

Hon. Mr. Eberts—*Concluded.*

Q.—Now, you quoted Mr. Shaughnessy that it was fairly understood that they were entitled to the cash subsidy for that portion of the road between Robson and Midway—you quoted from that letter— A. Yes.

Q.—In the correspondence which you have before you, which passed between Mr. Shaughnessy and Mr. Martin, certain conditions had to be complied with in carrying out that arrangement, and the President goes to show that these conditions never were complied with and the arrangement never was carried out. That is shown in that correspondence, I think, if you will look at it. A.—I have not gone through this.

Q.—And in that correspondence you will also find a very strong opinion from Mr. Martin to Mr. Shaughnessy that the Company, having passed from under the control of the Legislature here, have no claim to a subsidy for any portion of their road. A.—Well, but that was fought out in the House and it was concluded otherwise by the Legislature.

Q.—But that was the opinion expressed in those letters. A.—Mr. Martin expressed that opinion. And Mr. Martin expressed that opinion in the House, if I remember rightly, and I suppose he has put that in the papers, to the effect that when a road had been chartered by a local Legislature and received a bonus or land subsidy, and had received a bonus afterwards from the Dominion Government, they lost all their rights accruing from the local Government. But that was not upheld in the case of the Crow's Nest Company that got \$11,000 a mile from the Dominion; the Company got a land grant from the Provincial Parliament.

Q.—In these communications passing between Mr. Martin and Mr. Shaughnessy, Mr. Martin took strong ground that the Company were not entitled to an acre of their land subsidy for their road between Robson and Midway, on account of their passing beyond the control of the Legislature. A.—Unless they would agree to freight contracts on conditions imposed.

Q.—Conditions imposed by the subsidy. And I wish to call your attention to the fact that the agreement to substitute cash in lieu of land was not completed? A.—That agreement to substitute cash in lieu of land, with the Turner Government, was not completed. It was not completed because the Turner Government went out of power.

Q.—If you refer to the correspondence between Mr. Shaughnessy and Mr. Martin you will see that the arrangement between the Semlin-Martin Government and the Company for change of land subsidy to cash was not completed. A.—I will tell you that as a fact; there is no doubt about that; there is no necessity for telling me that, because that was brought down on the 4th January, 1900, and the Semlin Government went out of power before they had passed it. They could not; they went out on the 23rd of February, 1900, and they never had the opportunity of passing it. That was the agreement that they understood to be at the time.

Q.—Then neither of these agreements having been completed, it leaves the Company to work under the original Subsidy Act, does it not? A.—Except for the agreement made by the Government of the day, or by the Governments of the day, that they would carry out these provisions for them.

Mr. Green here moved the adjournment of the Committee.

Mr. Oliver: I think Mr. Eberts will have to be called again at some future stage of the question.

Mr. Helmcken: We want to ask him some questions.

Mr. McPhillips: When we reassemble, Mr. Eberts can be asked to attend.

The Committee here adjourned to meet to-morrow at 10 a. m.

THURSDAY, April 23rd, 1903.

The Committee met pursuant to adjournment from yesterday. Meeting called to order at 11:20 a.m. Present: Messrs. Clifford (Chairman), Helmcken, K. C., A. W. Smith, Green and McPhillips, K. C.

The minutes of last previous meeting were read and adopted.

The Chairman called attention to a garbled report appearing in the "Times" newspaper, of Victoria, of the meeting of the Committee held on the evening of the 21st inst., and there being no newspaper reporter present at the meeting.

Mr. Oliver stated that he had taken notes at the meeting in question for his own information, and that yesterday morning he had given an outline of what took place to a "Times" reporter, but he disclaimed any responsibility for what was put in the newspaper.

The rules at page 393 of *May*, 10th edition, were read, and the question of admitting press reporters was discussed. It was suggested that they be admitted as previously, but if not present, the Secretary might furnish them with information as to what had taken place; reporters being admitted upon the understanding that if they published an incorrect report they would be excluded thereafter.

Mr. Oliver asked that the Committee order the production of a letter referred to by Mr. Brown as written by him to the Honourable the Chief Commissioner of Lands and Works, some time probably in March of last year, it being a letter which Mr. Brown said would probably be marked "personal."

Mr. Helmcken : You cannot ask for private correspondence.

Mr. Oliver : It is not excluded because it is private ; we have a right to ask for it.

Mr. Green : I would not sanction demanding private letters.

Mr. Smith : Nor I, either. A man often puts in a private letter when he is writing on a subject, and be able to explain more fully than he would officially, and write an official letter at the same time.

