Now, I think the Committee would really like to know what Mr. Wells opened to Mr. Dunsmuir? A.—Well, I really could not remember. I could not possibly remember. At that time I did not make any notes, or fix it in my memory in any way. It would be foolish of me now to attempt to remember the exact details of it. I remember distinctly that Mr. Wells wanted Mr. Dunsmuir to more fully understand it than he had before.

Q.—But you don't remember what it was that he explained to him, so that he might better understand it? A.—No, I cannot.

Mr. Helmcken: Did Mr. Wells mention to you the names of any of the members of the Legislature or of the House who were to participate in this deal? A.—No.

Q.—No names whatsoever? A.—No names whatsoever.

Q.—But the expression was used by him to you that there were two members of the House? A.—Well, I don't know whether that was from Mr. Wells or not, but that impression came to me. But certainly Mr. Wells never mentioned any names to me at all.

Q.—And without being offensive, Mr. Prentice, had you any interest whatsoever, directly or indirectly, in the deal? A.—No; neither directly, indirectly, incidentally, remotely or otherwise.

Mr. Duff: Mr. Chairman, there is one question that should be asked Mr. Prentice that I overlooked. I understood him to say that at one time the British Columbia Southern was pressing the Government to give them these two deficiency blocks as part of their land grant and the Government refused.

The Chairman: You can ask him a question.

Mr. Duff: I ask you, Mr. Prentice, then, who was pressing the Government; who was acting for the British Columbia Southern in that way? A.—At what time, Mr. Duff?

Hon. Mr. Prentice—*Concluded.*

Q.—That would be in 1900. You will remember this morning you stated that these two deficiency blocks A and B the British Columbia Southern at one time wished as a part of their land grant, and at one time the Government refused to give it to them. A.—Yes, on the 10th of September, 1900.

Q.—Now, do you remember who it was that was pressing the British Columbia Southern claims at that time? A.—I don't know that the claims were pressed; but I presume Mr. Brown represented the Company at that time.

A.—That is your recollection about it? A.—Yes.

Mr. McCaul: Mr. Prentice, on the 19th of December, 1900, an Order in Council was passed appropriating these two blocks to the British Columbia Southern land subsidy; then on the 10th of August, 1901, that was rescinded and these two blocks were appropriated to the Columbia and Western land subsidy. At whose initiative was it that that change was made, changing the land from the subsidy of the B. C. Southern to the Columbia and Western? A.—That I don't know, Mr. McCaul.

Q.—Well, it does not seem reasonable that the Government should have taken that action of their own mere motion, unless some person put them in motion. Do you know who suggested that? A.—No.

Q.—Do you know where the proposition came from? A.—No, I do not. I was not present at the 10th of August.

Q.—But you were here on the 31st of July? A.—Yes.

Q.—When Mr. George McL. Brown's letter was placed before the Executive? A.—Well, I have no recollection of that.

Q.—You don't recollect Mr. Brown was pressing that? A.—I do not. I think Mr. Brown came before the Executive once or, perhaps, twice. And I am under the impression that Mr. Brown was before the Executive in September, 1900, for instance; but when you come down to August, 1901, I don't remember. Mr. Brown was very seldom before the Executive; only once or twice.

Q.—Well, Mr. Brown was active in all these land matters? A.—I did not see Mr. Brown myself.

Q.—You did not see him yourself? A.—No.

The Chairman: I wish to state now, for the Committee, that the procedure that is proposed to be adopted with regard to the examination of witnesses is, that when a witness is on the stand he will be asked all the pertinent questions possible, and that if afterwards it is seen that something of importance comes up, so that his attendance is required again, that a request will be made to the Chairman, who will place it before the Committee, and if they think proper they will re-call the witness. But now, in this case, we do not propose to ask Mr. Prentice to appear before this Committee again. So that I want it understood that if there are any more questions to ask him, they will be asked now. But, of course, in case of anything of great importance cropping up, by asking the Committee through the Chairman, we will consider then whether it will be necessary to re-call him or any other witness. I wish this thoroughly understood.

Witness stands aside.

Mr. McCaul: Might I be allowed, Mr. Chairman, to make a suggestion with regard to the conduct of this inquiry, from this aspect of the case; of course, the issues have not exactly clearly defined themselves, but there does seem to be a very clearly defined issue between the Columbia and Western Railway Company, on the one hand, and the Government, and particularly the Hon. Mr. Wells, on the other hand. I should think it is only fair that, as Mr. Wells has given his evidence here fully, and most of the evidence of most of the members of the Executive has been placed before the Committee, that the complete case be made on behalf of the Railway Company, if I may put it in that way,—not exactly the case of the Railway Company, but their evidence should be completed before we should be called upon to call Mr. Wells or any other members of the Executive and put them in the box again. I think it is only fair that, Mr. Wells having given his evidence, we should now hear what the evidence is on the other side before we have an opportunity of recalling Mr. Wells to give his version of it. We have had Mr. Taylor's statement, and if it is proposed to call Mr. Brown, I think Mr. Brown should give his evidence before Mr. Wells is recalled; conducting the case on somewhat the same principles as in a Court of law, under the circumstances.