

TUESDAY, May 12th, 1903.

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

HON. W. C. WELLS in the witness box ; cross-examined by Mr. Davis :—

Q.—I understand, Mr. Wells, you say that with reference to this change of land in connection with the B. C. Southern Mr. W. J. Taylor was very active in appearing before you in that kind of thing? A.—I don't remember of Mr. Taylor seeing me about it before I went to Montreal. Mr. Brown saw me about it.

Q.—I think you misunderstand. I am referring to the B. C. Southern. A.—Oh, the B. C. Southern?

Q.—You say Mr. Taylor came to see you, so I understood? A.—Oh, he came to see me several times.

Q.—For whom was he acting? A.—Oh, I don't know.

Q.—You don't know for whom? A.—No.

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

Q.—What he was doing was a matter of some importance, wasn't it? A.—Yes.

Q.—Do you deal with any one that comes in, irrespective of whom he represents? A.—Well, I don't remember of asking him or his telling me whom he was acting for.

Q.—And you never knew whom he was acting for? A.—Well, I had my own suspicion about it.

Q.—You had your own suspicion about it. Why didn't you confirm that suspicion by asking him? A.—Well, I don't remember asking him anything about it. He may have told me, but I don't remember.

Q.—Can you give me any reason why he was there? A.—No, I cannot.

Q.—Doesn't it strike you as rather peculiar, dealing with a man without knowing whom he represented? A.—It must have been evident to me that he was working in concert with Mr. Brown.

Q.—Did you ask him? A.—No, I don't remember that I did.

Q.—Did Mr. Brown tell you? A.—Mr. Brown did not tell me.

Q.—Did Mr. Taylor say? A.—No, I don't remember that he did so.

Q.—And you did not take any steps to satisfy yourself on that point? A.—Not that I remember of.

Q.—Now, you remember, of course, this Order in Council passed August 10th, 1901, No. 393? A.—I remember the date, I don't remember the number of it.

Q.—You made the recommendation upon which that was passed? A.—Yes.

Q.—And you approved of what was contained in that recommendation, it is unnecessary to say? A.—Certainly.

Q.—Certainly. As the recommendation stood? A.—Well, I think probably Mr. Gore incorporated some other provisions in it; I don't know whether he did or not.

Q.—When you signed it, you approved of that recommendation as it stood? A.—Yes.

Q.—And that represented to you what was a satisfactory settlement of that land question, in your opinion? A.—Well, I looked upon that meeting as for the purpose of giving effect to what had previously transpired; that this whole matter had been practically settled at the previous meeting, or other meetings, and that this particular meeting was just simply to give effect to it; and I, in that way, was acting in rather a perfunctory manner, or at least capacity.

Q.—I would not assume that you would act as a Minister of the Crown in a perfunctory manner; you approved of what was contained in that recommendation before you signed it? A.—I made the recommending Order; signed it.

Q.—Did you approve of what was contained in the recommendation? A.—That shows for itself that I must have approved it.

Q.—I want you to speak for yourself, Mr. Wells. That is correct, is it not? A.—I signed the recommending Order.

Q.—Did you approve of what it contained when you signed it? A.—I must have done so.

Q.—Then your answer is that you did concur in it? A.—This occurs sometimes, when a matter is brought before the Executive, any individual member of the Government may have his individual opinion about it, but if it is determined by a majority, it necessarily follows that he must give way to the majority of the Executive.

Hon. Mr. Wells—*Continued.*

Q.—Or resign? A.—Or probably resign, I don't know. I don't know that I would have to resign, no. He may be still a dissenting—may dissent from that particular action of the Executive; but that would not follow that he had to resign.

Q.—But he finally concurs in it if he remains, does he not, that is he gives way to the opinions of his colleagues? A.—He gives way to the action of the majority.

Q.—Then, when you signed this, you did give way, we will assume. Did you say you had any objections? A.—I didn't say that at the time.

Q.—Then you did give way, and you did approve of this when you signed it? A.—I certainly did give way to what had transpired at the previous meeting.

Q.—And you did not say that you even had any objection to it at any time. A.—No, I don't say that.

Q.—No; and you say the matter had been practically settled? A.—That is as I understood it. I think it had.

Q.—And when this Order in Council was passed, adopting the recommendation, that settled, so far as you were concerned, the question of the settlement of that land grant to the Columbia and Western, did it not? A.—Yes; that meant a completion of the Order in Council.

Q.—That that was satisfactory to the Government, and to you as a member of the Government? A.—Well, not necessarily satisfactory to me. I might have had my own opinions about it.

Q.—You will not say that you had any objections at any time? A.—I will not say that I expressed any objections.

Q.—Well, had you any objections to it? A.—At that particular time?

Q.—Yes. A.—I certainly had, previous to that.

Q.—I asked you at the time. A.—I don't know exactly what passed through my mind at that moment; but I remember I took objection to it at a previous time.

Q.—But whatever objection you had at any previous time was surrendered? A.—I won't say that.

Q.—You gave way, then? A.—I gave way.

Q.—And concurred in the opinion of your colleagues? A.—You can call it concurring, if you like; I gave way, at any rate.

Q.—Well, did you concur? A.—I don't know that I did; it depends on how you consider that.

Q.—Do you say you did not concur? A.—I signed the recommending Order; if you say concurrence by that, I certainly did concur.

Q.—Would you not understand concurrence by that? A.—Not always.

Q.—On this particular occasion, did the signing of the recommendation mean concurrence? A.—I won't say that it did. Of course, in one sense it did mean concurrence.

Q.—Are we to understand that you recommended a course you did not approve of? A.—I hold myself responsible for the recommendation as far as it goes, and for what it is worth.

Q.—And that settlement was evidently satisfactory to the Government? A.—Evidently was, a majority of the Government.

Q.—Was there any condition at that time as to the settlement? A.—Nothing further than embodied in the proposition.

Q.—That is, contained in this document 393? A.—Yes.

Q.—Now, what occurred between that time and the 24th of October to induce you to become dissatisfied with that settlement? A.—I evidently became dissatisfied with the whole transaction.

Q.—I am aware of that from your statements. I want to know what occurred to induce you to become dissatisfied? A.—Well, I don't know that anything particularly occurred to induce me, but I became dissatisfied with it evidently.

Q.—Are you able to give any reason why you changed your views during that period? A.—No, I cannot assign it to any particular reason.

Q.—You cannot assign it to any particular reason? A.—But that is quite evident, that I became dissatisfied with it.

Q.—Does it not seem remarkable to you that you are unable to give any reason for it at all? A.—I don't know that it does.

Q.—It does not? A.—Because, previous to the meeting particularly, when this matter was up for settlement, I had expressed my dissent from it; I know that.

Hon. Mr. Wells—*Continued.*

Q.—But I understand you had consented, though, in view of the opinions of your colleagues? A.—Yes, apparently.

Q.—What had caused you to have this dissatisfaction? A.—Well, I cannot tell you that.

Q.—You cannot tell me? A.—I cannot tell you, but I evidently did.

Q.—But you have no idea what caused that change? A.—No, I haven't; I cannot attribute to myself any particular reason for it, further than that I must have become more dissatisfied with the whole transaction.

Q.—Who was it first suggested this idea of building to Spence's Bridge, in connection with this matter? A.—I did.

Q.—Was it you or Mr. Dunsmuir? A.—I did.

Q.—You did? A.—Yes.

Q.—And was that the reason why you went to see Mr. Dunsmuir? A.—No; I sent for Mr. Dunsmuir to come to my office.

Q.—For what purpose? A.—Because it occurred to me that he might not have understood this transaction. I wanted to place all the safeguards around it possible, before delivering the Crown grants.

Q.—What reason had you for supposing that Mr. Dunsmuir had not understood what he was doing? A.—Well, I don't know that I can assign any particular reason, but it must have occurred to me that he might not have understood.

Q.—Isn't that a remarkable statement? A.—No, I don't think there is anything remarkable about it.

Q.—That after this thing had been passed solemnly by the Executive—— A.—Yes.

Q.———that you had reason to suppose that one member of it, and that member the Premier, did not understand what he was doing? A.—Well, maybe something occurred.

Q.—What did occur? A.—I am not prepared to say that.

Q.—When you say that do you mean that you don't think so, or that you are unable to say? A.—Unable to say.

Mr. Helmcken: Excuse me; but on the 10th of August Mr. Dunsmuir was out of town. The Witness: There is nothing inconsistent about it.

Mr. Davis: I understand Mr. Dunsmuir was not present at the Executive meeting of the 10th of August? A.—I don't know whether he was or not.

Q.—I understood that he was. A.—Well, I don't know that; I was not here. I left home on the 27th of July and did not return here until the 8th of August.

Q.—But you would be here on the 10th of August? A.—But you said the second.

Q.—If I did I was mistaken. A.—You said the second.

Q.—I mean the tenth, when the Order in Council was passed. A.—I don't think Mr. Dunsmuir was there.

Q.—You don't know whether he was there? A.—I am pretty sure he was not there.

Q.—Well, was your idea in getting Mr. Dunsmuir at the 24th of October to have a change made in what had been done by the Executive Council? A.—Well, as I say, before it came to the actual delivery of the Crown grants, I made up my mind I would see whether Mr. Dunsmuir understood the whole transaction.

Q.—Was your idea this, that if Mr. Dunsmuir did not understand the whole transaction, you would have some change made? A.—Possibly that may have occurred to me; I cannot say now.

Q.—Was that your reason for doing so? A.—I cannot say as to that.

Q.—Unless that was the object, it would not be very much good, would it? A.—Well, if Mr. Dunsmuir had concurred and confirmed what had taken place before, or in the Order in Council—preparation of the Order in Council—I probably would just have delivered the Crown grants over to Mr. Brown——

Q.—I see. A.—Probably I would have done so. But I determined to take that precaution.

Q.—Well, if he did not concur, the only way of making a change would be to have another Executive meeting, isn't that correct? A.—In order to make a change?

Q.—Yes. A.—No, I think that Mr. Dunsmuir, as Premier, could direct the policy of the Government.

Q.—You think that he could change an Order in Council? A.—I think if he instructed me, as he did, not to deliver those Crown grants, only on certain conditions, that I would be

Hon. Mr. Wells—*Continued.*

Q.—That was your idea? A.—That was my idea.

Q.—That if an Order in Council was passed by the Government— A.—Yes.

Q.—directing a certain thing to be done— A.—Yes.

Q.—and the Premier alone says that he does not concur in that, that is not to be carried out, although there is no change made by the Executive? A.—Well, particularly so, if he said he had not understood it in that way.

Q.—But that is your idea? A.—That is my idea, under any circumstances, if the Premier had come to me and intercepted the delivery of those Crown grants I would not have delivered them.

Q.—Wouldn't it be better to have a meeting of the Executive if you wanted to make a condition in the terms, before you went to Montreal? A.—We could have had a meeting; I took the other way of doing it.

Q.—The trouble is about the other way, that if you acted on the instructions of one, even if he were the Premier, you might find subsequently, after having acted upon it, when it came before the Executive it would not be approved, but they might think as they originally thought? A.—Possibly.

Q.—Then, would it not have been the better way to have a meeting of the Executive before you acted upon any such instructions? A.—I don't say whether it would be better or not; that is the way I did it.

Q.—And that is all the explanation you have? A.—That is all the explanation I have to give.

Q.—Of your action. And the result of your interview with Mr. Dunsmuir was that you decided you would make it a term of turning these two particular land grants over to the C. P. R. that they should build to Spence's Bridge; is that right? A.—Yes.

Q.—Now, was it your idea, then, when you took those to Montreal, that if Sir Thomas Shaughnessy concurred in that view, agreed with your suggestion, that you would then deliver him the Crown grants? A.—Very likely I would have done that; that was what I concluded at the time, very likely.

Q.—You must have concluded that, otherwise there would not be any object in taking the Crown grants with you? A.—I took the Crown grants down for that purpose.

Q.—For the purpose of turning them over if he agreed to the conditions? A.—Conditional on the road being built. If sufficient assurance had been given me that the road would have been built, I think I would be perfectly justified in handing them over, under the circumstances, to Sir Thomas Shaughnessy.

Q.—How could you have possibly arranged with Sir Thomas Shaughnessy for the road to be built? A.—That was a matter for Sir Thomas Shaughnessy to say.

Q.—Would you be in a position to make terms with Sir Thomas Shaughnessy that would be binding? A.—I think my memorandum shews plainly that I expected to submit that to the Executive again.

Q.—Then you could not turn the Crown grants over until you had submitted that to the Executive again? A.—Evidently that was my intention when I drafted that memorandum.

Q.—Apparently. You could not have turned the grants over, then, until after you had submitted the matter to the Executive? A.—What occurred to me I cannot say. But I was authorised to carry out the instructions.

Q.—Isn't it patent that before you could deliver them, if that was the condition of turning the grants over, you would have to have a meeting of the Executive to determine the terms with the C. P. R. for building the road? A.—Possibly.

Q.—For instance, you speak of a certain cash subsidy; you do not say the amount of that cash subsidy; supposing that Sir Thomas Shaughnessy told you he would build the road and you turned over the grants, and you could not agree then on the terms of the cash subsidy, where would you be? A.—It was my intention not to deliver them until that was determined.

Q.—Had you thought of that before that? A.—I don't know whether it was spoken of.

Q.—It is clear beyond all question that it was useless to take those grants down to Montreal when you couldn't have delivered them anyhow? A.—The whole matter might have been consummated there, and I might have submitted the proposition.

Q.—Was that your idea when you left here? A.—I don't say that was my idea, but it might have been done.

Q.—Do you say that it was your idea? A.—I don't say that it was, but I say that I could have done that; instead of bringing them back.

Hon. Mr. Wells—*Continued.*

Q.—And unless it was your idea, it was an absolutely useless proceeding to take those Crown grants along with you? A.—Unless I had in my mind that the whole thing could be consummated there, it would be useless to take them along.

Q.—You do not say that you had any such thing in your mind? A.—No, I do not.

Q.—You took those Crown grants, I understand, and you took a number of others with you? A.—A number of others, yes; twenty-five in all; twenty-three others.

Q.—There were five British Columbia Southern patents that you took down at the time? A.—I don't remember how they were classified.

Q.—There were some? A.—I think there were; and that it comprised a settlement of the British Columbia Southern subsidies as well.

Q.—And twenty Columbia and Western patents? A.—Yes.

Q.—That is twenty-five Crown grants that you took down? A.—I think that was the number.

Q.—When my learned friend suggested to Mr. Brown that it was an absurd idea that you took down any other Crown grants with you to deliver, that suggestion was wrong. You did take twenty-three other Crown grants down? A.—There were twenty-three others, concerning which there was no dispute.

Q.—And you took those along down with you? A.—Yes. Except one consideration, which Mr. Gore provided for, by giving me a guarantee bond which they were to sign. And I remember of discussing that with Mr. Oswald. I delivered him those Crown grants and drew his attention that we wanted this guarantee bond signed, and he promised to have it done.

Q.—A guarantee bond with regard to what? A.—With regard to survey.

Q.—That is of no moment here. A.—But I did not retain them on that account.

Q.—Now, you were in Montreal on two different occasions when you went East? A.—Two, at least; I think more than that.

Q.—You left here on the 24th of October, or about that? A.—Yes.

Q.—And you were in Montreal first about the 6th of November, were you not? A.—I arrived there on the 4th, I think.

Q.—On the 4th. So that you would be there on the 6th. You went from there to Toronto, did you not? A.—I think I went to Ottawa first.

Q.—And then to Toronto? A.—Yes.

Q.—Were you in Toronto on or about the 11th of November, or in that neighbourhood? A.—Possibly; I have not hunted up the dates.

Q.—And you were back again in Montreal on or about the 20th? A.—Evidently I was there then.

Q.—Because the 20th was the time, I believe, when you turned those Crown grants over? A.—Well, I don't know about that; I have no memorandum about that.

Q.—You are not prepared to contradict that if Sir Thomas Shaughnessy says it was the date? A.—No; because I don't know the date. I have no memorandum of the date that I delivered them.

Q.—And it was on this last time, about the 20th, that you had this conversation with reference to these two Crown grants, was it not, with Sir Thomas Shaughnessy? A.—Well, I cannot say about that. I had a conversation with him before I left Montreal, of course I had, and then I had another with him after that. I left Montreal, I think, on the night of the 22nd of November. I had previously instructed Sir Thomas to mail me a letter to Toronto, but, instead of that, a messenger brought me a letter to the Windsor Hotel in Toronto; I think that was on the night of the 22nd of November.