Mr. Oliver also asked that the Committee order the production of the letter mentioned on page 30, in Mr. Brown's evidence, as being sent by the Government to its agent at Fort Steele, to the effect that the Crown grants in question had been issued; also letter written to Mr. Brown, accompanying the certified Order in Council of the 4th of September, referred to on page 30.

The Chairman : You want the letter written to the Government asking for a speedy settlement ; and you want the covering letter with the Order in Council ?

Mr. Oliver : Yes, the Committee might order all of them.

The Chairman : Those letters might be marked confidential, private, and, if so, they won't produce them.

Mr. Oliver : Of course, if the Committee so rule.

Mr. Green : If the letters are filed with the Government they are not confidential. Personal letters you could not force a man to produce, because he could throw them in the fire. If they are filed they would be produced here.

The Chairman : Even if they were marked confidential.

Mr. Green : Yes.

Mr. Oliver : A letter accompanying the Order in Council would hardly be marked private; you would not suppose it would be. Mr. Gore might be called now and examined as to the amount of land reserved for the deficiency—the 4,000,000 acres.

The Chairman : I received a telegram from Sir Thomas Shaughnessy ; perhaps it would be as well not to make that public now. I don't know whether there is any objection. (The telegram was passed around to the members of the Committee.)

Mr. McPhillips : We can consider that later, by ourselves, I suppose. Of course the press might as well know, I think, that we wired Sir Thomas Shaughnessy if he could attend here, and he has replied that it is not convenient for him to attend at present, but he would come here toward the end of May ; that he was ready to be examined down there. I don't know that we can go there to examine him.

Mr. Gore here appeared at the invitation of the Committee.

The Chairman : The Committee desire to ask you some questions, Mr. Gore, with regard to the land available contiguous to the railway.

MR. W. S. GORE, being here duly sworn, testifies :—

Mr. Oliver : I wish to refer you to that Order in Council for the reserve ; Mr. Gore, would you look at this Order in Council, please (handed to witness). Are these the lands referred to that are reserved in that Order in Council that are indicated on this map, blue-print ? A.—(Comparing plan and Order in Council) Yes ; that is the parcel, commencing here (indicating) and running around inside of the purple line, and running down here (indicating) ; and I take it as excluding the lands granted to the Nelson and Fort Sheppard Railway and reserved for the Nelson and Fort Sheppard, and that is, reserved previously in pursuance of this Company's grant.

Mr. Gore—*Continued.*

Q.—Then this block here enclosed in the purple line, and this block here (indicating) were available for that reservation; were necessarily available for the Columbia and Western, less the appropriations previously made. A.—Yes.

The Chairman: How much would that comprise? A.—I think the acreage is set out in a letter from Mr. Tye, which is in the correspondence I gave to the Committee. I don't remember what the acreage is approximately, but you will find it in the correspondence there.

Mr. Oliver: It is described as 124 miles by 56. A.—Oh, yes; you can tell the acreage by that, approximately.

Q.—You are aware of the terms of the Order in Council approved by the Governor on the 4th of September, setting apart two blocks of land in South-East Kootenay to be given to the Columbia and Western Railway Company, in satisfaction of their subsidy for section 3, are you not? A.—Yes.

Q.—Had the available lands in this reserved block been exhausted previous to the passing of that order? A.—Oh, there was lots of vacant land in that reserved block.

Q.—Yes; to make up that deficiency? A.—Yes; there was sufficient to make up that.

The Chairman: The deficiency was 900,000 acres about? A.—Yes.

Mr. Oliver: And you say ample land was in that reserved block to make up that deficiency without going into South-East Kootenay? A.—Yes.

Mr. Green: There is still a large portion of this land unalienated, is there not? A.—That reservation still remains.

Q.—There is very little of it really alienated? A.—Comparatively a small portion.

Mr. Smith—Is that open for pre-emption? A.—Outside of the blocks that the Company have had granted to them, it is open to pre-emption and to sale under provisions of section 11 of the Subsidy Act.

Q.—Notwithstanding the reservation? A.—Notwithstanding the reservation; but that is all the alienation it is open to; only pre-emption and sale.

The Chairman: To coal prospectors? A.—No; not to coal prospecting or timber licences. It is not open to either of those.

Q.—You think there would be probably two or three million acres there not alienated now? A.—Yes; I should think there was two million probably.

Q.—Open for disposal? A.—Yes, in the whole block; possibly a million and a half or two million.