Mr. Helmcken: Montreal or Toronto? A.—Montreal.

Mr. Davis: I can probably refresh your memory with regard to that; I am speaking now of the time when you submitted this memo. that you speak of, to Sir Thomas Shaughnessy. You got an answer from Sir Thomas Shaughnessy to that letter? A.—Yes.

Q.—That letter is dated the 22nd of November, according to the copy contained in the evidence given before this Committee. A.—I see that is the date of it.

Q.—So that it would be on or about the 20th that you delivered the other Crown grants to Sir Thomas Shaughnessy, and had the conversation that you refer to when you spoke of the memo. That is right, isn't it? A.—Well, I cannot say about that. I have got an idea that I surrendered these other Crown grants after everything was disposed of and I was ready to leave.

Hon. Mr. Wells—*Continued.*

Q.—Well, when did you leave? did you go back after the 22nd? A.—Yes, I went back and I saw Sir Thomas after that. I had a business matter of my own that I wanted to see him about; I went back to see him.

Q.—Are you prepared to state that the time when you had this conversation with Sir Thomas Shaughnessy about these two grants was not on or about the 20th November, at the time you delivered the other Crown grants? A.—I couldn't say that.

Q.—You couldn't say that? A.—No.

Q.—But you will not contradict that if that is asserted by him? A.—If there is any corroborative evidence of it; I am not prepared to say that all.

Q.—You would not contradict it, would you? A.—I have nothing in my mind just now that would lead me to say otherwise.

Q.—Now, at that time, had you had your conversation with Mr. Taylor that you have spoken of? A.—I think I had.

Q.—So that at the time you had your conversation with Sir Thomas Shaughnessy with reference to the delivery of these two grants, you had already had the conversation with Mr. Taylor in which he made improper proposals to you? A.—I won't say that; you asked me if I had conversation with Mr. Taylor; I saw Mr. Taylor both before and after that.

Q.—I will ask it again. There is only one conversation that I am concerned in, and that is the one in which he made the proposal. Now, was that after or was it before you delivered the Crown grants? A.—This conversation with Mr. Taylor?

Q.—On the 20th of November? A.—I cannot say as to that.

Q.—Are you prepared to say either way? A.—I am not prepared to say anything about it, because I don't remember; I don't know; I have nothing in my possession to direct me.

Q.—If you had had it before that time, it would be a natural thing, I suppose, to speak of it to Sir Thomas Shaughnessy? A.—I don't think so.

Q.—You think not? A.—No.

Q.—Why not? A.—Well, I don't know that there was any necessity for it.

Q.—You think not? A.—No.

Q.—Whom did you think Mr. Taylor was representing when he approached you in that way? A.—Oh, my own impression was that he and Mr. Brown were working this thing together.

Q.—Whom did you suppose he was representing; because he and Mr. Brown had not the control of this land? A.—I don't know that it occurred to me that he was representing anybody; I suppose himself as much as anyone.

Q.—The proposition that he made was one which involved the necessary consent of the C. P. R., did it not? A.—Well, certainly the C. P. R. would have to surrender these lands in order to carry out his project.

Q.—And the C. P. R. would receive, of course, the consideration, the shares, would they not? A.—That is what Mr. Shaughnessy said to me afterwards, that they would receive shares, certainly.

Q.—And the shares could not be turned over to you by the holders or owners without the C. P. R. knowing? A.—Not likely.

Q.—Then if Mr. Taylor approached you with any such proposition as that, it must have been with the concurrence of the C. P. R.? A.—No, I don't think it was; I don't think Mr. Shaughnessy had anything to do with it.

Q.—How would he propose to carry out this offer with you if that were not so? A.—I don't know anything about that; he had his own scheme and I didn't go into it with him.

Q.—Wouldn't it be natural, when the proposal came and you were talking with Mr. Shaughnessy, to mention it? A.—Not necessarily at all; I don't think I would.

Q.—Is it a very common occurrence for a Minister of the Crown to be approached with a bribe of that sort? A.—I don't think I would have mentioned it to Sir Thomas Shaughnessy under any circumstances.

Q.—Why not? Out of regard to Mr. Taylor? A.—Oh well, it was a matter that he spoke to myself in a rather confidential manner; I don't think it was my business to disclose it to the world.

Q.—You thought it was a confidential matter, and kept it out of regard to Mr. Taylor? A.—I am not going to say that.

Q.—What do you say? A.—I had no business to say anything about it at that time; there was no reason why I should.

Hon. Mr. Wells—*Continued.*

Q.—That is all you have to say? A.—That is all I have got to say about it.

Q.—You saw a reason for speaking about it afterwards? A.—I did.

Q.—You did not consider it confidential then? A.—No; there was nothing confidential between myself and my colleagues.

Q.—That is your explanation of that? A.—Yes, in a matter of that kind.

Q.—Now, when you had those conversations with Sir Thomas Shaughnessy, as I understand it, your account of it is this, you told him straight that these two Crown grants—I will call them the triangular blocks? A.—Yes.

Q.—The blocks in the triangle, 4,593 and 4,594? A.—Yes.

Q.—Those triangular blocks would not be turned over to him unless he agreed to build to Spence's Bridge, is that correct? A.—I told him what the conclusion was; that in a meeting we had—or rather, no, I confined it to my instructions from Mr. Dunsmuir, that at a conference with Mr. Dunsmuir, that that was arrived at, that we could not surrender those Crown grants without other conditions, and those conditions were that the road, their system, would have to be extended from Midway to Spence's Bridge.

Q.—And you told him, I suppose, that you had them there with you? A.—The Crown grants?

Q.—Yes. A.—I don't know whether I did or not, at that time.

Q.—Did you or did you not tell him you had them in Montreal? A.—I don't remember that I did; I don't remember telling him that. But, as a matter of fact, I had them.

Q.—I know you had them. But what I am getting at is, did you tell Sir Thoms Shaughnessy that you had them down there? A.—I don't remember that I did.

Q.—And that you were in a position to deliver them if they agreed? A.—I don't remember whether I did or not.

Q.—Wouldn't it be natural that you should? A.—I don't know whether I did or not.

Q.—You don't know what you said with reference to that? A.—I have repeated exactly the result of my conversation with Sir Thomas, and what my conclusion was.

Q.—What did Sir Thomas say? A.—The first thing I said, I said that a difficulty had arisen with regard to the delivery of those grants.

Q.—Did he say anything about the Order in Council? A.—He didn't say anything about the Order in Council, that I remember.

Q.—He knew of it? A.—I don't know whether he did.

Q.—He would, in the natural course of events? A.—He didn't know anything about the B. C. Southern.

Q.—We will hear more of that later. In the ordinary course of events, he would know of this Order in Council? A.—I suppose so.

Q.—Did he express any surprise that, in spite of this Order in Council, you were going to hold back those Crown grants? A.—I don't think he did.

Q.—Are you prepared to say that he did not? A.—I don't remember any surprise or any mention at the time.

Q.—Do you say that he did not express any surprise or that you don't remember? A.—I don't think he did; if he had, I think I would remember.

Q.—What did he say to you? A.—I cannot recall just what took place up to this stage. I submitted my proposal with regard to the Spence's Bridge road.

Q.—Was that before or after you mentioned the delivery of the Crown grants? A.—Well, I explained to him the difficulty that the Government had in delivering them.

Q.—That they would not deliver them unless he would build? A.—That we could not deliver them, under the instructions under which I took them to Montreal.

Q.—Unless he would agree to build to Spence's Bridge? A.—Yes, that was the purport of it.

Q.—Did you tell him, if he did agree to that, that you were prepared to deliver them over? A.—I don't know what I said about that.

Q.—You don't know what you said about that. Tell me what he said? A.—He suggested then that I should prepare a memorandum setting forth the conditions upon which the Government would expect the Company to build that road.

Q.—I see. And one of the conditions of the building of that road—one of the things that the C. P. R. would get if they built that road—was the delivery of those two Crown grants? Is that not so? A.—Well, that would follow in this way—I see what you are coming

Hon. Mr. Wells—*Continued.*

Q.—It is immaterial whether you do or not; I only want to get at the facts. A.—The delivery of those Crown grants would have followed in due course.

Q.—That was one of the considerations which the C. P. R. would get for building to Spence's Bridge, was it not? A.—No; you put it in the wrong way.

Q.—Yes? A.—The consideration, upon the face of the proposition—

Q.—I am not speaking of the face of the proposition— A.—I want to explain this to you. Here we would have a transaction of 277,000 acres, that stood by itself, with respect to the settlement of section 3; before those Crown grants could be delivered, carrying out that settlement, there would have to be some agreement arrived at for the extension of their railway.

Q.—Yes, I understand one of the considerations for the delivery would be that they build to Spence's Bridge? A.—The two things stood apart in that sense.

Q.—I would like your answer, was or was not the delivery of those Crown grants one of the considerations going to the C. P. R. for the building to Spence's Bridge? A.—Not directly.

Q.—What do you mean by not directly? A.—It was not made a condition on my memorandum.

Q.—I am not asking you about that; you are jumping before you get to the stile. A.—You don't understand me. The conditions for the building of that road were kept distinct.

Q.—I am not saying they were not; I am not asking about that. A.—The other would follow.

Q.—I am not asking what would follow. A.—But at the same time, they would have to be delivered as settlement in respect to section three.

Q.—Was or was not the delivery of those two Crown grants to the C. P. R. one of the considerations that would go for building to Spence's Bridge? A.—Not directly.

Q.—I would think that it was most directly, because that was the only thing you told him, that they could not be delivered unless there was an agreement arrived at? A.—But you must bear in mind that those Crown grants were carried out with respect to section three, not the building of the further road.

Q.—Doesn't it strike you as peculiar that when the Executive had admitted that the Columbia and Western were entitled to that land subsidy for the building of section three, and had formally passed an Order in Council to that effect, that you should still require something more to be done before they were delivered? A.—I explained that before to you.

Q.—I see. Then there was something more that you required done by the C. P. R. before you would give the Crown grants over? A.—Certainly.

Q.—And that was the building to Spence's Bridge? A.—The Spence's Bridge road.

Q.—That was one consideration that the C. P. R. would get for the building of the road to Spence's Bridge, the delivery of those two Crown grants? A.—Not directly.

Q.—Well, you can call it indirectly if you like. When you prepared your memorandum to be put before Mr. Shaughnessy, why didn't you say as one of the terms that those Crown grants would be delivered? A.—It was not at all necessary to say so. I have explained that the two things were distinct, in that sense.

Q.—Why would you not say so in the memorandum? A.—The proposition was that those Crown grants would be surrendered in completion of the settlement in respect of section three. Now, it was proposed to carry out that settlement, but with this condition, that they would build their road to Spence's Bridge; then it would come to this, that the conditions under which that road would be built would be entirely distinct from that.

Q.—And one of the considerations going to the C. P. R. for the building of that road would be the delivery of these two Crown grants. A.—I have explained to you. That would be a sequence of it, no doubt.

Q.—That would be some benefit the C. P. R. would get in addition to the cash subsidy? A.—It was not directly one of the conditions for building that railway.

Q.—Is not that one benefit that the C. P. R. would get in addition to the cash subsidy? A.—That would be the sequence of it.

Q.—You can call it sequence, again, if you like. If the C. P. R. built to Spence's Bridge, they were to get first a cash subsidy, weren't they? A.—According to that memorandum, yes, whatever was agreed upon.

Q.—I know it was not agreed upon; but I am talking of your proposal. A.—Yes; go on.

Q.—Secondly, they were to be reinstated as far as their land subsidy with respect to section four is concerned? A.—Yes.

Hon. Mr. Wells—*Continued.*

Q.—And, thirdly, they were to get the delivery of those two Crown grants? A.—Thirdly,—I will put it in this way—thirdly, the conditions which had been arrived at for a settlement in respect of section three would be carried out.

Q.—But you don't think it was something further that the C. P. R. were to get in addition to the subsidy and being reinstated? A.—No, not in that sense, I would not say so.

Q.—I see. It is rather unfortunate, is it not, that when there is this agreement as to facts, between you and Sir Thomas Shaughnessy—because I can say that now, as he is coming here,—isn't it a little unfortunate that the only written negotiations between you at that time do not say anything about this condition as to delivery of the Crown grants? A.—I don't think it is unfortunate at all. It was not at all necessary.

Q.—There is absolutely nothing about it in this memorandum. A.—No, nothing, and I have explained to you why, that Sir Thomas Shaughnessy asked me to write him and submit a memorandum stating the conditions under which the Government would expect the Company to build that road. Now, that was a thing by itself.

Q.—You are quite aware, of course, that the Company, under the circumstances in which you had this conversation with Sir Thomas, would want to have any proposition that you made submitted to them in writing; that is natural, isn't it? A.—I took that precaution.

Q.—Did you take the precaution to submit the important part of it, the delivery of the Crown grants? A.—I did not consider that an important part of it at all; no part of it.

Q.—It was a part of your conversation? A.—Yes.

Q.—And an important part of your conversation? A.—In the sense I have explained. The two things were kept entirely distinct.

Q.—Sir Thomas Shaughnessy answered that memorandum by a letter? A.—By a letter.

Q.—Dated the 22nd of November? A.—Yes.

Q.—In which he, at more or less length, practically pointed out the fact that at that particular time they would not be justified in making that expense? A.—That is about the purport of the letter.

Q.—And he makes no reference whatever to the delivery of the Crown grants? A.—No.

Q.—Is not that remarkable? A.—No; because that letter is in reply to my memorandum, my proposition.

Q.—Do you think, Mr. Wells, that if you had done such a remarkable thing—because, with all deference, I think it is remarkable,—as to take down two Crown grants that had been formally issued under an Order in Council formally passed by the Government of British Columbia, and told Sir Thomas Shaughnessy that, in spite of all that, these would not be delivered without something further being done,—doesn't it strike you as remarkable that Sir Thomas Shaughnessy in his letter, dealing with one part, we will say, of your proposition at that interview, should not refer to this matter? A.—Not in connection with the building of that road; because, as I explained, that was kept distinct, and not called for. I think if there were any such conditions as are alleged in these telegrams, that these documents were to be delivered, he would likely have mentioned it in this letter or some other letter; but that was not done.

Q.—You do not suggest that Sir Thomas Shaughnessy agreed with you in the non-delivery of those Crown grants, or acquiesced in it? A.—I don't remember that he said very much about it.

Q.—You do not suggest that he was agreeable to it? A.—I don't remember whether he expressed his dissent at the time or not; I don't think he did.

Q.—He would be apt to express a considerable amount of righteous indignation, as he would consider? A.—What?

Q.—That those Crown grants were not to be turned over to him after they had been issued, in the way you describe? A.—Mr. Shaughnessy is not a man that gets very indignant over anything. I don't know that he did.

Q.—But Sir Thomas Shaughnessy is a man that puts things on record in letters, and if he has any objection puts it in the form of a letter? A.—I don't know.

Q.—You are speaking about Mr. Shaughnessy; isn't that one of his ways, that he puts things in a business shape, and he would enter a protest? A.—I don't know that he would.

Q.—Don't you think it is remarkable that he does not mention it in this letter, if such a conversation took place between you and him as you say? A.—I don't think it is necessary. He was then dealing with the proposition that I submitted to him, which was the building of

Hon. Mr. Wells—*Continued.*

Q.—By the way, who was present at this interview between you and Sir Thomas Shaughnessy? I don't know that there was anybody present at this interview. I remember on one occasion he sent for Mr. Creelman.

Q.—That is the gentleman I am referring to. Was not Mr. Creelman present at the interview at which this talk occurred about your taking those two Crown grants back to British Columbia? A.—I don't remember that he was.

Q.—Will you swear that he was not? A.—No, my recollection was that he sent for Mr. Creelman to look into the Company's position with regard to the Crow's Nest Coal Company.

Q.—I may say, Mr. Wells, that my instructions are that Mr. Creelman was there, and furthermore, that Mr. Creelman is coming here, and will be here on Monday night. A.—That is all right; they can have the whole staff if they like.

Q.—Now, you will not say that Mr. Creelman was not there? A.—He was there on one occasion.

Q.—Was he there when the discussion took place between you and Sir Thomas Shaughnessy with reference to your taking those two Crown grants back to British Columbia? A.—I cannot say as to that.

Q.—You cannot say. A.—There may have something occurred at the time, but I remember what the occasion was for sending for Mr. Creelman; and he did not stay there very long.

Q.—But the chances are that he was there long enough. A.—That is all right.

Q.—On that occasion did you not ask Sir Thomas Shaughnessy to permit you to take those two Crown grants back? A.—No, never.

Q.—Nothing of the kind? A.—Never.

Mr. Helmcken: On what occasion?

Mr. Davis: This is the conversation with Sir Thomas Shaughnessy at which Mr. Creelman was present, when the question of the non-delivery of those Crown grants took place. A.—I don't care whether Mr. Creelman or anybody else was present. It would be, in my mind, too silly a request for anyone to make; too silly for a two-year-old kid.

Q.—It would not be silly if the Crown grants belonged to them? A.—Well, they did not belong to them.

Q.—Answer the question, though, please. That is your contention; ours is different. A.—It is since; but it was not at that time.

Q.—You will hear more of that later. If those Crown grants belonged to them, as we say the facts are, there would be nothing silly about it, would there? A.—You don't suppose that Sir Thomas Shaughnessy would lend me those two grants for some sinister purpose, to be returned in thirty days?

Q.—I don't suppose you would have any sinister purpose. A.—I don't know of any at that time.

Q.—If you requested him to be allowed to take those back, and they belonged to the C. P. R. so that it required his permission, there would not be anything silly about it, would there? A.—Well, I don't think that Sir Thomas Shaughnessy would have done anything of the kind.

Q.—That, after all, is not the question. Did he do it? A.—No, he did not do it.

Q.—Furthermore, did you give a reason for taking those grants back? A.—Yes.

Q.—And was that reason this— A.—(Interrupting.) Yes, I remember of telling Sir Thomas Shaughnessy that there was nothing for me to do but take those Crown grants back; that those were my instructions. That is the reason I assigned.

Q.—That was the reason, and no other reason at all? A.—And no other reason.

Q.—Now, did you give as a reason, that there was going to be, or might be, some vacancies in the Cabinet, and that it might embarrass the Government? A.—No.

Q.—You did not? A.—No, I did not.

Q.—Nothing of that sort took place? A.—There was this, I remember, I think it was the last interview I had with him, it commenced in this way; I said there was nothing for me to do but to take back those Crown grants to be further dealt with by the Executive; I made use of this expression, that I did not think they would be dealt with or anything would be done by them during the two elections that we had on our hands.

Q.—But you did not make any such statement as that I suggested, or did you? A.—About what?

Q.—About the vacancies in the Cabinet? A.—I don't remember making those; but I remember about the two elections, about mentioning them.

Hon. Mr. Wells—*Continued.*

Q.—Will you swear you did not make any such statement? A.—I don't know; I may have said something. But I remember saying that we had two elections on our hands.

Q.—I understand in your previous evidence you stated this, that Sir Thomas Shaughnessy remarked to you, you say, "I cannot say just in what connection it was, 'Mr. Wells, if anything to do with those Crown grants is going to make your Government any trouble, or get them into any trouble, or yourself'—I remember his emphasising that—'we don't want them.'" A.—He said that; he made that remark.

Q.—"We don't want them if it is going to make your Government, or mix your Government—I don't remember the exact words"—he said that? A.—Yes; no doubt about that; I remember distinctly.

Q.—You don't think, surely, if it was a question of losing those Crown grants, they would allow the question of putting you in a difficult position to interfere with keeping them? A.—I cannot help it; that is the remark he made.

Q.—Do you know what he referred to when he made that remark? A.—No, I don't remember what he referred to.

Q.—Have you any idea at all? A.—No, I don't remember.

Q.—That would be a very natural remark to make in connection with what has been suggested as to vacancies in the Cabinet, and your merely taking them back temporarily, wouldn't it? A.—Oh, it might be connected with such a remark as that.

Q.—Yes, and there would be nothing remarkable about it then. A.—I remember his making the remark, but I cannot tell you now in what connection he made it.

Q.—Now, you know Mr. Oswald, do you not, of the C. P. R.? A.—Well, I met him, I think, for the first time.

Q.—You know who he was? A.—He is the President of the Columbia and Western.

Q.—He is also in Sir Thomas Shaughnessy's office? A.—Yes.

Q.—I think he is secretary of the Columbia and Western, not the President. A.—I may be wrong about that.

Q.—An official of the Columbia and Western. A.—I know I delivered to him those other grants.

Q.—You delivered to him the other Crown grants. There were twenty-five in all? A.—Yes, twenty-five, if my memory serves me right.

Q.—Did you not deliver to him, along with those twenty-three that you admit delivering, those two Crown grants, and get them from him the next morning? A.—No, sir. As a fact, those two Crown grants never left the Windsor Hotel.

Q.—You have no doubt about that? A.—Is he coming to swear to that, too?

Q.—Yes, he is. I will give you the full benefit of it. A.—I know they never left the Windsor.

Q.—And that those two Crown grants, along with the other twenty-three, were placed in the Company's vault on the night of the 20th of November? A.—Those two, never.

Q.—And obtained back from Mr. Oswald the following morning? A.—Never, sir; never, sir; they never left the Windsor Hotel. That is a put-up job, evidently.

Q.—Apparently, Mr. Wells, there are a great many put-up jobs in connection with this matter. Speaking of put-up jobs, we might consider this: as I understand, your account of what took place between you and Mr. Taylor was practically a put-up job, to use that expression, on the part of yourself and Mr. Brown at any rate, and must be, surely, of the C. P. R., in some shape or form, to unduly influence you; isn't that so? A.—It must be the C. P. R.? I did not catch your question.

Q.—The C. P. R. must be connected with Mr. Taylor's proposition, must they not? A.—No, not necessarily,

Q.—How could he carry out such a proposition without the concurrence of the C. P. R.? A.—He could not carry it out without the concurrence of the C. P. R.—without acquiring this land.

Q.—Could he have acquired this without the concurrence of the C. P. R.? A.—It was not essential that the C. P. R. should know his proposition to me.

Q.—How could he fulfil any proposition to you for 30,000 acres of land without the concurrence of the C. P. R.? A.—I cannot tell you about his scheme or how he would work it out, but I know he made the proposition.

Q.—But, apply your reason and common sense to it; how could he carry out such a proposition? A.—Well, it does not occur to me just now how he could.

Hon. Mr. Wells—*Continued.*

Q.—Whatever you think of Mr. Taylor, Mr. Wells, at any rate you do not think he is a fool? A.—No, I don't think anything of the kind.

Q.—He is a clever man, a sharp fellow? A.—Yes, he is.

Q.—Can you suggest that he would make any proposition of that sort to you unless he was in a position to carry it out? A.—Well, I presume he saw his way clear to do it in some way.

Q.—He would see his way clear to do it without the concurrence of the C. P. R.? A.—Well, it may have been understood that Mr. Taylor was to get so many shares as a result of this transaction; I don't know about it.

Q.—I see; and he was going to turn his shares over to you? A.—I don't know what his scheme was, but I know he made the proposition to me.

Q.—And if Mr. Taylor was going to get so many shares, that would still have to be done with concurrence on the part of the C. P. R.? A.—I am not prepared to say that it might not have been done in some legitimate way, perhaps.

Q.—Did you think he was going to buy them and turn them over to you? A.—That may be; I did not stop to enquire, or take any trouble about it; I simply told Mr. Taylor that I did not want to be considered in this transaction at all.

Q.—But if your account is correct of what took place, then the C. P. R. must be necessarily mixed up with it, must they not? A.—It might not even be necessary for them to know what disposition would be made of certain shares.

Q.—And on the other hand, if Mr. Taylor's story is correct—I do not wish to be offensive, of course—but it comes to this, if his story is correct, there was an attempt on your part to hold up the C. P. R.? A.—Well, his story is so absurd I didn't pay much attention to it.

Q.—But that is the way it stands; so that there is no doubt, as you very well said a while ago, some put-up job in connection with this matter; and the only question is who it is. A.—When I referred to a put-up job, it was in your attempting to prove that I delivered the Crown grants and that they were locked up in the C. P. R. vaults over night and I got them back. I say that if you have any intention of proving that by any of these gentlemen coming from Montreal, it is what I call a put-up job.

Q.—Carrying out exactly what any reasonable man would understand from your story of what took place between you and Mr. Taylor. That is practically what it comes to.

Mr. Helmcken: You say Mr. Creelman and Mr. Oswald are coming as well?

Mr. Davis: Yes.

Mr. Helmcken: Then we better telegraph them to produce all papers and documents—and everything else.

Mr. McPhillips: I think so.

The Witness: I can tell you another conversation, while I think of it, that I had with Mr. Creelman, which I remember very distinctly. I saw Mr. Creelman after I had delivered the Crown grants to Mr. Oswald; and he expressed then his regret that they had not been able to get those two particular blocks.

Q.—I see; was anybody present at that time? A.—I don't remember any one present.

Q.—Where was it? A.—In his own office.

Q.—In his own office? A.—Sitting at his desk, and I was standing up alongside of him. And I remember—

Q.—How long was that after your conversation with Sir Thomas Shaughnessy, at which you had delivered the other grants? A.—I don't know, but it was just after I had delivered up those Crown grants to Mr. Oswald.

Q.—Was it the same day or the next day? A.—I am not positive about that, but it was after that; I think immediately after. I had another conversation with him, too, in Ottawa. Just as I was leaving for home last fall, I was standing on the steps of the car and he was on the platform, and he spoke about these Crown grants, in this way, that they intended to claim them still, from the fact that they had been prepared, with the Government's signature and the seal of the Province. "Well," I said, "Mr. Creelman, have you looked into the matter sufficient to say that that constitutes a title?" and he said yes, he had. And I said, "If it does, then you will have to get them, that is all."

Q.—You did not tell them that you were going to put through a cancellation Act? A.—No; I said nothing more about it; the train was moving out.

Hon. Mr. Wells—*Continued.*

Q.—That statement was not correct, that if that was so and that constituted title, that they would get them? A.—Well, that is what I said, that if that constituted title they would get them.

Q.—They ought to get them if that were so, as a matter of justice. A.—I am not going to express any opinion about that; that is a matter of opinion.

Q.—At that time, apparently you thought so? A.—That is the remark that I made, whatever it is worth.

Q.—Now, I understand that you say that Sir Thomas Shaughnessy also told you that there was a land company being formed in connection with this Columbia and Western, and that there would be some shares? A.—Yes; this was last fall; not when I was there first.

Q.—The fall of 1902? A.—Yes.

Q.—What month? A.—Well, it must have been in November. I saw him first the night that he was leaving for Milwaukee, at the train. I asked him then when he would be back, and he told me, and I said I wanted to see him when he came back; and I think that he told me the day he would return; at any rate, I saw him after he came back.

Q.—I am getting at the date of this conversation; when was it, Mr. Wells? A.—It was in November.

Q.—And where? A.—At the depôt at Montreal.

Q.—What time in the day, and what train? A.—It was at night.

Q.—When the train was going out for where? A.—Going west for Toronto.

Q.—And you were leaving, the train you were leaving on? A.—I think that I went to Toronto the same night.

Q.—Somebody, of course, must have been going off on the train, if you were at the depôt? A.—I was down at the depôt.

Q.—At the train? A.—At the train.

Q.—Before leaving for Toronto? A.—Yes.

Q.—And you think that you were going out on the train? A.—I think I went to Toronto that same night.

Q.—And he told you what, on that occasion? A.—Well, he told me when he was coming back; I asked him when he would return.

Q.—But, about the company business? A.—Oh, about the company matter, that was at his office.

Q.—That is the conversation I am interested in. Where did that conversation take place, when he told you there was a land company? A.—In his office.

Q.—Some time in November? A.—Some time in November.

Q.—You cannot fix it any nearer than that? A.—No.

Q.—Do you remember the time of day? A.—Oh, I think in the afternoon; I usually went to see him in the afternoon.

Q.—You went to see him considerably? A.—Oh, several times, yes.

Q.—Was anybody present? A.—No, there was no one there then.

Q.—And he told you, you say, they were going to form a land company to handle those lands? A.—Something came up about this Company, and that is the explanation he gave of it.

Q.—The explanation that he gave of what? A.—Of the company that was being formed.

Q.—How would it come up? A.—I can't tell you that just now.

Q.—You ought to remember. A.—It may have been I was curious to know what it was, because I never really understood where the advantage of the C. P. R. was going to be, in handing over those lands after they had got them. And I think it was in that connection; and I remember just what he said, and how he said it, and I took it to be in rather an apologetic manner, that all they had to do with it was to furnish the land, and reserve some shares, and the other people were going to do the rest.

Q.—Furnish the lands to whom? A.—To this company.

Q.—How did the company arise? A.—I cannot tell you.

Q.—You had not any interest in it? A.—No; I cannot tell you in what connection it was.

Q.—You had no interest in the company? A.—No; I had not.

Q.—And it was not a part of your business as Minister of the Crown to discuss that company? A.—Well, we were discussing it, nevertheless.

Hon. Mr. Wells—*Continued.*

Q.—How did it come up? A.—I cannot tell you how it came up, but we certainly did talk about it, and what he said was: “All we have to do about it is to furnish the lands and reserve some shares.”

Q.—Furnish the land and what? A.—Reserve certain shares.

Q.—Well, you would naturally think they would reserve all the shares? A.—Well, I don't know about that; that is what he said.

Q.—That is what he said, at any rate; you are quite sure of that? A.—I am quite sure it was.

Q.—To furnish the lands? A.—To furnish the lands.

Q.—And reserve certain shares? A.—I remember his using the word “furnish” very well.

Q.—All they had to do with what? A.—In connection with this company.

Q.—This mysterious company? A.—Yes.

Q.—Which was mentioned you don't know how? A.—Which was mentioned I don't know how.

Q.—Which was mentioned in a way you cannot remember? A.—I cannot say how the discussion came up.

Q.—In which you had no interest? A.—I had no interest about it.

Q.—And Sir Thomas Shaughnessy would have no reason for discussing it with you? A.—Oh, well, he discussed a good many things with me, that you would be very much surprised at too, probably.

Q.—I would not be surprised at anything, Mr. Wells. I don't suppose any of us would by the time this Commission gets through. Now, Mr. Wells, you returned from Montreal, and you, of course, made a report of what you had done in this connection to the Executive, didn't you? A.—I cannot say that I did so to the Executive.

Q.—Well, to the members? A.—To members of the Government, I know I did.

Q.—It would be your duty, would it not, to do so? A.—I certainly did so.

Q.—As soon as you came back? A.—Well, I won't say that.

Q.—I don't mean the very night that you arrived, but within a few days? A.—I think that Mr. Prentice was away, and I think the first time I said anything to him about it was in my own room, on his return.

Q.—But what I am getting at is, you apprised your colleagues, within a few days after you returned, of what had happened as to these negotiations? A.—I am not going to say that.

Q.—Did you wait three months? A.—No, not three months.

Q.—How long did you wait? A.—I don't know; I cannot say how long I waited.

Q.—Will you swear you waited a month? A.—No, I don't think I did.

Q.—So that it would be somewhere between a day and a month; it would be safe to say that? A.—Yes, I think so. I know that I was ill for quite a while after I came back.

Q.—Now, it had been decided that those grants would only be delivered if the road was built to Spence's Bridge; that is correct, isn't it? A.—Previous to the time I left?

Q.—Yes. A.—Yes.

Q.—Then, why was not action taken to cancel the grants as soon as the result of your visit was known? A.—Oh, well, I think that Sir Thomas Shaughnessy understood it, and I gave him to understand that it would be further dealt with.

Q.—Do you gather that from the letter of the 22nd of November, that Sir Thomas Shaughnessy wrote you? A.—One of the objects of that letter, and I think it was written for the express purpose, was as an argument to be used before the Executive in order to acquire those lands.

Q.—Oh, you think that letter was written as an argument? A.—Yes.

Q.—To be used before the Executive? A.—Yes.

Q.—In order to obtain those grants? A.—Yes. I don't say under the terms that had been proposed, but if that matter came up again.

Q.—So that your opinion was, when that letter was written, Sir Thomas Shaughnessy had the delivery of those grants very much in his mind? A.—I think he still had hopes to acquire them. He wrote that letter at my own request.

Q.—I beg your pardon? A.—He wrote that letter at my own request.