Q.—A great deal of it is mountain, I suppose? A.—Oh, yes; I think it is pretty nearly all mountain here between those two rivers.

Q.—Absolutely valueless? A.—I should think so.

Mr. McPhillips: I show you the Order in Council, Mr. Gore, of the 4th of September, which followed the Minute of the Council, I suppose, of the 10th of August? (handed to witness). A.—Yes.

Q.—It is dated the 10th of August? A.—Yes.

Q.—Accompanying that Order in Council were these—I don't know what you term them—in the nature of reports. Are they from your department, "A" and "B." A.—Yes.

Q.—Called memo *re* Columbia and Western land grant? A.—Yes.

Q.—And "B," as we have it, refers to the blocks in South-East Kootenay which have afterwards been defined as lots 4,593 and 4,594, Group 1, Kootenay District? A.—Yes.

Q.—Now, Mr. Gore, dealing with that report "B," did you prepare it, or who was it prepared by? A.—Which report.

Q.—There is "A" and "B" contained here—referred to here? A.—Yes.

Q.—You might look at that; this is marked "A" (indicating), and "B" starts there (indicating). I would like to know who prepared that report? A.—I cannot tell you who prepared those descriptions; they were given to me just as they are.

Q.—They were given to you just as they are? A.—Yes.

Q.—Who by? A.—I don't know now; they came from the Chief Commissioner's Private Secretary, I think. Those descriptions were not prepared in the Land Office.

Q.—They were not prepared by you or any of your departmental officers? A.—No.

Q.—They came, as far as you recollect, through the Secretary of the Chief Commissioner? A.—I think so.

Q.—Well, therefore, Mr. Gore, were you asked in your capacity as Deputy Minister of Lands and Works to prepare any report whereby an Order in Council might be passed to give

Mr. Gore—*Continued.*

land earned under the Columbia and Western Subsidy Act of 1896 in respect to section three of the line? A.—Having reference to this Order in Council?

Q.—Yes, Order in Council of the 4th September? A.—No.

Q.—You were not? A.—The only thing I may have had to do with the Order in Council was to word it after the manner or custom of this Government in copying other Orders in Council.

Q.—That is, then, in short, Mr. Gore, you were not asked in your capacity to point out to the Government or the Chief Commissioner of Lands and Works what land might be selected and given to the Railway Company under the Columbia and Western Railway Company's Subsidy Act? A.—I was not consulted in respect to this matter at all.

The Chairman: Did not these memoranda pass through your hands? A.—Yes, they did.

Q.—And you examined them? A.—Yes.

Q.—And you approved of them? A.—Well, I had neither the approval nor disapproval of them; it was not for me to say anything about it.

Mr. McPhillips: I suppose the extent of your examination of them was to see that they truly enough referred to land within the competency of the Government to dispose of them—that is, that the land was unalienated land; or did you check that? A.—Oh, yes; I have no doubt I would. There is no alienated land there that would conflict with this at all.

Q.—As a matter of fact this particular area covered by that memorandum, being Exhibit "B," was reserved land, was it—had been reserved from 1890? A.—One parcel, 4,593, was.

Q.—Yes, 4,593 was reserved, and still stands reserved? A.—Yes.

Q.—Since some time in 1890? A.—1890.

The Chairman: I see this report was made in pursuance of instructions from the Executive Council, of the 2nd day of August. I wonder what those instructions were. Wouldn't they be sent to you? A.—No. So far as I have been able to ascertain, they were verbal instructions to the Chief Commissioner from the Executive Council.

Q.—It says the date, the 2nd day of August. Where did those plans and descriptions come from; the same source? A.—I don't know where they originated of my own knowledge.

Mr. McPhillips: Well, the plans which accompanied and ought to be there, and that really are supposed to be there—of course they are a part of the Order in Council. Were those plans prepared in the office of the Lands and Works—your office? A.—Oh, yes; they were.

Q.—They were? A.—The plans were; yes, certainly.

Q.—Were they prepared, then, after the receipt of these memoranda "A" and "B"? A.—Yes. That is, the plans that I have handed to the Committee—that tracing, it is.

Q.—That is, Mr. Gore, you followed out the memoranda "A" and "B" and prepared the plans? A.—Yes, the plans were prepared in pursuance of the memorandum.

Q.—Do you remember at whose instruction in particular? A.—No; I do not.

Q.—From recollection; who do you think did instruct you? A.—Well, I suppose the instructions emanated from the Chief Commissioner.