Q.—He wrote that letter at your own request? A.—Because we had previously discussed it; he had shown or expressed the position of the Company in regard to British Columbia matters very much on the same lines as that letter, and it was at my suggestion that he wrote it.

Hon. Mr. Wells—*Continued.*

Q.—When you say that he wrote that letter at your request, do you mean that you had anything to do with the contents of the letter? A.—No, I don't say that.

Q.—The letter represents his idea? A.—He discussed the position of the Company very much, as I remember, upon the lines of that letter.

Q.—Yes. A.—And it was at my own suggestion that he primarily—or at least, that he wrote me that letter.

Q.—For the purpose of getting delivery of those Crown grants? A.—Well, to be used, as I say, whenever the matter would be taken up.

Q.—Will you tell me how on earth that letter would help anybody get delivery of the South-East Kootenay Crown grants? A.—I think it showed the contention of the Company.

Q.—Can you suggest any way that the writing of that letter would help out the obtaining of those Crown grants? A.—Yes. I think it is a very strong letter, showing the claims of the Company upon the Province; a very strong letter. Speaking of Mr. Creelman and Sir Thomas Shaughnessy, I remember this: I suggested in any further negotiations with them that I employ Mr. Greenshields, and he submit to Mr. Greenshields everything connected with this transaction.

Q.—Connected with what? A.—I say that in that interview with Mr. Shaughnessy, at which Mr. Creelman was present, I suggested that in any further negotiations that we might have—

Q.—Negotiations about what? A.—Over these Crown grants.

Q.—Over these Crown grants? A.—Over these Crown grants, that Mr. Greenshields should act for the Provincial Government.

Q.—I see. The discussion of this delivery of Crown grants took this shape, that you suggested to Sir Thomas Shaughnessy that in his attempts to obtain these Crown grants from the Government in the future— A.—Yes.

Q.—He should retain the services— A.—Who should retain?

Q.—Mr. Greenshields should act for the Province? A.—Yes.

Q.—With a view to what? A.—Well, further negotiations; any further negotiations.

Q.—Will you tell me, Mr. Wells, why in the world the Province would require Mr. Greenshields or anybody else to see that this condition about building to Spence's Bridge was carried out? A.—It might be a matter of considerable negotiations, and I suggested that.

Q.—I have understood from all this evidence, and everything you have said, that the only point there was with reference to the delivery of the Crown grants was the building to Spence's Bridge? A.—Oh well, that and other conditions that might be arrived at.

Q.—Then the building to Spence's Bridge was not the sole condition, and others might be substituted? A.—Others might be substituted.

Q.—I see. The only idea that finally remained with the Government was that they would not turn these Crown grants over,—from your standpoint,—until something more had been done by the Company? A.—Something more done by the Company; or the words I made use of, "until the matter had been dealt with by the Executive." And I remember exactly what Mr. Creelman said in regard to my proposition about Mr. Greenshields,—he met it with a good deal of disfavour.

Q.—I don't wonder. A.—Yes, he did.

Q.—What that something that was to be done by the C. P. R. in order to get the Crown grants delivered was, was not finally determined upon? A.—Yes.

Q.—But it was to be something for the Province of British Columbia? A.—Yes, undoubtedly.

Q.—And Mr. Greenshields was to arrange that, was he. A.—No, I didn't say that, but I suggested that Mr. Greenshields should act for the Government in any further negotiations about it.

Q.—It is not a matter of continued negotiations? A.—It has shown considerable complication up to this time.

Q.—Not from my point. A.—Well, I made that suggestion, and that is what Mr. Creelman said at the time.

Q.—And Mr. Creelman did not approve of that suggestion? A.—He did not approve of it, no.

Q.—Now, going back to what I was asking you about; you apprised all the members of the Executive of the result of your visits to Montreal, so far as the building to Spence's Bridge

Hon. Mr. Wells—*Continued.*

is concerned, and yet no action then was taken in connection with those Crown grants to cancel them? A.—None, until about the 18th of March.

Q.—And then the only reason for cancelling them was your telling this iniquitous story about Mr. Taylor? A.—I am not going to say that.

Q.—Well, was it? A.—I have not said so.

Q.—Do you say that? A.—The reason transpired in the Cabinet.

Q.—But I am asking you your own reasons, outside of the Cabinet? A.—Certainly, the primary reason why they were not delivered was because the negotiations failed with respect to the Midway-Spence's Bridge road.

Q.—But that had been known for months. A.—Two or three months.

Q.—So that that certainly was not it; isn't that right? A.—Was not what?

Q.—That was not the reason; that was known for months. A.—I think there was a more immediate reason.

Q.—Well, what was that more immediate reason? A.—Well, that occurred in the Executive, and I don't propose to say.

Q.—I mean the reason which influenced you, entirely apart from the Executive? A.—Well, I don't know that the cancellation—that I was influenced by any particular thing in regard to the cancellation of the grants. I mentioned to Mr. Dunsmuir circumstances which I thought he should know about.

Q.—But that is not an answer. A.—And it was Mr. Dunsmuir then took action and not myself.

Q.—I see. But outside of the Executive, what influenced Mr. Dunsmuir? A.—What I told him.

Q.—It was this story that you told him? A.—Well, I presume so.

Q.—Now I understand, Mr. Wells, that you took the position, as one of your strong reasons, and practically the reason why those grants should not be delivered was that they were not issued in accordance with the Subsidy Act; is that correct? A.—That the terms of the Subsidy Act were varied?

Q.—Yes; is that correct? A.—I certainly considered that a very grave obstacle at the time.

Q.—You certainly considered that a very great obstacle at the time. But you had obtained the opinion not only of the Attorney-General, but of Mr. Gordon Hunter, and those opinions were both to the effect that the Government were at perfect liberty to do it? A.—That we had the power; we could exercise the power.

Q.—Then there was nothing more in that reason, was there? A.—Well, that was Mr. Hunter's opinion.

Q.—I say, was there anything more left in that reason? A.—Well, I cannot tell you about that.

Q.—Well, was there or wasn't there? A.—I cannot tell you.

Q.—You cannot tell whether that was still a reason with you or not? A.—I have got my own opinion about it.

Q.—Well, what is your own opinion? A.—Well, it might be out of place to say that I did not exactly agree with that opinion.

Q.—Oh, not a particle; we lawyers are used to that. Then, I understand, in spite of these two opinions, you still thought the Government could not do it? A.—What two opinions?

Q.—The opinions of the Attorney-General and Mr. Gordon Hunter. A.—I don't know that I ever got any opinion from the Attorney-General.

Q.—I understood from Mr. Brown's evidence that the Attorney-General had given an opinion? A.—I never saw it.

Q.—We will leave that out, then. But the opinion of Mr. Gordon Hunter. And another objection, as I understand you took, is this, Mr. Wells, that there never was any acceptance of the proposal contained in the recommendation; is that correct? A.—Never any acceptance?

Q.—Yes. A.—What I have stated is that there never was any express acceptance by which the Company would be bound.

Q.—And do you still maintain that? A.—Yes, I do.

Q.—That the proposition was never accepted by the Columbia and Western? A.—Never accepted by the Columbia and Western.

Q.—Will you tell me why the Order in Council was passed, then? A.—Yes.

Hon. Mr. Wells—*Continued.*

Q.—Why? A.—The Order in Council was passed—

Q.—Merely as an offer? A.—As the result of two meetings; one of the 31st of July and another of the 2nd of August.

Q.—Merely intended as an offer? A.—Well, it was a proposition—put in that form.

Q.—Was the Order in Council intended merely as an offer to the Columbia and Western?
A.—Oh, well, I think it was understood that it would be acceptable to the Company.

Q.—Was it intended as an offer or as a settlement? A.—It was intended as a settlement; there is no doubt about that; it would have been.

Q.—And the Crown grants were not issued as an offer to the Company, I suppose? A.—What?

Q.—Crown grants were subsequently issued on or about the 24th of October, weren't they? A.—Yes.

Q.—Issued as an offer to the Company? A.—As an offer?

Q.—Yes; as an offer. A.—They were issued in pursuance of the Order in Council.

Q.—They were issued in pursuance of the settlement that had been arrived at between the Government and the Columbia and Western? A.—Yes.

Q.—And they were issued after the payment of the fees for them by the Columbia and Western? A.—Well, I never knew anything about the payment of the fees.

Q.—Well, you have heard the evidence on that? A.—No; I have not.

Q.—Well, it has been stated here in evidence that the fees were paid by the Columbia and Western. A.—Yes.

Q.—You have no reason to dispute that? A.—I presume so; that is the practice.

Q.—You would not doubt the evidence of your own office in connection with the receipts?
A.—Matters of detail I don't look into.

Q.—You don't dispute that statement? A.—No, I don't; I presume it is a fact.

Q.—And if any acceptance were required, don't you think that would signify an acceptance? A.—Not necessarily so; that would be surely a clerical act.

Q.—You think so? Now, in that memo. to Sir Thomas Shaughnessy, you set out the fact that the Company had forfeited their right to a subsidy for building section four, do you not? A.—Yes.

Q.—Was that correct? A.—They had legally forfeited it.

Q.—They had legally forfeited it? A.—Yes.

Q.—Hadn't it been agreed that, on account of the fact that Mackenzie & Mann entered into an agreement to build those sections, the C. P. R. should be relieved from that? A.—Mr. Dunsmuir had given assurance by letter that they would be reinstated in their subsidy rights. As a matter of fact, I don't think that I knew about that letter at the time I was in Montreal.

Q.—And it is set out by you in Bill 87? A.—I don't think I knew anything about that at the time I was in Montreal; if I did, it did not occur to me.

Q.—You didn't know about that at that time? A.—No; I think not.

Q.—When you came back you found that out, I suppose? A.—No; the circumstances of my finding it out was my writing a letter subsequent to that to G. McL. Brown.

Q.—You found it out prior to the time that Bill 87 was prepared? A.—Yes. There is a letter of mine to Mr. Brown in which I refer to Mr. Dunsmuir's letter. I think I ascertained the particulars about that about that time.

Q.—About the time Bill 87 was prepared; and you did not know of it before that?
A.—I may have known it at the time that the letter was written; there might have been something said about it.

Q.—But the error in that memorandum did not affect the delivery of the Crown grants?
A.—No. In defining their legal status, they certainly had forfeited their rights.

Q.—Well, do you say so still? A.—What, legally?

Q.—Yes. A.—I do.

Q.—How do you explain the preamble to this Bill 87, in which you set out that it was agreed to do the contrary? A.—Yes, that gives them, in my opinion, a moral or equitable right.

Q.—But this sets out an agreement to the contrary—"And whereas, at the request of the Government of British Columbia, in order to enable the Government to enter into an arrangement with Messrs. Mackenzie & Mann, railway contractors, of Toronto, for the construction

Hon. Mr. Wells—*Continued.*

of a line of railway from Midway to Penticton, the said Company surrendered its right to construct the said fifth and sixth sections: And whereas the said Company was by the 'Columbia and Western Railway Subsidy Act, 1896,' and amending Acts, entitled only to grants of land in respect of the portion of its line known as the fourth section, after it had constructed said fifth section: And whereas, as a consideration for the Company's undertaking as aforesaid, it was agreed that the said Company should obtain grants of land in the Districts of Yale and Kootenay in respect of the said fourth section, after the Company had constructed said fourth section:—was such an agreement arrived at? A.—Well, the agreement might have been in such shape that the Company could not proceed against the Government.

Q.—Was there any such agreement arrived at? A.—I was informed so.

Q.—And was it binding on the Government? A.—I don't know about that.

Q.—You don't know about that? A.—No.

Q.—And an agreement is set out in this preamble that is not binding? A.—I don't know that the Company could compel the Government to carry it out.

Q.—Now, you state in your evidence that Mr. Taylor gave you, in Montreal, some ridiculous reasons for delivering the grants. What were those ridiculous reasons? A.—Well, I remember that he attempted to show me that the concessions which I was asking for, the additional concessions, would put the Government in rather an unfavourable light; I remember that.

Q.—Are those the reasons that you gave in your examination the other day? A.—I don't know; I said ridiculous reasons.

Q.—Didn't you say, when you were asked about this, that the reasons he gave were that it would be looked upon as a very peculiar thing, taking those grants around and endeavouring to make terms with the C. P. R.? A.—No, I never said that.

Q.—Didn't you say in your evidence? A.—Those are not the reasons that I referred to as absurd or ridiculous.

Q.—And you did not suggest that in your former evidence? A.—I don't think I did.

Q.—That reason would not be ridiculous, the reason that he gave, that you better turn them over and not be peddling them around for the purpose of making better terms with anybody? A.—I don't think that he referred to that at all.

Q.—You would not call such reasons ridiculous? A.—I have said I didn't think there was anything in it—that I should be carrying the Crown grants around—

Q.—What did you go to Hamilton to see Mr. Brown for? A.—I did not go to Hamilton to see Mr. Brown.

Q.—You went there on some other business? A.—I went there on some other business.

Q.—Why did you ask him to meet you? A.—I did not ask him to meet me.

Q.—You never asked him to meet you? A.—No.

Q.—He just accidentally knew that you were coming, and accidentally met you? A.—I don't know whether he knew I was coming there; he met me there.

Q.—Did he meet you at the station? A.—I don't think he did. No, I went straight up to the Royal Hotel. I was looking for a wholesale grocer at the time, and I made inquiries at the hotel where it was.

Mr. McCaul: Mr. Wells, when a Minister signs a recommendation to Council, does it necessarily follow that it has got his personal approval? A.—No, I don't think it would.

Q.—It is a formal act of the Minister? A.—That came under my own Department, and I would be looked to to sign it.

Q.—And, therefore, you signed the Minute of recommendation? A.—Yes.

Q.—Now, did you say to Mr. Davis that you had no objection to this act or Order of Council of the 10th of August, 1901, at any time? A.—Oh, I don't know that I objected to the Order in Council, but I know that I had an objection to this proposition before that.

Q.—You had objected to this proposition before that? A.—Yes.

Q.—On the grounds that you have already stated, that it was a departure from the terms of the Subsidy Act? A.—Yes.

Q.—Now, Mr. Davis has suggested that the only instructions that you had with regard to the conditions that you were to ask in Montreal for the delivery of those grants were from Mr. Dunsmuir. A.—Well, Mr. Prentice was there; and it was determined then that we should have further concessions. But in my conversation with Sir Thomas Shaughnessy, Mr. Dunsmuir's name appeared.

Hon. Mr. Wells—*Continued.*

Q.—The only other member of the Cabinet who was not present when that was decided upon was Mr. Eberts? A.—Mr. McBride was not there at that meeting.

Q.—Was he a member of the Cabinet at that time? A.—I think he was; 10th of August; I don't remember Mr. McBride being there; I don't think he was.

Q.—Now, with regard to the delivery of the grants to the British Columbia Southern, you said something about a rule requiring a guarantee bond from the Company? A.—The British Columbia Southern?

Q.—Yes. A.—No, the Columbia and Western.

Q.—What was the nature of that? A.—I think it was a bond of \$10,000 that they would complete their surveys within a certain time.

Q.—The Subsidy Act required that the Company should survey their lands? A.—No, I don't think the Subsidy Act required that, but that was Mr. Gore's suggestion, that it would be a good precaution to take, in order to hurry up the survey.

Q.—And you spoke about that in connection with the delivery of those grants to Mr. Oswald? A.—Yes, I remember at the time.

Mr. Duff: It is in the British Columbia Southern that that was inserted.

Mr. McCaul: Now, Mr. Wells, I understand you to say that the condition for delivery of the Crown grants was the undertaking to build to Spence's Bridge? A.—Those were my instructions.

Q.—Not that the delivery of the Crown grants was a condition of the construction, or the consideration for their building to Spence's Bridge? A.—No.

Q.—Mr. Davis reversed the thing; he reversed the conditions? A.—Yes; that is to say, he put it that we wanted to make it a condition of building the extension of the railway, that they were to receive the Crown grants.

Q.—But you put it the other way? A.—The other way.

Q.—That the conditions were apart from that for the building of the railway to Spence's Bridge? A.—Yes.

Q.—Now, Mr. Wells, if this important conversation took place between Mr. Shaughnessy and yourself, that you were to be permitted to return with those grants and to send them back to Mr. Shaughnessy in thirty days, don't you think it a remarkable thing that a gentleman of such particularity as Mr. Shaughnessy would not have put that in writing when he was writing to you? A.—I certainly think it would have been a proper way to have done.