Q.—We consider it rather important, Mr. Gore, in this investigation, if we can find out in detail the various steps that were taken in this matter. I would like you to say, if you can, on whose instructions those plans were prepared? A.—Well, I cannot say positively, but I presume that they were upon instructions from the Chief Commissioner.

Q.—Well, who do those instructions come from usually? A.—The Chief Commissioner.

Q.—Himself? A.—Yes.

The Chairman: In fact, you would not receive instructions from anybody else? A.—No.

Mr. Helmcken: What is the practice, Mr. Gore, with regard to the Order in Council? The Order in Council is handed to you, is it? A.—The material for composing the Order in Council is usually handed to me to put into words.

Q.—Yes; but in this particular matter did you have any charge of the preparation of the Order in Council? A.—I think there was a draft of which that embodies the purport. I cannot tell you from memory exactly, but I think that is the case probably. But these other documents that accompanied it were documents that were handed to me.

Q.—I see. Then this Order in Council would be handed by you to your Minister? A.—To the Minister to take to the Executive.

Q.—And then, after it had been approved by the Executive, it comes back into your hands again? A.—It comes back to the Provincial Secretary.

Q.—After approval by the Executive it comes to the Provincial Secretary? A.—Yes.

Mr. Gore—*Continued.*

Q.—And then comes back to your Department? A.—No, it remains in the custody of the Provincial Secretary.

Q.—And what puts you in motion again on that Order in Council, to prepare plans, etc.? A.—I keep copies of all Orders in Council that pass through my office for reference in case it be required.

Mr. Helmcken: And then you act on that? A.—Yes.

Mr. McPhillips: Mr. Gore, of course your time in office—which has extended over a period of how many years? A.—28.

Q.—Yes; throughout that time there have been many land subsidies granted to various railways, have there not? A.—Yes.

Q.—Now, in the defining of those subsidies, the allotment of them, you may say, has it, or has it not, been the custom to have you make a report on the lands that are available to satisfy the various Acts? A.—Well, I don't know that it has been necessary to make much of a report upon them; because the limits within which the lands can be taken are usually defined by the Subsidy Acts.

Q.—Was it not your practice, from time to time, to direct your attention to the particular Acts and then to the particular lands that could be granted in pursuance of those Acts? A.—Certainly, yes.

Q.—That would be the custom? A.—Yes.

Q.—Now, in the case of the Columbia and Western Railway, this particular matter, you apparently were not consulted as to what land should be set apart at this particular time? A.—No; I was not.

Q.—You were not asked, for instance, in pursuance of section 6 of the Columbia and Western Railway Subsidy Act, which is to be found in the Statutes of 1896—you say that these lands were deficiency lands, weren't they? A.—Those blocks in East Kootenay?

Q.—Yes, they are claimed to be deficiency lands? A.—Yes.

Q.—You were not asked, in pursuance of section 6 of that Act, as to what lands were available in localities as near as practicable contiguous to the line of railway? A.—I was not.

Q.—You would not say, Mr. Gore, with your knowledge of the Columbia and Western Railway Company—would you, as a fact—I am only asking you now as a fact—would you say that these particular lands, Lots 4,593 and 4,594, Group 1, are lands in locality as near as practicable contiguous to the line of railway, would you? Not a question of law, but just as a matter of fact? If you were asked to select, now, the land, the nearest land in the locality, the nearest available land, nearest practicable contiguous to the line of railway—would you have selected these lands? A.—Well, of course, there were lands within the area reserved for the railway that might have been selected.

Q.—Yes; but contrasting lands that were available, all these particular lands, would you say that these lots 4,593 and 4,594 were as near as practicable contiguous to the line of railway? A.—No; I would not.

Q.—You would not say that as a fact. Do you know, Mr. Gore, the distance these two blocks are, we will say, from the line of railway, approximately? A.—How far are they?

Q.—How far are they from the line of railway of the Columbia and Western? A.—Well, from Rossland, I suppose, they are—

Q.—That would be the nearest point of the railway, Rossland? A.—Yes; 230 miles, possibly, or such a matter.

Q.—And how far would they be from the third section, for which they were supposedly earned? A.—Oh, I suppose 300 miles, or such a matter. I don't know exactly what the distance of the sections are.

Mr. Oliver: Robson is the nearest point.

Mr. McPhillips: What is the distance between Robson and Rossland?

Mr. Oliver: From Robson to Rossland, you go down the Columbia River about twenty miles, and across the country about nine miles. Robson is the nearest point.

Mr. McPhillips: You said 230 miles from Robson? A.—I am only guessing at the distance.