Q.—Mr. Davis has suggested that Sir Thomas Shaughnessy puts all these particular items in writing. A.—I cannot imagine that Sir Thomas Shaughnessy would let go two important documents like that out of his hands for any purpose, without having some acknowledgement.

Q.—Mr. Davis suggests that in that sort of matters Sir Thomas Shaughnessy always makes a memorandum in writing. A.—Yes.

Q.—And it would appear, then, a very remarkable incidence that he did not do so in this case? A.—I never got his permission, that is certain. I never asked for it.

Q.—Now, in regard to the proposition that Mr. Taylor made to you, did you make any inquiries at all as to how he proposed to carry it out? A.—No.

Q.—Were you interested in any way as to how his proposed company was to get the lands from the C. P. R., or what arrangements there would be from the C. P. R.? A.—No; I did not pay much attention to it.

Q.—Or what the C. P. R.'s position was with regard to it? A.—I never made up my own mind about it.

Q.—Mr. Wells, you said that the Order in Council was a settlement of the Columbia and Western land matters? A.—It was a proposed settlement, yes; but I think it was understood to be a settlement.

Q.—Why did it take the form of a proposal of the Government? A.—That was at the request of Mr. Brown.

Q.—That was at the request of Mr. Brown, that it should be a proposition from the Government to the Company? A.—Yes.

Q.—In respect to this question of payment of fees for Crown grants; do you know, as a matter of practice in the office, whether fees are not frequently paid and Crown grants never issued in pursuance of that? A.—I cannot say about that.

Q.—Mr. Gore would know about that.

Hon. Mr. Wells—*Continued.*

Mr. Helmcken: Mr. Wells, you said that making a report signed by a Minister, the Minister does not necessarily concur in it. Now, is that correct? A.—The Minister over that particular Department?

Q.—Yes. A.—Well, he need not necessarily concur in it.

Q.—Surely he must; otherwise, why does he make it? A.—In this particular instance it was made because the settlement had been arrived at before, and it was left to me to make the recommending Order.

Q.—The settlement had been arrived at before? A.—Yes.

Q.—Were you surprised when the settlement was arrived at? A.—No, I was not.

Q.—And was this a mere formal signature to the document? A.—Yes; it was carrying out exactly what had been arrived at at a previous meeting.

Q.—Well, was it intended as a final settlement? A.—Well, I think it was understood to be a settlement.

Q.—I want to get at the difference between a proposal for a settlement and a settlement? A.—Well, it was put in that form at the request of Mr. Brown, as emanating from the Government. He had his particular reason for it.

Q.—Well, Mr. Brown at that time was a fifth member of the Cabinet. Now, can you tell us upon what authority you signed that document in a mere formal way? A.—Well, I presume that I got my instructions from Mr. Turner. Because I understood that I was to receive instructions from him.

Q.—Well, there is the document itself, and it is signed by yourself and Mr. J. H. Turner. Mr. Turner was presiding member of the Executive Council, and signs it in the usual way as a Minister presiding. Is it a usual thing for a member presiding over an important Department, like yourself, a Department in which I know you take a great deal of interest, should take his instructions from a presiding officer? A.—Well, the instructions came from the meeting of the Executive practically, because this had all been arrived at at a previous meeting.

Q.—Can you tell me who was present at that Executive, and when it was held? A.—On the 2nd of August?

Q.—Yes. A.—Yes, I looked it up; I cannot remember now. Because, you see, it refers there to instructions, on the first page—on the other page, I think.

Q.—In pursuance of instructions dated the 10th of August. Just explain the position that you occupied. A.—Supposing I had been at that meeting of the 2nd of August, and I had dissented from this proposition—supposing it came to that, and I dissented from it, if the Executive had arrived at this settlement irrespective of my opinions about it, I would have signed that recommending Order notwithstanding the fact that I might not be favourable to it.

Q.—Well, you sign the document; that must be as a Minister; it must be considered to be a solemn act? A.—Yes.

Q.—Certainly you could not sign a document simply because you were told to? A.—If it had been taken up at a previous meeting and settled by a majority of the meeting, I would be bound to; I would feel myself bound to carry that out.

Q.—That is the position you occupied? A.—Yes, I think so.

Q.—So that you would be loyal to your colleagues? A.—That is the effect of it. We cannot all run away with our individual opinions.

Q.—Was that really intended as a final settlement, or simply a proposal for a settlement? A.—Oh, well, I think that it was understood that it was acceptable to the Company through Mr. Brown, so far as he could express an acceptance of it.

Q.—Did you consider it to that extent, that it should be considered as a settlement? A.—Just in this way; when Mr. Brown and I first discussed it I said, “Mr. Brown, you better submit your proposal, or your proposition,” whatever it was; and he said, “No, I don’t want to put it in that shape; I want the proposal as emanating from the Government.” I did not give any further instructions about it; I suppose that he acted upon that himself when the draft of the Order in Council was prepared. I was not a party to it at all.

Q.—And upon that this Executive Council was had, and on which you were asked to sign a report. Now, who prepared that report? A.—Well, I cannot tell you just now; the draft of the report was probably before me at that time.

Q.—Well, was that prepared in your office? A.—No, sir.

Q.—Like other documents in this matter, was it carried into the office from an outside source? A.—I have no doubt about that.

Hon. Mr. Wells—*Continued.*

Q.—I see. But you don't know who brought it in? A.—No, I cannot tell.

Q.—Well, would you sign a document without inquiring where it came from? A.—Oh, well, I don't know that I would do that; I presume I satisfied myself that those were the terms of the settlement. I thought so at the time.

Q.—Do you recollect with whom you had any conversation in order to satisfy yourself that it was correct and you could sign the document? A.—No; I cannot remember about that; but I must have satisfied myself that those were the terms of the proposed settlement.

Q.—But you cannot give the Committee any information as to how you satisfied yourself? A.—No; I cannot tell you just exactly the circumstances with regard to it.

Q.—You cannot say where you obtained the information? Now, you told us that in Montreal—that you thought Mr. Brown and Mr. Taylor were working the thing together? A.—That was my impression; yes.

Q.—Now, what gave you that impression? A.—They were very great friends, and they had seen me with regard to that proposition before.

Q.—They had seen you? A.—They had seen me with regard to the B. C. Southern settlement.

Q.—Where, and when? A.—That would be some time in December, 1900.

Q.—Both of them together? A.—No.

Q.—At separate times? A.—At separate times.

Q.—In your office? A.—In my office.

Q.—Did Mr. Taylor ever say he was appearing for the B. C. Southern? A.—Oh, I don't remember about that.

Q.—Why do you gather the impression that Mr. Taylor appeared for any person? A.—He had a draft of an Order in Council prepared.

Q.—In connection with what? A.—A settlement of the B. C. Southern subsidy.

Q.—And was that draft submitted to the Executive? A.—Well, I cannot say about that, but I think it was finally given to Mr. Gore, so that it would be embodied in the Order in Council.

Q.—Was that draft utilised by you in any shape? A.—I think it was; I think that the Order in Council was prepared from that draft.

Q.—And is that the Order in Council that you are speaking of, wherein Mr. Gore inserted a recommendation in regard to a bond being executed? A.—Yes—not a bond; Mr. Gore inserted a term stipulating a certain time within which the surveys would be completed.

Q.—I see. These conferences having taken place with you in Victoria, what degree of similarity was there in Montreal which would make you think that these two gentlemen were working together? A.—Well, I would naturally infer that from the fact that they had both acted in unison with regard to the B. C. Southern settlement.

Q.—And were they acting in unison with regard to the Columbia and Western as well? A.—I think so; because it struck me before—I think I knew at the time that this telegram came from Mr. Taylor to Mr. Eberts that Mr. Brown and Mr. Taylor were East in connection with that very thing.

Q.—That those two gentlemen were East? A.—Yes.

Q.—When was that? A.—That would be in June, or the fore part of July; some time in the summer of 1901. I understood that from some source.

Q.—Well, did Mr. Brown let you know in any way that Mr. Taylor was associated with him, or on his behalf, in Montreal? A.—No; I cannot call to memory any discussion with Mr. Brown in regard to this at all in Montreal. He came—I will tell you—he came to Mr. Shaughnessy's room with me one day and left at once; he did not remain there. That is the only time that I remember of Mr. Brown interesting himself in the transaction.

Q.—Well, in any other way did they show that they were interested in this proposition? Mr. Taylor says that he invited you to go with him to the theatre? A.—I went to the theatre with Mr. Taylor that night, yes.

Q.—Was there any amount of attention shown you, whereby they wanted to get your favourable ear? A.—I was pretty well treated in Montreal.

Q.—By whom? A.—Mr. Taylor, Sir Thomas Shaughnessy and Mr. Brown.

Q.—They all looked after you? A.—Yes.

Q.—And gave you a good time. But they did not get the Crown grants? A.—Oh, no.

Q.—You hung on to those? A.—I hung on to those.

Hon. Mr. Wells—*Continued.*

Q.—You had a conversation with Mr. Shaughnessy touching the Company? A.—This was last fall.

Q.—It was in your visit to Montreal in December of 1901? A.—No, when I was down again last fall.

Q.—So that in December, 1901, had you any conversation whatsoever with Sir Thomas relative to the formation of a land company? A.—No.

Q.—You had nothing whatever to do with Sir Thomas with regard to that proposition that you say was made by Mr. Taylor? A.—No, I did not discuss the company question with him at all at that time.

Q.—Previous to your leaving Victoria, you told us that you heard a rumour on the street—A.—I did not say on the street,—I said I knew something about something.

Q.—You knew something of a rumour? A.—Yes.

Q.—Now, what was that rumour that you knew of before leaving Victoria? A.—Well, I remember something being said about difficulty they had with the Crow's Nest Coal Company, something that they wished to obviate in making this change; that is to say, by which these two blocks would be surrendered as part of the B. C. Southern subsidy and tied on to the Columbia and Western subsidy.

Q.—That was the rumour? A.—I had heard something as to what the intention was, or what it was for.

Q.—Well, had that any effect whatsoever on the act of the Government? A.—No; I had not paid much attention to it at that time.

Q.—Did it play any part in the negotiations? A.—No, I don't think it did; well, not with myself.

Q.—Well, did it with anybody? A.—It may; I could not say about that.

Q.—Was that any reason why Mr. George Brown should ask that the proposition should emanate from the Government? A.—Well, I think it had a great deal to do with it.

Q.—Very well. Now tell us what rumour,—or, what the effect of that rumour contributed towards the negotiations? A.—Well, I heard something about some difficulty which they were going to obviate by this exchange, but I did not know what it was altogether.

Q.—Can you tell us from what source you derived your information with regard to this difficulty? A.—No, I cannot tell you that. But I know that I knew something about it at the time that this telegram came from Mr. Taylor to Mr. Eberts.

Q.—That is in June or July, 1901? A.—Yes, I knew something about it at that time.

Q.—That there was? A.—Yes. I understood from some source that Mr. Taylor had gone East for the purpose to arrange about this in some way or other, or had made an effort to, and had failed.

Q.—Who gave you that information? A.—I cannot tell you that.

Q.—Cannot you call to mind now? A.—No, I cannot tell you that.

Q.—Cannot you call to mind now? A.—No, I cannot tell you about that.

Q.—Was he sent there at the instance of the railway company, or the British Columbia Southern, or the Coal Company? A.—I cannot say that.

Q.—But still, from some indefinable source you got hold of this proposition? A.—Yes, that he had made an effort to get some settlement—some obligation which they were under in regard to the B. C. Southern subsidy, but had not been able to carry it out.

Q.—Well, did you discuss this matter with Sir Thomas in Montreal with regard to the position of the Coal Company? A.—Yes.

Q.—Well, what was said by Sir Thomas with regard to that? A.—Well, Sir Thomas immediately got out the agreement—sent for the agreement, and I think this is the time he got Mr. Creelman in. And the agreement evidently showed this, that they were under an obligation to the Crow's Nest Coal Company in the event of their acquiring lands, and it was determined in some way or other, I have forgotten just now how; but from a report from some source that there were coal lands, that the Crow's Nest Coal Company would be entitled to a selection of 10,000 acres; I remember that.

Q.—But you have not a copy of that agreement? A.—No.

Q.—But negotiations between you and Sir Thomas failed? A.—Yes.

Q.—And that was an end of the matter? A.—And that was an end of the matter then

Q.—And you came home with the Crown grants? A.—Yes.

Hon. Mr. Wells—*Continued.*

Q.—And what report did you make to your Premier? A.—I told him that I had brought them back.

Q.—Was there an end of the matter then? A.—For the present, yes.

Q.—Why did you continue negotiations with the Company? A.—I did not.

Q.—Well, how did this matter come about that an Act was introduced into the House? A.—An Act?

Q.—An Act was introduced into the House. A.—Do you mean rescinding—cancelling the Crown grants, you mean?

Q.—No, 1902; how did it come about that the Bill of 1902 was introduced, Bill 87? A.—That was to reinstate them in their rights in respect to section four; a different thing altogether.

Q.—What were you driving at in Montreal, what settlement were you attempting to make, and had it anything to do with section four? A.—No; with respect to section three.

Q.—Very well; under section three, if you had come to a conclusion satisfactory, the Company, the Columbia and Western, would have got these Crown grants, wouldn't they? A.—If that settlement had been carried out they would, yes.

Q.—Did you look into the question as to whether you had statutory authority for carrying out any such settlement? A.—I had.

Q.—What authority had you been given? A.—I got an opinion of Mr. Gordon Hunter.

Q.—That you could carry out such a settlement? A.—That the Government could exercise that power.

Q.—Power for what? A.—To vary from the directory features of the Act.

Q.—Yes; but had you received an opinion as to whether you had power to make any such settlement as proposed by you, and instructed by the Hon. the Premier of the day? A.—Do you mean in respect to getting the extension from Midway to Spence's Bridge?

Q.—Yes, as to the authority of the Government to make any such arrangement? A.—No, it was arrived at at this informal meeting.

Q.—I see. And after that settlement had been carried through would it have been followed up by legislative action? A.—Not necessarily, I think.

Q.—You had not gotten an opinion on that point? A.—No; I think that the Subsidy Act would have been sufficient for us to have acted on that.

Q.—Was the Company entitled to anything in respect of section four? A.—Under the terms of the Subsidy Act they would have been entitled to close on a million acres of land.

Q.—Had they complied with all their legislative requirements as to that? A.—No, they had not.

Q.—Then why were they entitled to it? A.—They were equitably entitled to it, in my mind.

Q.—But were they entitled to it by virtue of the Statute? A.—No.

Q.—Now, why did the Government, in the Session of 1902, introduce Bill 87? A.—Mr. Dunsmuir had given his promise to that effect.

Q.—“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.” That he undertook to introduce at the next Session of the Legislature? A.—Yes.

Q.—Bill 87 is the—? A.——outcome of that letter.

Q.—outcome of that letter. Under that, if the Bill had become law, could the Company have claimed this identical land? A.—They might have claimed them, but I don't think that the Government would give them.

Q.—Never mind that; could they have claimed them? A.—They could not have claimed 4,593, because it was under reserve.

Q.—Could they have claimed 4,594? A.—I suppose they could.

Q.—Was 4,594 under reservation? A.—I thought it was at the time, but it turned out that it was not; it had not been under reservation at all; Mr. Gore was the first one to inform me it was not.

Q.—Tell me, when you were dealing with Sir Thomas, was 4,594 under reserve as well as 4,593? A.—No, it was not, but I supposed it was. I did not ascertain that until after the

Hon. Mr. Wells—*Continued.*

rescinding Order Mr. Gore came to my office and suggested that we should at once deal with applications for this particular block, calling my attention to the fact that it was not under reserve; and I was very much surprised at the time, because I had supposed up to the time that it was; and I had considerable discussion with Mr. Gore, and he satisfied me it was not under reservation.

Q.—Why didn't you put a reserve on 4,594? A.—There was not up to the time we had the negotiations with the Canadian Pacific; why should we? We had intended to give the blocks to the B. C. Southern, and they put an embargo on those two blocks, and that stopped us from dealing with any applications; we treated it as a reserve.

Q.—But 4,593 is only reserved? A.—Yes.

Q.—And wasn't it supposed to be under reserve as well, 4,594? A.—I supposed 4,594 was under reserve at that time. I always supposed that these two blocks were both under reserve alike.

Q.—Then 4,594 was not under reserve at the time you were in Montreal? A.—No, it never was; never has been.

Q.—Well, can you tell us how far 4,594 has been divided up, has been granted? A.—Well, there are a number of applications have been coming in for leases—timber leases, I suppose—pre-emptions, and coal prospecting licences.

Q.—Has any portion of it been given to the C. P. R. or the B. C. Southern? A.—Not that I know of.

Q.—To any person representing the B. C. Southern? A.—Not that I know of. To my recollection, I only know of one individual whom I have any knowledge of, and that is Mr. Harvey, I think, of Fort Steele.

Q.—Does he represent any railway company? A.—I don't know that.

Q.—You came back from Montreal, Mr. Wells, and you reported to your Premier the result of your trip. In your report did you make any mention whatsoever of Mr. Taylor's proposal? A.—No, I did not.

Q.—Why did you not? A.—Oh, I didn't think it necessary.

Q.—Why did you think it necessary to report to Mr. Prentice? A.—Well, when Mr. Dunsmuir came to me in the House and told me that Mr. Brown was again pushing for these Crown grants, he said, "Is there any reason why they cannot be given up?" or "why not give them?"—I forget the exact words he used—I was satisfied then,—I became at once satisfied that he had determined upon giving those Crown grants over, irrespective of what had been determined before to be the conditions; that is to say, he had made up his mind not to weigh those conditions that he had formerly exacted. Then it occurred to me that he had better know about these other circumstances. I said, "Mr. Dunsmuir, there are other circumstances that you don't know of, and if you let this matter stand for a day or two I will probably inform you."

Q.—Did Mr. Dunsmuir ask you what those reasons were? A.—Not then.

Q.—Why didn't you tell him then? Instead of letting Mr. Dunsmuir beat around in the dark, why didn't you tell him? A.—It was in the House, it was not an opportune time to go into it.

Q.—Mr. Dunsmuir was the Premier at the time? A.—I took a more opportune time of telling him; I drove out to his house.

Q.—When? A.—The following Sunday night.

Q.—But you had told Mr. Prentice previous to that? A.—I told Mr. Prentice before that, yes.

Q.—What did you tell Mr. Prentice with regard to Mr. Taylor's proposal? A.—What I have already repeated here.

Q.—There is no variation to that? A.—I don't think so.

Q.—Then, did you put the seal of secrecy on Mr. Prentice? A.—Well, I told Mr. Prentice not to say anything about it for the present.

Q.—If it was necessary to tell Mr. Prentice, wasn't it more necessary to tell your Premier? A.—Well, I certainly did tell my Premier, but I took another opportunity of doing so.

Q.—After you told your Premier, he acted very promptly, didn't he? A.—I think he did.

Q.—He got on his high horse? A.—I know he spoke very promptly about it at the time.

Q.—And he acted with a great deal of— A.—(Interrupting). Yes, he was very indignant over it.

Hon. Mr. Wells—*Continued.*

Q.—And didn't you see that you had made an error in not telling him before this? A.—I don't know. As it happened it was not too late.

Q.—Wouldn't it have been better if you told him on your return from Montreal? A.—Not until the necessity for it.

Q.—The necessity never arose until after you mentioned this matter to Mr. Prentice? A.—No, the necessity for it arose when he told me in the House that Mr. Brown was pushing for these Crown grants, and as I understand from him, he did not object, but he could have them.

Q.—There was a good deal of pressure made upon Mr. Dunsmuir, the Premier of the day, for the delivery up of those Crown grants? A.—I won't say pressure; but that is what he said.

Q.—Did he ask you why you had not delivered those Crown grants? A.—He said, "Why not give them?" or, "Is there any reason why they cannot be given up?"

Q.—Did Mr. Dunsmuir, for instance, go into your office, and say, "Look here, Wells, why don't you deliver those Crown grants?" A.—He did not come into my office; it was in the House.

Q.—Well, anywhere; did Mr. Dunsmuir tell you directly to give up those Crown grants to the Railway Company? A.—He did not.

Q.—But he asked why you would not do so? A.—Just in that way, at that time; he either said, "Is there any reason why you cannot give up those Crown grants?" or, "Why don't you deliver them up?"

Q.—At that time you were all being bothered by Mr. Brown about them? A.—Mr. Brown had seen me before that.

Q.—And Mr. Brown's expression is, he was pretty near living with you. A.—I don't remember his seeing me often about it after I returned from Montreal, but I remember saying to him—

Q.—The House met on the 20th of February; the cancelling order was made on the 18th of March? A.—Yes.

Q.—Now, you got back in December. Between that time and the meeting of the House, the 20th of February, how often did Mr. Brown see you? A.—I cannot say.

Q.—Very frequently? A.—I really cannot say as to that.

Q.—Did any other Minister come and see you during that period of time, with regard to the non-delivery of these Crown grants to the Company? A.—No, I don't know that any other Minister came and saw me. I remember discussing it with Mr. Eberts at one time.

Q.—What did you discuss? A.—Mr. Eberts was rather urgent that the Crown grants should be surrendered.

Q.—What language did he use in expressing the urgency for the Crown grants to be delivered over? A.—I know that he took that view of it, that the Crown grants should be given to the Company in accordance with the terms that had been agreed upon.

Q.—Notwithstanding what had taken place? A.—Oh, well, I don't know that he knew anything of that.

Q.—Do you mean to tell me that the Attorney-General did not know, on your return from Montreal, shortly after, that the negotiations between you and the Company had failed? A.—You mean the circumstances that I had related to Mr. Dunsmuir. Oh, he knew that I had not delivered the Crown grants, there is no doubt, at that time.

Q.—How do you say he knew that you had not delivered the Crown grants? A.—Because I remember his speaking very urgently about delivering them.

Q.—When was that, about? A.—Well, I cannot fix that very closely in my mind, about the date.

Q.—Was it before the meeting of the Legislature? A.—I cannot tell you about that.

Q.—Had he spoken to you more than once about the delivery of these Crown grants? A.—I only remember that one occasion, after I returned from Montreal.

Q.—Had Mr. Taylor spoken to you relative to that, during that period of time? A.—No, I don't think I ever saw Mr. Taylor after I came back.

Q.—Possibly you were not on speaking terms with Mr. Taylor after that? A.—No, we have not spoken to one another.

Q.—Since the memorable Montreal trip? A.—I don't remember of meeting him at all.

Q.—Did you part company with him in Montreal at that time, when this proposition was made— A.—Oh, yes; we may have spoken to one another previous to the date of the cancellation—of the rescinding Order.

Hon. Mr. Wells—*Continued.*

Q.—Now, did any other of the members of the Ministry speak to you with regard to the delivery up of the Crown grants? A.—No other Minister except Mr. Eberts.

Q.—No other Minister except Mr. Eberts and Mr. Dunsmuir? A.—No, I think not.

Q.—Will you tell us why, if negotiations were off and Crown grants were not to be delivered, that the Attorney-General should urge you to deliver those Crown grants up? A.—Well, I suppose he held to the opinion that we should deliver them under the terms that had been decided upon. That was evidently his opinion.

Q.—Was he aware of Mr. Dunsmuir's instructions to you? A.—I think so.

Q.—Then why should he change his opinion? A.—I cannot tell you that.

Q.—Before the 18th of March and subsequent to the 20th of February, did the Attorney-General see you within that time? A.—I spoke to him in his own room.

Q.—Did you go to see him? A.—Do you mean between the 20th of February—?

Q.—Yes, and the 18th of March? A.—I could not fix the dates as to that; I remember discussing this with him in his own room and I made this remark: "Mr. Eberts, if we carry out that settlement we may as well make up our minds to go."

Q.—Why didn't you make up your minds? A.—To go?

Q.—Yes. A.—We didn't care about it, I guess.

Q.—So it was a case of political expediency at the time? A.—We prefer to stay where we are.

Q.—What did Mr. Eberts say? A.—He said, "Let us go."

Q.—Did he? A.—Yes.

Q.—He meant for you to give the Crown grants up? A.—That is what he said.

Q.—Did he give any other expression? A.—I don't know; I remember that very well.

Q.—But he said to deliver the Crown grants at the time? A.—Yes.

Q.—But you did not do so? A.—No.

Q.—Did you tell this piece of advice to Mr. Dunsmuir after that? A.—I don't remember that I did. All that I remember of saying to Mr. Dunsmuir was, "Well, Mr. Dunsmuir, who is going to justify this, for I cannot do so."

Q.—Where did you tell Mr. Dunsmuir that? A.—In the House. Then he said—either he said that Mr. Eberts will, or that Mr. Eberts says he will; I am not sure which.

Q.—But why that eagerness to deliver up those Crown grants? A.—I never was eager; the reverse.

Q.—Why should you go to Mr. Eberts on the subject? A.—I cannot tell the occasion of my going; I remember being in his office. I cannot say that I went to discuss it with him at all. I have occasion to go to Mr. Eberts very often; I cannot say that I went there expressly about those Crown grants. I don't suppose I did.

Q.—Then you spoke to Mr. Dunsmuir? A.—He spoke to me.

Q.—Mr. Dunsmuir did? A.—Mr. Dunsmuir came to me in the House.

Q.—What did he tell you? A.—He said that Mr. Brown was pushing for those Crown grants, why not give them, or is there any reason why you should not give them up; or something like that.

Q.—Why didn't you tell Mr. Dunsmuir at that time about this Montreal incident? A.—I intimated just as I said, "Mr. Dunsmuir, there are more things about this that you do not know. If you will let the matter stand a day or so you will know more about it."

Q.—Were you in doubt as to telling Mr. Dunsmuir? A.—No, I intended to tell Mr. Dunsmuir.

Q.—Were you afraid of what action Mr. Dunsmuir might take if you did tell him? A.—No, I was not afraid of it.

Q.—Why didn't you tell him? A.—I was not going to tell him right there in the House; it was not a good and opportune time; you would not expect me to do it; there was a debate going on; I would not turn around then and tell him.

Q.—But afterwards you did take the opportunity to tell him? A.—Yes, I drove out to his house.

Q.—And the result of that was the passing by Mr. Dunsmuir of this Order in Council and you are satisfied of that? A.—That that was the result—

Q.—You were satisfied with the Order in Council cancelling those Crown grants; you were satisfied of that act? A.—It was the immediate result—this was the immediate cause, rather.

Hon. Mr. Wells—*Continued.*

Q.—You were satisfied with its being done? A.—I was satisfied with the Crown grants being cancelled.

Q.—Was it the unanimous opinion? A.—I don't know that there was any dissent from it.

Q.—I see this in the letter written by Sir Thomas Shaughnessy to you, and would like your explanation of it: "The crying need of British Columbia, at the moment, is not additional railway mileage at the expense of the Government, but more energetic work in the forest, fields and mines, as is apparent to every person who has not been unduly influenced by the methods of railway speculators and contractors. I am justified in giving you the strongest possible assurance that the Company is willing to co-operate, to the limit of ordinary business prudence, with the Government and people of the Province, in promoting the best interests of the Province, and would view with extreme regret the adoption of a Government policy that might so affect this Company's interests in British Columbia as to make further extensions of our lines in that territory unwise and undesirable." In the first place, what impression was conveyed to your mind by the expression I have read, "unduly influenced by the methods of railway speculators and contractors"? What did that have any reference to, and why should Sir Thomas have put that in his letter? A.—Let me see that (letter handed to witness).

Q.—Whom would he refer to there as railway speculators? A.—I don't know.

Q.—It would not refer to the Columbia and Western in any way? A.—I could not say as to that.

Q.—Did you make any note of it at the time you read it? A.—No; I noted this last clause at the time. I remember reading it.

Q.—What impression do you gather from the last clause in the letter? A.—Well, I think that that referred particularly to the acquiring of these two particular blocks of land, that they considered themselves entitled to them. That is what struck me at the time. I could not attach any other meaning to it.

Q.—It is peculiar that he should use an expression of that kind. Now, in this Bill 87, Mr. Wells, which is produced here—it bears your name, the Hon. the Chief Commissioner (handing Bill to witness). Had you in any way anything to do with the drafting of that Bill? A.—No, sir; I had not.

Q.—Can you tell us who had? A.—The Deputy Attorney-General; he is the one who brought it to me.

Q.—Do you know who had taken it to the Deputy Attorney-General? A.—I do not.

Q.—Is it the proper thing for a responsible Minister to accept a Bill brought to him under those conditions? A.—Well, I have always looked upon a Bill after it comes from the Attorney-General as having a stamp making it safe to be dealt with or brought before the House.

Q.—Did you make any inquiries of the Deputy Attorney-General as to that Bill, its scope and its object? A.—Well, I don't remember that I did.

Q.—You accepted the Bill as presented to you? A.—As brought to me, yes; although my name appears there as being responsible for the Bill, I looked upon it really as a Bill of the Attorney-General's Department, because he was perfectly familiar with all the circumstances.

Q.—The Attorney-General was? A.—Yes.

Q.—Do you know whether the Attorney-General had anything to do with drafting that Bill? A.—Well, I don't know about that.

Q.—You are not in a position to state? A.—No.

Q.—One way or the other, whether the Attorney-General had anything to do with it? A.—No.

Q.—Do you know whether that was discussed in the Cabinet meeting at all? A.—I don't remember any discussion over it.

Q.—It is stated here that a Bill is printed and then it was submitted to a meeting of the Cabinet for presentation to His Honour for the purpose of getting His Honour's consent to a Message to be brought down to the House. Is that the proper practice, in the first place, with regard to a Bill of that nature? A.—Yes, it should be.

Q.—Did you have a meeting of the Executive in connection with that Bill? A.—In connection with that Bill, I don't remember that we had.

Q.—Just think for a moment; that is a very important Bill? A.—I cannot call to mind any meeting at which this Bill was discussed.

Hon. Mr. Wells—*Continued.*

Q.—Was that Bill, then, introduced by you without any consultation with your colleagues?

A.—Oh, it may have been; I don't remember.

Q.—May I take it that your colleagues did have an Executive where it was discussed, or may I take it that that Bill was introduced by you because presented to you? A.—I cannot say about that; I have no recollection of the Bill being discussed at a meeting of the Executive.

Q.—Now, that Bill was introduced on the 22nd of May, 1902? A.—Yes.

Q.—Could you ascertain whether any meeting of the Executive was held about that time?

A.—I suppose I could by referring to the Minutes of Council.

Q.—I would like to find that out, Mr. Wells. However, that Bill was introduced? A.—Yes.

Q.—And the second reading of the Bill was finally discharged and the Bill withdrawn?

A.—No, it never received the first reading; I don't think it did; it never got out of Committee.

Q.—Oh, no. A.—See if I am not correct. It was adjourned until the 6th of June.

Q.—The Bill was introduced to the House on the 22nd of May? A.—Yes; that is, the Message was brought down then.

Q.—On Friday, the 6th of June, the House resolved itself into Committee of the Whole to consider the Message (reading entry from the Journal; also reading entry in Journal of 19th of June). You are quite right. A.—It never got to its first reading.

Q.—It never got out of Committee, you mean? A.—No.

Q.—Well, why was that Order discharged? A.—Because it was determined not to go on with the Bill.

Q.—And the Premier, Mr. Dunsmuir, was not there? A.—I don't know about that.

Q.—He was gone to England at that time? A.—Oh, yes.

Q.—Why was it determined not to go on with the Bill? A.—Now, you are coming down to Executive Council matters which pertain to that, and I don't know that I should say any more about it.

Q.—You don't feel at liberty to tell us why? A.—No.

Q.—Now, Mr. Wells, the Bill No. 113 of 1901 also bears your imprint (handing document to witness); do you recollect who drafted that Bill? A.—Well, I don't recollect it, no; but evidently it was drafted by the Attorney-General's office, at least I have understood so.

Q.—But you had nothing to do with its preparation, or anything of that kind? A.—No, I don't know anything about the Bill,—yes, I remember it was brought in, I think, the last night of the Session; that is the one, isn't it?

Q.—Yes, pretty near the last night. A.—Yes, I was prepared to introduce it, and I think Mr. Dunsmuir told me not to go on with it.

Q.—Now, you will notice the language, Mr. Wells, in the Bill 113; it is stated here, "It shall be lawful for the Lieutenant-Governor in Council forthwith to issue Crown grants in favour of the said Company for the lands earned by the construction and completion of said section 4 of said railway, although the said Company have not constructed section 5 of the said railway." A.—Yes.