Q.—Would it be nearer to Robson? A.—Perhaps it would be shorter than that. From the top of the Rocky Mountains to Kootenay Lake is 190 miles, if I recollect right, that is, following the winding line of the railway. I suppose it is sixty miles from there to Robson, or such a matter.

Mr. Gore—*Continued.*

Q.—Now, Mr. Gore, dealing with these two blocks—4,593 and 4,594—distinguishing one from the other, what do you say, from your knowledge as to the particular class of land, or the resources in these particular blocks? Dealing with the southernmost one, it is classed, isn't it, as having thereon coal and petroleum? A.—Yes.

Q.—Generally classed? A.—Yes.

Q.—Have you any geological reports? A.—No; we have no geological reports touching upon it, that I am aware of.

Q.—But it is generally classed as being that class of land, isn't it? A.—Yes; there have been a good many applications from persons desiring to get licences for prospecting for coal and petroleum.

Q.—For how many years back do those applications extend? A.—Oh, possibly seven or eight years.

Q.—Is that applicable only to the southernmost block? A.—Yes.

Q.—Is the other block of similar kind, or is it supposed to be coal-bearing or petroleum-bearing at all? A.—Not to any great extent, I think.

Q.—But there are some indications of it, are there? A.—Possibly; yes.

Q.—Now, applicants, we will say, to the office of the Lands and Works for lands which are included in that Lot 4,593—that is the southern one, isn't it? A.—Yes.

Q.—In your office, would they, or would they not, be given information as to the class of land which there was there? A.—No; they would be told that the land was reserved, and not open to be dealt with in any manner.

Q.—I see. And even these applicants whose applications extend back, as you think, some seven or eight years,—they were invariably refused, were they not? A.—Yes.

Q.—That is, applications for coal prospecting licences and applications for petroleum prospecting licences? A.—They were invariably refused.

Q.—And have been, up to date? A.—Yes. There were very few applications extending back so far; the majority of applications have happened in the last year, or two years.

Q.—Do you know on what ground they were refused; on grounds of public policy or not? A.—Yes, it was the policy of the Government to refuse to grant licences for prospecting for coal or petroleum in that section, on account of its being reserved. Reserved, although it does not say so, presumably for railway purposes.

Q.—The object of the reserve is not stated? A.—The object of the reserve is not stated; but I know personally that it was reserved with a view to being available for the Crow's Nest Pass Railway.

Q.—That is really the British Columbia Southern Railway? A.—Yes.

Q.—But, of course, it was not utilised in that way. Other lands were devoted to that? A.—Yes.

Q.—Do you know, Mr. Gore, yourself, anything about the preparation of these two Crown grants for Lots 4,593 and 4,594; were they prepared in the office of the Lands and Works? A.—Yes.

Q.—Under your personal supervision at all? A.—Yes.

Q.—They came under your personal supervision? A.—Yes.

Q.—And were so prepared? A.—Yes.

Q.—And did you see to the execution of them in any way? A.—Yes; I signed them myself.

Q.—They bear your signature? A.—They bear my signature.

Q.—When you put your signature thereon, Mr. Gore, were there any other signatures there, on the two Crown grants? A.—Mine was the first signature.

Q.—Was the Great Seal of the Province there when you put your signature there? A.—No. Those go from me to the Provincial Secretary's office, where the Great Seal is put upon it, and then sent to the Lieutenant-Governor for his signature.

Q.—After you had signed them, when did you next see these two Crown grants? A.—Well, I cannot say positively, probably after they were returned to the Department, after the Lieutenant-Governor had signed them.

Q.—Well, you are not clear as to when they came back to you? A.—No, I cannot say from memory. There may be a record in the office. Probably a record.

Q.—Mr. Brown has stated that he paid the sum of \$10 in respect of each of these two Crown grants, and also other sums of money for other grants. Have you any personal recol-

Mr. Gore—*Continued.*

lection of that? A.—Yes, in a general way I should say he would do so; we would not issue the grants without this fee.

Q.—That is a matter of custom? A.—A statutory fee.

Q.—And usage in the office? A.—Yes.

Q.—As a matter of fact, those fees are accepted and taken in many cases where later the Crown grants do not issue, are they not? I mean to say they are taken, and if the Crown grant should not issue, they would, I suppose, be returned? A.—Be refunded, yes.

Q.—I mean to say, the mere payment of the money, the fees, would not indicate as of necessity that the Crown grants would issue? A.—Oh, by no means.