Q.—That is the Bill of 1901; then it was after this that you went to Montreal to arrange certain terms of settlement with Sir Thomas? A.—Yes; I went down in the fall of 1901.

Q.—And the Bill of 1902 says, "There shall be granted to the Columbia and Western Railway Company an area of land," etc. Why should there be such change in the language of the Statute? A.—Well, I cannot explain that to you. The Bill came to me as drafted in the Attorney-General's office.

Q.—Is it in consequence, Mr. Wells, of your visit to Montreal that the Bill came in in that shape? A.—Oh, no; nothing at all to do with that. At least, I cannot attribute it to that.

Q.—What? A.—Certainly that never occurred to me.

Q.—To what can you attribute the fact that there was such a remarkable change in those two Bills in that respect? A.—Well, I cannot attribute it to anything at all, that is, any designment.

Q.—Well, looking at it now, do you think there was any design in it? A.—Oh, I would not wish to attribute any design to the Attorney-General.

Q.—Do you know whether the Attorney-General drew that Bill? A.—I cannot say that.

Hon. Mr. Wells—*Continued.*

Q.—Have you never made inquiries into that particular matter? A.—No, it was brought to me by Mr. Maclean from the Attorney-General's office; I don't know that I made any inquiries about it.

Q.—Can your memory go back to Bill No. 113, to let us know whether an Executive Council was held with regard to the introduction of that Bill? A.—I cannot remember that.

Mr. Helmcken: I want to ask Mr. Brown two or three questions.

GEORGE McL. BROWN, being recalled, testifies:—

Mr. Helmcken: Mr. Brown, do you recollect whether you received or made any account for drafting Bill 87 and Bill 113? A.—No.

Q.—Are you sure you did not pay out any fees in connection with the drafting of those Bills? A.—Quite certain.

Q.—And no account has been rendered to you? A.—No; I am sure there has not.

Mr. Duff: I would suggest that the Committee ought to have some definite understanding—I do not want to abuse Mr. Brown or his company—but the Committee will remember that on the 21st of April, when Mr. Brown was examined, there was some correspondence that Mr. Brown promised to produce, and his report.

The Witness: I will send those, I certainly shall, those that I have. I will give you the assurance that those documents will undoubtedly be in Vancouver, and I will send them.

Mr. Duff: But Mr. Brown might have to be called with Sir Thomas.

The Witness: I will be here when Sir Thomas Shaughnessy comes.

The Committee here adjourned until to-morrow, May 13th, 1903, at 10 a. m.

WEDNESDAY, May 13th, 1903.

The Committee met at 10 a. m., pursuant to adjournment, the full Committee being present.

The minutes of yesterday's sessions were read and adopted.

Hon. Mr. WELLS in the witness-box; examination continued by Mr. Helmcken:—

Q.—Mr. Wells, do you recollect when the settlement was reached with the B. C. Southern? A.—Well, that would be the 19th of December, 1900; that is the Order in Council (Order in Council handed to witness). You mean the final settlement with them?

Q.—Yes. A.—Yes; there had been a previous settlement of the 10th of September.

Q.—I want to show the changes in the various Orders in Council, and that is the reason I am asking you in regard to the settlement. You say it was reached in September, 1900? A.—Yes, I think there was a previous Order in Council of the 10th of September. I cannot say just now what the date of the approving Order was.

Q.—On the 10th of September, 1900. This Order is approved of by His Honour on the 18th of September, 1900 (handing document to witness). A.—Yes; that is as I supposed it was.

Q.—Does that provide for the settlement of the B. C. Southern? A.—Yes, sir.

Q.—Looking at that Order in Council, Mr. Wells, could the B. C. Southern have received under that the blocks 4,593 and 4,594, or either of them? A.—Oh, no; not under that.

Q.—Could they, previously to that, have received either of those blocks, or both of them? A.—Why, I think they could.

Q.—This recommendation is signed by you, Mr. Wells? A.—Yes.

Q.—With that Order in Council of the 10th of September, 1900? And that is your own act? Did you prepare that report? A.—It was prepared by Mr. Gore in his office.

Q.—And it is also signed by Mr. Turner, Presiding Member of the Executive Council? A.—Yes.

Q.—Mr. Dunsmuir was not present? A.—Presumably not.

Q.—Was that settlement carried out, Mr. Wells? A.—There were no grants issued for it at that time.

Hon. Mr. Wells—*Continued.*

Q.—Very well, when were the grants issued? A.—Well, they were issued in October, I think, 1901.

Q.—Was nothing done by the Government in pursuance of this Order in Council of the 10th of September, 1900? A.—No, nothing was done.

Q.—Then why was that Order in Council not complied with? A.—Well, I cannot tell you about that.

Q.—As to any particular reason? A.—The only reason that I can assign, it must have been very shortly after that an effort was made to have that settlement cancelled and the other one substituted; because, you see, the next Order in Council was on the 19th of December; and in the meantime negotiations were going on, evidently.

Q.—How long had you been in power previous to the 10th of September, 1900? A.—Well, wasn't it in July or August?

Q.—Not very long before that? A.—A very short time before that, yes.

Q.—Do you recollect who brought this matter up before you? A.—Well, not in respect to the settlement of the 10th of September; I have no recollection about that.

Q.—No recollection? A.—No. I remember this, though, about it, that they wished to acquire those two blocks as part of that settlement.

Q.—Who wished to acquire? A.—Mr. Brown.

Q.—Mr. Brown wished to acquire these two blocks 4,593 and 4,594? A.—Yes.

Q.—Why were they not allowed to take that? Have you any recollection on that point? A.—Well, my own recollection of it is they were not entitled to it as alternate blocks, because they had already selected their initial block, and that the Government was really not obliged to give them these two blocks. You see, they had made their selection of block 4,589, I think; well, I think the Subsidy Act provides that they are only entitled to alternate blocks. You see, neither of those blocks would be alternate blocks. They would have to proceed west with their selections.

Q.—Under the previous reservations, Mr. Wells, comprised in Orders in Council 307, 1890, and 174, 1891, were they not entitled to these lands? A.—Yes, but in the meantime they had selected their initial block.

Q.—So that by virtue of having made their selection, they deprived themselves of the right to take that property, 4,593 and 4,594? A.—That was my idea. That was my recollection of it.

Q.—Well, Mr. Brown was pressing at that time? A.—Pressing for a settlement.

Q.—Did he press to get those lots 4,593 and 4,594? A.—Yes; I remember the fact that they wanted to get those two blocks.

Q.—And it was refused? A.—Yes.

Q.—Was it refused by the Executive? A.—Oh, I think so; I am not positive about that. It was refused, at any rate.

Q.—It was refused? A.—And I have a recollection of it, that that was the reason.

The Chairman: On the ground that they had already selected the initial block? A.—Yes; they had already taken themselves out of any privilege they had, by the selection of that block.

Mr. Helmcken: On the 19th of December, 1900, an Order in Council was passed that the Order in Council No. 519, relating to the British Columbia Southern Railway Company's land grant, which was approved on the 18th of September, 1900, be rescinded. Do you recollect that Order in Council? A.—Well, I cannot say I remember it, when it was passed.

Q.—Will you kindly look at it, Mr. Wells (handed to witness): A.—This is the rescinding Order of the previous settlement. This would be necessary, of course, carrying out the subsequent settlement.

Q.—That Order in Council is dated the 19th day of December, 1900. A.—The same date as the other one.

Q.—They are both dated the 19th of December. Now, why was it necessary to rescind this Order of the 10th of September? A.—Well, because it included a block of land intended as a deficiency area which would not be included in the Order of the 19th of December.

Q.—Was there any plan in connection with that matter, Mr. Wells? A.—Oh, yes.

Q.—Can you show it to us from any of these plans that have been sent in? A.—There is a map here that has been signed. Oh, I have that in my office. I will go and get them,

Hon. Mr. Wells—*Continued.*

there were two of them. It is in my office now; I had it before the Committee. (Witness gets maps). Here was the first settlement; that block is the initial block (indicating on map).

Q.—You produce these plans as being the plans connected with the Order in Council of the 10th of September, 1900? A.—Yes.

Q.—Showing that it is the intention to give that property marked “deficiency block B” to the B. C. Southern.

Mr. McPhillips: And it is marked by George McL. Brown, too, for the purpose of identification.

Q.—Whose handwriting is that (indicating)? A.—That is Mr. McNeill’s,

Q.—Under the terms of that Order of the 10th of September, approved on the 18th of September, 1900, this is the plan which goes with it, Mr. Wells? A.—Yes, sir,

Q.—And under the terms of that, this pink block here was to be given to the B. C. Southern? A.—What we call the northerly block.

Q.—The northerly block is identified here by “deficiency B B.” A.—Yes.

Q.—Deficiency block B. So that, under the terms of that, 4,593 and 4,594 are not included? A.—Are not included in the settlement, no.

Q.—This is simply a copy of this, Mr. Wells; it is signed “W. C. Wells.” A.—Yes.

Q.—This is simply for the office files; it is marked “a copy”; it is the office working plan. Under the terms of this Order in Council of the 10th of September—“It is recommended that the Company be permitted to make up the said deficiency out of the blocks indicated by pink colour on the accompanying map and thereon marked deficiency blocks A and B.” So that those would be the two deficiency blocks there (indicating on map)? A.—Those are the two deficiency blocks, yes.

Q.—That arrangement under the 10th of September, 1900, was never carried out? A.—Not carried out, no Crown grants were issued.

Q.—And the matter was then dealt with when? A.—Well, up to the 19th of December—it was consummated on the 19th of December.

Q.—Between the 19th of December, 1900, and the 10th of September 1900, were negotiations going on between you and the British Columbia Southern with regard to the settlement which had been effected? A.—Well, proposals had been made both by Mr. Taylor and by Mr. Brown.

Q.—That is what I want to get at, Mr. Wells. A.—I won’t say that negotiations were pending, but I know that proposals were made by those two gentlemen.

Q.—During that time? A.—During that time, yes.

Q.—You have told us that Mr. Taylor waited upon you? A.—Yes.

Q.—From whom did the suggestion come? A.—Well, the first that I remember was Mr. Taylor.

Q.—That is Mr. W. J. Taylor, K. C., of the firm of Eberts & Taylor? A.—Yes; he was the first one that spoke to me about it.

Q.—Now, will you try and tell the Committee what was told to you by Mr. Taylor on that occasion? A.—Well, he referred to a company they were forming for the purpose of taking over those two blocks.

Q.—That is, deficiency block “A” and deficiency block “B”? A.—No, the other two, 4,593 and 4,594.

Q.—Was the property then known as 4,593 and 4,594? A.—I won’t say that, but those were the two blocks.

Q.—The blocks of land subsequently known as 4,593 and 4,594; can we take it as that? A.—Yes.

Q.—Now, will you tell us exactly what took place on that occasion? A.—Well, as I proceeded to tell you, he referred to a company that was being formed for the purpose of taking over these two blocks. Of course, leading up to that, they would have to substitute these two blocks in lieu of the previous settlement.

Q.—Yes. A.—And at the same time—no, it was after that—that was our first conversation. I don’t remember any further incident of that interview, nor do I remember anything until another meeting, when he had a draft of an Order in Council. And it was further discussed; I don’t remember, though, what else transpired in regard to it.

Q.—Had Mr. Brown seen you with reference to the same subject-matter during the same period of time? A.—Yes, he had.

Hon. Mr. Wells—*Continued.*

Q.—Well, what reasons did they advance to you, Mr. Wells, to try and obtain substitution?

A.—Well, as I tell you, Mr. Taylor spoke of this company that they were forming to take over these two blocks.

Q.—Did he mention the name of the company? A.—No, sir.

Q.—Did he mention the names of any persons being in the company or likely to be in it?

A.—Well, yes, I think he said something about the C. P. R. people would form a constituent part of that company.

Q.—Anything else? A.—No, I don't know that I remember anything else.

Q.—Did you have any conversation with any of your fellow members of the Ministry arising out of this conversation? A.—I don't remember that I had.

Q.—Did Mr. Eberts come and see you with reference to carrying this proposal out? A.—Well, I don't remember that he did. I know that Mr. Brown had given me to understand the saving that we would make with regard to area by making this change.

Q.—Yes. A.—And it was several hundred thousand acres.

Q.—There are some figures on here, Mr. Wells; will you kindly look at them? You see they are in lead pencil, and down there (indicating). A.—Yes.

Q.—Whose figures are those? A.—I cannot tell you that, sir.

Q.—They are not yours? A.—Not mine.

Q.—Do you recollect whether they were on the plan at that time? A.—I couldn't tell you. The next occurrence that I do remember of was going into a meeting of the Executive, and Mr. Brown was there.

Q.—Mr. Brown was in the Executive? A.—He was at the—well, at that time it was not a meeting of the Executive; it was preliminary to a meeting of the Executive. Mr. Brown was sitting there, and I remember Mr. McBride as well.

Q.—Was Mr. McBride in the Executive room? A.—Yes.

Q.—Now, tell us all that took place there. A.—Well, I turned to Mr. Brown, and I said, "I understand, Mr. Brown, that by this change the Province will be making a saving of"—so many thousand acres; I am not exactly sure what I did say, but a large area; and he said, "Yes; something about that." And that, to my mind, was the justification for making the exchange.

Q.—How long did that Executive last? A.—Oh, I cannot tell you about that.

Q.—Was it formally an Executive over this particular matter? A.—I couldn't say as to that.

Q.—At any rate, on the 19th of December, 1900, this plan was placed before the Executive, and was adopted with the Order in Council of the 19th of December? A.—Yes, sir.

Q.—Will you explain to the Committee the reasons which were advanced for making this change? A.—Well, the justification in my mind was the saving in area.

Q.—Well, there must have been something else at that time, Mr. Wells? A.—I don't remember any other argument; that is, on the part of the Government.

Q.—You see, we want you to tell us exactly what took place in what you call that Executive, because it is not privileged—Mr. Brown was there—and we want to know the arguments advanced by all the Ministers, if any, and by Mr. Brown, as a reason for making the change. A.—Well, that is all that I remember as having occurred at that meeting, or preliminary to a meeting of that day.

Q.—Did the Premier say anything? A.—Not that I remember of.

Q.—Did any of the Ministers say anything? A.—Well, I cannot say as to that, Mr. Helmcken, at all.

Q.—Were there any figures produced before the Executive showing the saving in area, Mr. Wells? A.—Well, when the Order in Council was drawn it was evident then that the saving in area was not what I anticipated; I remember that I was disappointed in that respect.

Q.—To what extent? A.—Well, that I cannot tell you, as to the exact difference, but I know it fell very far short of what I had anticipated. I have not stated that the time Mr. Brown was there corresponded with the passing of this Order in Council. I don't know that it was the same day; it may have been previous to that; and I can scarcely think it was, for, although there was a meeting that day, it was in all probability subsequent to that that the Order in Council was actually prepared and this map prepared.

Q.—Do you recollect whether the Ministry met Mr. George Brown and discussed the matter that way? A.—Yes.

Hon. Mr. Wells—*Continued.*

Q.—What we want to get at is what took place at that discussion; what were the reasons advanced for practically conceding the Company's contention? A.—The reasons advanced on the part of the Company?

Q.—Yes. A.—Well, no, I cannot tell you as to that.

Q.—Well, didn't they point out any very great advantage to the Government? A.—That, I had in mind, was the saving in area.

Q.—To what extent was that saving in area? A.—Well, it was several hundred thousand acres.

Q.—At that time was the value of the land known? A.—Well, not to myself.

Q.—Was the value of the land known at all by any present at that discussion? A.—I don't think it was.

Q.—Beyond the question of the saving of area, was any question of value brought up? A.—Not that I remember of. I know that that is what I had prominently in my mind.

Q.—Can you go back to that time and say whether you had any knowledge of the value of the proposed substituted land? A.—Well, at that time I had no extravagant idea of the value of that particular block.

Q.—You have got no data at all to show us what the saving in the area was between the plan attached to the Order in Council of the 10th of September, and this? A.—I think that is stated in the Order in Council.

Q.—Of the 19th of December? A.—I think so.

Mr. McPhillips: You have to figure it out; it comes to 167,000 acres. A. (Figuring)—I think Mr. McPhillips is right; about 167,000 acres.

The Chairman: 167,031 acres. A.—Yes, that is correct.

Mr. Helmcken: What did you expect it would figure out, Mr. Wells? A.—Well, I had in my mind at least three or four hundred thousand acres.

Q.—That is what you hoped to save by the bargain? A.—That is at least the quantity I mentioned when I spoke to Mr. Brown that morning.

Q.—And you had no idea of the value of the property in deficiency block A and in deficiency block B, under the Order in Council of the 10th of September, and you had no idea as to the value of the proposed substituted properties? A.—As to the comparative values, you mean?

Q.—Yes. A.—I had not.

Q.—Had you any idea as to the value of any of the blocks at that time? A.—I cannot say that I had.

Q.—Was there any information before the Executive touching the question of value? A.—I don't think there was.

Q.—Did the Company advance to the Executive as a reason for the exchange anything in the nature of value? A.—Well, they must have had something in mind as to that, because they would not have made the proposition conceding a very large area as a saving to the Province.

Q.—Was the B. C. Southern applying to make this exchange? A.—Oh, certainly.

Q.—Upon what authority, then, would you countenance making any such substitution? A.—Well, as I said, so far as I remember anything about it, it was the saving in the area.

Q.—That is a reason which is going through your mind, Mr. Wells. But what statutory authority was there for permitting any such application to be made as for the substitution? A.—Well, the Executive must have concluded that we had the authority, that we could extend the settlement to those two blocks.

Q.—Do you recollect whether you were advised upon that point? Was the opinion of the Attorney-General taken? A.—Oh, very likely.

Q.—Do you recollect, as a matter of fact, Mr. Wells? A.—No, I cannot fasten it on my mind—any expression of opinion from him.

Q.—However, you don't know whether that question was raised, as to whether you had the right to make that substitution on behalf of the B. C. Southern? A.—I don't remember the circumstance, but undoubtedly it was.

Q.—Previous to that, you had refused the application of the B. C. Southern to give them these valuable properties? A.—Yes.

Q.—Afterwards known as 4,593 and 4,594. A.—Yes.

Hon. Mr. Wells—*Continued.*

Q.—Now, will you tell us why, in September, you had refused that application, but the Executive were ready in December to grant that application? A.—Well, I had in my own mind that we were not compelled to give those two blocks, inasmuch as they had already selected their initial block and would then have to proceed westward in designating the alternate blocks. That I had in my mind. I notice that Mr. Prentice says that he knew of the problematical value; but that is what actuated myself.

Q.—What actuated the Executive, dealing as a whole, in entertaining any such suggestion as making the substitution? A.—Well, I cannot tell you how far my own opinion in the matter pervaded the whole Executive, but I know that was my own.

Q.—You cannot recall any— A.—I cannot recall any circumstance that would indicate what the opinion of the Executive was.

Q.—Well, then, on that, that Order in Council of the 19th of December, 1900, was passed? A.—Yes.

Q.—Now, was that Order in Council of the 19th of December, 1900, carried out, Mr. Wells? A.—No, sir.

Q.—Will you, then, explain to the Committee the next change in the negotiations? A.—Well, the next incident that I remember of was Mr. Brown coming to me about it. And it was at that time that I said, "Well, you better submit your proposal."

Q.—Was anything mentioned about the Columbia and Western at the time of this Order in Council of the 19th of December, 1900? A.—Nothing at all that I remember of. I don't think there was.

Q.—Had the Company explained to you that they had an object in view in asking for the substitution by the Order of the 19th of December, 1900? A.—You say the Company?

Q.—Yes; well, Mr. Brown; put it that way. A.—Well, I cannot remember just exactly what the object in Mr. Brown's mind was, or that he conveyed to me any particular object; but after some discussion about it, I remember making that reply to him, "Well, Mr. Brown, you had better submit your proposal."

Q.—That is after this Order of the 19th of December, 1900? A.—Yes.

Q.—And can you tell us whether a copy of that Order was sent to Mr. Brown? A.—Of course that would have to be from the Provincial Secretary's Office.

Q.—I presume, in due course it would be sent to him, as provided by the Order in Council? A.—It should have been, certainly, carrying out the Order in Council.

Q.—The proposition of the 19th of December—up to the 19th of December had Mr. Brown explained to you, or the Company, the object they had in view in asking for this substitution, apart from the question of saving in area? A.—The only circumstances that I remember about that was Mr. Taylor coming to me; and Mr. Brown, as well, informed me as to the saving in area. That was the inducement that he held out, to myself.

Q.—And in consequence of Mr. Taylor's visit, as well as Mr. Brown's importunity, it was that this Order in Council of the 19th of December was passed? A.—Yes, sir.

Q.—So far, up to that time, then, nothing was done with reference to the issuance of the Crown grants to the B. C. Southern? A.—Nothing.

Q.—The next change came when, Mr. Wells, can you recollect? A.—The next change would be the 10th of August, 1901.

Q.—There is the Order in Council, Mr. Wells (handing same to witness), and this is the plan which is marked, as you will see, 10th August, 1901. A.—Yes; this is probably the one that was submitted with the draft Order in Council.

Mr. Duff: This is the office file, Mr. Gore said. A.—This would be the one (indicating).

Mr. Duff: Mr. Gore said the date is in his handwriting, and the signature by Mr. Wells. There is a little one just like this, and that is the one you want to get.

Mr. Helmcken: Just look at that, Mr. Wells (handing small plan to witness). A.—There is no date upon this. This confirms to my mind just exactly what I said to Mr. McNeill this morning, that this map must have come through his hands in some way or other; and I see his handwriting upon this. And there is also a memorandum in pencil, indicating that this is in connection with the Columbia and Western settlement.

Q.—Where do you see his handwriting? A.—Here, Mr. McNeill's handwriting (indicating). So that it is just as I understood. In fact, I spoke to Mr. McNeill about it this morning, in the presence of Mr. McCaul, that this map accompanied an Order in Council, the draft Order in Council must have come through his hands to my own; at least, in the natural course of things.

Hon. Mr. Wells—*Continued.*

Q.—Well, do you recognise that plan there as being before the Executive on the 10th of August, 1901? A.—Well, I would not have recognised it as that, outside of that.

Q.—Do you know where the plan is that would go with the Order in Council of the 10th of August, 1901? A.—Well, there are two here that are dated. It may have been one of those.

Mr. Duff: Mr. Gore said this was the Land Office files, the whole thing. A.—If Mr. Gore says that these two were prepared subsequent to the 10th of August as office files, that must have been the one that was submitted with the draft Order in Council (indicating). I think it must have been. Because this is evidently connected with the Columbia and Western proposal.

Q.—Well, how does it come, Mr. Wells, that on the 10th of August, 1901, there are two Orders in Council, one dealing with the settlement of the B. C. Southern Railway Company in full, and the other is dealing with the Columbia and Western Railway Company in full satisfaction of its subsidy in respect to the first and third sections of the railway, and that Crown grants be issued therefor? What were you to give to the B. C. Southern in full satisfaction? A.—We reverted to the original settlement.

Q.—The settlement? A.—The settlement of the 10th of September. Went back to that.

Q.—I see. And in lieu thereof you intended to give by this Order in Council these blocks of land to the Columbia and Western? A.—Yes, sir.

Q.—Now, when did the Columbia and Western come into consideration? A.—Well, the first I heard of it, as I explained the other day, was a telegram from Mr. Taylor to Mr. Eberts, and from that on out negotiations were pending.

Q.—You cannot call to mind any time when the consideration of the Columbia and Western came up previous to the telegram referred to? A.—No, I cannot. That telegram I referred to from Mr. Taylor to Mr. Eberts. I don't remember of anything having occurred previous to that.

Q.—Did you, then, look into the question as to what rights the Columbia and Western had? A.—Well, I called Mr. Eberts' attention to the provisions of the Subsidy Act. I read out of the Statute and referred him to it.

Q.—Who brought that telegram to you? A.—Oh, Mr. Eberts showed it to me in his room.

Q.—In his own room? A.—In his own room.

Q.—And in showing you the telegram, what conversation took place between you and Mr. Eberts? A.—Well, as I have stated, I called his attention to the fact that I did not see how we could do that.

Q.—But had he sent for you? A.—Oh, I don't know as to that.

Q.—How did you find yourself in Mr. Eberts' room at the time of this telegram? A.—I cannot tell you about it; I was there, but I might have been there for other purposes.

Q.—But you are perfectly certain that this conversation was had with Mr. Eberts with regard to this telegram? A.—Perfectly certain.

Q.—What did the Attorney-General tell you? A.—I don't know that he told me anything. We had some discussion about it.

Q.—What was the nature of the discussion? A.—As to whether we could carry out Mr. Taylor's suggestion, or demand, or whatever you may call it.

Q.—Did that come from the Attorney-General, or did it come from you, as to whether they could carry out that suggestion? A.—The opposition to it first came from myself.

Q.—Why did you oppose it? A.—Because I did not consider we could do so, under the terms of the Subsidy Act.

Q.—Very well; what did the Attorney-General say? A.—He evidently concurred in what I said to him.

Q.—Are you sure that he refused to have anything to do with it at that time? A.—He first wrote out a telegram—or I am not sure but two forms of telegrams, both of which he was dissatisfied with; and finally he confined himself to just one word, "Impossible," and sent that.

Q.—Do you know, of your own knowledge, whether that telegram was sent in that form? A.—I don't know.

Q.—Do you know whether any telegram was sent? A.—I don't know.

Q.—At any rate, you went away with the impression that the Attorney-General was going to send a telegram so? A.—I certainly did.

Hon. Mr. Wells—*Concluded.*

Q.—But you don't know what the contents of that telegram were? A.—No.

Q.—He never showed it to you? A.—No; it was written on a piece of blue paper, I think.

Q.—We understand that that telegram was sent somewhere in June or July, 1901? A.—Well, I think so.

Q.—On the 10th of August, 1901, you deal with the same blocks? A.—Yes.

Q.—And by the Order in Council they were to be handed over to the Columbia and Western? A.—Yes.

Q.—Will you tell the Committee the reason for such a change? A.—Well, I have already stated that that matter had been settled in my absence, brought before the Executive and disposed of, and reached me as a consummated transaction.

Q.—After your discussion with the Attorney-General, which you have just referred to, did you discuss that matter with any other members of the Cabinet? A.—I don't remember that I did. I don't think I did.

Q.—Previous to your going up country, had you anything to do with the proposed settlement? A.—I remember nothing more than Mr. Brown's interview with myself.

Q.—After this interview with the Attorney-General? A.—Well, yes, before going up-country.

Q.—What occurred at that interview? A.—Oh, what I remember as having occurred was my saying to Mr. Brown, "Well, you better submit your proposal."

Q.—That was in consequence of what? A.—In consequence, undoubtedly, of his coming to me to have this exchange carried out.

Q.—Did you discuss the question of exchange with him at that time? A.—Oh, I probably did; I don't remember exactly what occurred.

Q.—Do you recollect what view you took at that discussion of the proposed transfer? A.—Oh, I certainly didn't have a favourable view of it at that time.

Q.—Well, did you tell him that you would entertain it favourably if it came before the Executive? A.—No, I did not tell him anything of the kind.

Q.—Did you tell him that you believed it would be entertained favourably by the Executive? A.—I don't think I did. I remember telling him he had better make his proposal.

Q.—Did he make his proposal? A.—He evidently did, because that proposal that he made was carried out.

Q.—Was that proposal submitted in writing? A.—No; I don't think so. I have never seen any.

Q.—Have you made inquiries to ascertain whether any proposal was made by Mr. Brown, or anyone on his behalf? A.—No; I don't think I have.

Q.—You went away, I understand, on the 27th of July, 1901? A.—Yes, sir.

Q.—Previous to your going away, did you know that this matter was going to come up in the Executive? A.—I don't think I did.

Q.—When you went away did you leave anyone in charge of your office? A.—Mr. McNeill.

Q.—I mean to say, was there any other Minister who was Acting Minister of Lands and Works when you went away on the 27th of July? A.—I don't know that anyone was appointed as Acting Minister; sometimes it was not considered necessary.

Q.—Well, you did not have a discussion, according to the best of your recollection, with any of the Ministers? A.—I don't remember of having any at all.

Q.—Where was Mr. Dunsmuir at the time? A.—Oh, he was in town, I think.

Q.—What Ministers were in town when you went away? A.—Mr. Eberts, Mr. Turner, and, I think, Mr. Prentice.

Q.—Was Mr. McBride there? A.—I think they were all here.

Q.—All here? A.—I think so.

Q.—But previous to your going away you had had no consultation with any of the Ministers about the settlement? A.—I don't remember of seeing any of them.

Q.—And none of them had consulted you? A.—No.

Q.—Do you remember Mr. Brown saying he would submit it to the Executive? A.—I just remember that conversation. I said to Mr. Brown, "You better make your proposal." And he said, "I don't want it in that shape."

Q.—Nothing came as the effect of that at the time; no proposal was submitted to you? A.—No.

Hon. Mr. Wells—*Continued.*

Q.—And you have never seen any proposal that was submitted in consequence of that?

A.—Not any.

Q.—When did you first hear of the Executive meeting touching this subject? A.—After my return from up-country.

Q.—That was on the 8th of August, 1901? A.—Yes.

Q.—What Executive meetings had been held in your absence? Were there any Executives? A.—Yes, one on the 31st of July and one on the 2nd of August. There might have been one previous to that and one after; but on those two dates I know there were Executive meetings held.

Q.—We have never discovered that original letter of the 31st of July, Mr. Wells? A.—No, I have never seen that.

Q.—But we have a copy; there is a copy of the letter handed in by Mr. Brown, Mr. Wells (handing same to witness). A.—Yes. Now, there is one peculiarity about this, which would lead me to think there must have been some arrangement. I think Mr. Brown would have known that I was away; but at the same time he writes me this letter, and it is marked "personal"; notwithstanding that, it was sent in to the Executive.

Q.—Mr. Brown's explanation of why his letters were marked personal was that he wanted them to reach the Minister to whom they were addressed; in that they were personal, but in no other sense. A.—Then, why would my letter, marked personal and under seal, be sent into the Executive to be opened?

Q.—Because Mr. Brown told us, if you recollect, that he asked Mr. McNeill to take that letter in to the Executive. A.—That is just what I say. It has the appearance to myself that there might have been some understanding that this letter was to go in to the Executive, notwithstanding it was written to me.

Q.—Under the term of Mr. Turner's reply, that letter was to be referred to you. A.—Yes.

Q.—Now, that letter was written on August the 2nd (by Mr. Turner); was that referred to you, this letter of the 31st of July? A.—I never saw that letter before.

Q.—You never saw the letter? A.—I never saw the letter.

Q.—Did you see any letter from Mr. Turner or from any proper official stating that this letter had been referred to you by the Executive for action? A.—I don't remember of seeing any.

Q.—You have searched? A.—Well the whole office files have been searched, and all the correspondence brought out.

Q.—Now, up to that time, Mr. Wells, you were not favourably disposed to giving the Columbia and Western these blocks of land? A.—I certainly was not.

Q.—And you were not favourably disposed towards giving the British Columbia Southern Railway these lands? A.—No; I was not.

Q.—Will you tell the Committee why it was, holding those views, this arrangement was arrived at on the 10th of August, 1901? A.—Well, I have already stated that it had practically been settled at previous meetings of the Executive, and brought to me for the purpose of giving effect to what had been previously arranged or agreed upon.

Q.—What had been settled? A.—That these two blocks of land which had been given as part of the subsidy for the B. C. Southern should now be transferred and comprise part of the subsidy in respect of the Columbia and Western.

Q.—By what authority had these blocks been given to the British Columbia Southern? A.—By authority of the Executive.

Q.—When? A.—19th of December, 1900.

Q.—That is the arrangement arrived at at that time? A.—Evidently.

Q.—Now, then, what reason was there for taking that away from the British Columbia Southern and giving it to the Columbia and Western? A.—Well, that I cannot tell you, Mr. Helmcken, because I was not here.

Q.—Were you informed by any of your colleagues as to the reason why that was done? A.—I don't remember that I was.

Q.—Did you make any inquiries as to the reason of this change? A.—I may have done so.

Q.—Did you? A.—I cannot say that I did.

Q.—Did you confer with the Attorney-General with regard to this matter? A.—I remember of having one conference with the Attorney-General about it, and he remarked some-