Q.—It is preliminary? A.—Yes. Just the same as a payment of purchase money.

Q.—In the transaction of lands in your knowledge, Mr. Gore, in public departments, that is always done? A.—Yes.

Q.—But questions of policy and right to land, and as to whether the Crown grants are or are not earned, are still open, are they not? A.—Decidedly yes.

Q.—That is, you would not pretend to say that the payment of the fees for the Crown grants that it constituted delivery of the Crown grants to the person paying them? A.—No, certainly not. The Crown grants may never issue at all.

Q.—So far as you know these particular Crown grants, 4,593 and 4,594, were never delivered to the Columbia and Western Railway Company? A.—As far as I know they were never delivered.

Q.—They are in the possession of the Lands and Works Department now? A.—Yes.

Q.—How did they come back into your possession, do you know? A.—They were handed to me by the Chief Commissioner?

Q.—Himself? A.—Himself.

Q.—At what date, do you remember? A.—I don't remember the exact date, but I presume it was somewhere about the 18th of March.

Q.—The time of the cancellation of the Order in Council? A.—Yes.

Q.—It would be before the Order was passed cancelling them, would it, or would it be contemporaneously with it? A.—I don't remember exactly.

Q.—Either before or contemporaneously with it? A.—I should think so. There is no date on the document itself to show when it was cancelled.

Q.—But I see the cancellation is marked. Whose cancellation is that? A.—Written by the Chief Commissioner and initialled by him.

Q.—In his own handwriting? A.—In his own handwriting.

Q.—The words are his own? A.—The words are his own, written by a blue pencil.

Q.—In your presence? A.—In my presence.

Q.—After the cancelling order was passed? A.—I cannot remember the date.

Q.—So that you don't know whether it was before or after? A.—No.

Q.—Did anything take place between you and the Chief Commissioner of Lands and Works at that time? Anything said as to why this was done? A.—Well, nothing of any great moment. I don't remember anything in particular in connection with it.

Q.—Well, you think it was done virtually in pursuance of the Order cancelling the Crown grants? A.—I presume so.

Q.—Cancelling the Order authorising their issuance? A.—I presume so.

Q.—Now, did Mr. Brown or anybody on behalf of the Columbia and Western Railway soon after or immediately upon that cancelling order being passed, interview you in reference to the cancellation of these two Crown grants? A.—I have no recollection of it at all. I read the evidence Mr. Brown gave before this Committee, in which he says he spoke to me and I referred him to the Chief Commissioner; I presume that is correct.

Q.—It is not imprinted on your mind in any way? A.—Not in the least, no.

Q.—You don't remember Mr. Brown being very much annoyed and put out and disturbed about this matter? A.—I don't remember his speaking to me about it at all.

Q.—Now, Mr. Gore, after the event, when this had happened, do you say or do you not say that the Columbia and Western Railway people had fallen into the suggestion emanating from some source or other, that the difficulty with regard to the cancellation of these Crown grants would be remedied by legislation whereby in giving a land subsidy for the fourth section the legislature would be asked to give those lands in any part of Yale or Kootenay

Mr. Gore—*Continued.*

Districts ; and that thereby these particular lands could later be granted under such legislation, and cure what had been done. A.—I never heard any discussion of the matter at all.

Q.—You did not hear any discussion of that matter? A.—No.

Q.—Because an Act was brought down in 1902, which, if passed, would have accomplished that end, I think. You were not asked anything about that? A.—No.

Q.—You may look at that, the Act introduced in 1902 (handed to witness); read section 2 and you will see what I had reference to. Having read that section 2, of course, if that had been the law, you could go to these two particular blocks, couldn't you?—I mean they would come within Kootenay District, wouldn't they? A.—Certainly; they are within Kootenay District.

Q.—But that has not become law. But what I am particularly aiming at, Mr. Gore, is this, that the Columbia and Western Railway people thought they were wrongly treated, but at a later date there had been some sort of tentative or agreed-upon way of bridging over the difficulty and reinstating the Company in these lands; you don't know anything about that? A.—I never heard an intimation of the matter.

Mr. Green: One question, Mr. Gore. That reserve that you pointed out to us there, surrounded by that purple line, the large reserve, the lands in that reserve that are not alienated are what class of lands? Has there been any notice to the Department that there are valuable deposits of coal or coal oil or anything of that description up there? A.—No, we had no report to that effect; although, occasionally, applications have been made for licence to prospect for coal and petroleum north of Kettle River.

Q.—Over that particular ground? A.—Well, in that vicinity; on the North Fork of Kettle River.

Q.—It is not generally looked upon by the Department as being an area that is similar to the other blocks that are in question, valuable for those particular minerals? A.—No.

Mr. Helmcken: Mr. Gore, when Mr. Wells handed you the Crown grants on his return, was there any conversation between you and Mr. Wells when he handed them over to you? A.—I don't call to mind the subject of any particular conversation. The Chief Commissioner handed me those Crown grants and he cancelled them, marked—wrote cancelled across them and initialled them in my presence, and handed them to me and I filed them on the other counterfoils.

Q.—That is the first time you saw them, when they were marked cancelled, after the Minister's return? A.—Yes, that is all.

Mr. Green: He cancelled them in your presence at that time? A.—Yes.

Mr. Helmcken: But he did not allege any reason for cancellation? A.—I cannot remember that he did or did not. I don't remember the conversation that passed between us.

Q.—I suppose there must have been a good reason for an act of that kind, writing cancellation over the Crown grant? A.—The Chief Commissioner himself would probably be best able to explain that.

Q.—As a matter of fact, is that the way that you pursue the practice of cancellation of Crown grants once they have been prepared? A.—Well, you very seldom have occasion to do anything of the kind at all.

Q.—You don't know of any similar instances of cancellation of Crown grants? A.—Well, Crown grants have been cancelled that have had errors and misnomers or something of that kind, where it became necessary to write a new grant to take its place; they have simply been marked cancelled, and filed against the counterfoil, and a new one issued in its place. Those are the only instances I know of.

Q.—And those would be under authority of the Statute? A.—No; it would not—the Statute provides a measure or means of cancelling Crown grants which contain errors, misnomers, etc., whereby three months' notice is to be published in the Gazette.

Q.—That is right. A.—That is the Statute, as you are aware; but in cases that I refer to, where they have been cancelled and attached on the counterfoils, on being cancelled, is where they have been considered as not being Crown grants at all, not having left the Department.

Q.—I see. Then, in these cases you are referring to, there is some note made of the reason of cancellation, or something of that kind, cause of cancellation? A.—Oh, yes; there would be probably some correspondence upon it which would be noted against it.

Q.—Precisely. And in this case there is nothing noted against it? A.—No.

Mr. Gore—*Concluded.*

Mr. Oliver: Is there any form of cancelling Crown grants except in cases of error? A.—Well, the only statutory authority for cancelling Crown grants that I know of is the provisions of the Land Act—section 82, I think it is, of the Land Act.

Q.—That provides for a case of error only? A.—Yes; error and wrong description, misnomer, etc.

Q.—But, as far as you know, these Crown grants were not cancelled on account of any error in the Crown grant itself? A.—No; they were not.

Mr. McPhillips: 86 is the section of the Act?

Mr. Helmcken: Yes; it provides for three different classes.

Mr. Oliver: As far as you know, there is nothing wrong in the wording of these Crown grants? A.—No; I think the Crown grants are properly worded.

Q.—That is, to the best of your knowledge? A.—Yes.

Q.—And were not cancelled on that ground—were not cancelled on the ground of error? A.—They could not have been cancelled on the ground of error; I don't know of any error in the wording of them.

Q.—Now, you say that your recollection is that the Chief Commissioner, at the time he returned these, gave no reason for the cancellation? A.—I don't recall any conversation that I may have had with the Chief Commissioner on the subject.

Q.—At any time? A.—Well—

Q.—I put it in another way: Did he give you any reason for cancellation at any time? A.—Well, the Chief Commissioner has talked with me on the matter on one or two occasions, but I think that he himself would be the proper person to explain his reasons for that.

Witness stands aside.

The Chairman asked instructions of the Committee as to replying to the telegram from Sir Thomas Shaughnessy. It was suggested that the Chairman reply by a telegram saying that, unless he can attend here, the Committee cannot take his evidence, but will have to report without his evidence.

The Committee here adjourned to meet to-morrow at 10:30 a.m.

FRIDAY, April 24th, 1903.

At 10.30 A. M. the Committee met, pursuant to adjournment from yesterday. Present: Messrs. Clifford (Chairman), Helmcken, K. C., and McPhillips, K. C. The Committee adjourned till 11.30 A. M. to-day.

At 11.30 the Committee met, pursuant to adjournment. Present: the full Committee.

The Chairman: Mr. Gore spoke to me this morning, stating that inadvertently in his evidence he had stated there was no mistake made in those Crown grants, or something to that effect, and he would like to appear before the Committee to make a statement in explanation; he finds out now that there was a little error in the Crown grants. It is a very trivial mistake, a misstatement of some of the documents attached to it.

The Committee decided to recall Mr. Gore.

Mr. Oliver requested that the correspondence between Hon. Mr. Martin and Mr. Shaughnessy, and others letters mentioned in the evidence, should be put in evidence; and the following letters were put in accordingly:—

Letter dated Montreal, 1st October, 1898, to Hon. Joseph Martion, Attorney-General, signed T. G. Shaughnessy, Vice-President.

Letter dated March 9th, 1899, to George McL. Brown, Esq., Executive Agent, C. P. R., Victoria, B. C., signed Joseph Martin, Attorney-General.

Letter dated Vancouver, B. C., 25th March, 1899, to the Hon. Joseph Martin, Attorney-General, signed George McL. Brown, Executive Agent.

Letter dated March 30th, 1899, to George McL. Brown, Esq., Executive Agent, C. P. R., signed Joseph Martin, Attorney-General.

Letter Columbia and Western Railway Company, Victoria, B. C., March 14th, 1902, to the Hon. the Attorney-General, signed George McL. Brown, Executive Agent.

Letter dated June 9th, 1902, to the Hon. the Chief Commissioner of Lands and Works, signed D. M. Eberts, Attorney-General.

MR. W. S. GORE, being recalled, testifies as follows:—

The Chairman: Mr. Gore, I mentioned to the Committee the short conversation I had with you this morning about some little error that had crept in inadvertently in your statement, or something that you wished to say in addition to the evidence that you gave; and they would be glad if you would make your statement with regard to that.

The Witness: Yesterday, I believe that I stated that those Crown grants were not cancelled in consequence of any misnomer or wrong description, and I further stated that there was no wrong description or misnomer in them, as far as I was aware. Well, that was perfectly correct at the time. But after I left here yesterday I examined those Crown grants carefully, and I find that there is an error in description in them; that the description and the plan do not agree as to the lot number that is appended to them. They just got twisted around, one for the other.

Mr. Green: When was that mistake discovered? A.—I did not discover it until after I left the Committee.

Mr. McPhillips: That is, 4,593 and 4,594 virtually are transposed, so far as the description is concerned? A.—They are transposed so far as the description is concerned; otherwise they are correct.

Mr. Green: You do not maintain that that is the reason they were cancelled? A.—By no means. I do not think that anybody had any knowledge that there was anything wrong with them; I certainly had not until yesterday after I had left here.

Mr. McPhillips: There was one question that I would like to ask Mr. Gore, that he was not asked when he was here before; and that is as to the survey. Had or had there not been any survey of these two blocks, 4,593 and 4,594. A.—Yes, there had been a survey, by reason of a former survey made by the Company of the adjacent property, which was granted to them in 1899.

Q.—No; but has there been an actual survey of these two blocks, 4,593 and 4,594, Mr. Gore? A.—They were partially surveyed.

Q.—But, surveyed in pursuance of the Columbia and Western Railway Subsidy Act, 1896? A.—Well, I can merely say that they were surveyed sufficiently far enough to enable a description to be made for Crown grant purposes.

Q.—But don't you know, as a matter of fact, though, that the Government has in the past laid great stress on surveys being had in strict conformity with the Subsidy Acts? Did they not so act in the case of the Nelson and Fort Sheppard Railway Company? A.—Yes.

Q.—And, in fact, that Company was only able to file its plans 24 hours before the expiry of the time? A.—I believe it was a very short time.

Q.—You know that great expedition had to be done by that Company in order to come within the provisions of the Act? A.—Yes.

Q.—And the Government insisted on the surveys being made in strict conformity with the Act? A.—Their blocks were all surveyed and defined and marked upon the ground.

Q.—And to do that the Company had to work at high pressure, the surveyors? A.—They had surveying parties in the field for two years.

Q.—Speaking generally, great expedition had to be shown on their part to complete their surveys in time? A.—Yes.

Q.—Now, turning to section 5 of the Columbia and Western Railway Subsidy Act of 1896, it is declared there that no lands shall be granted to the Company, which are not designated and surveyed by them within seven years from the passage of this Act. Now, will you say that blocks 4,593 and 4,594 were surveyed by the Company within the purview of this section of the Statute? A.—Well, the Government considered them sufficiently surveyed to issue Crown grants for them.

Q.—Well, do you say they are surveyed? You see, the previous portions of that section reads (Mr. McPhillips reads same). But I ask you now, Mr. Gore, keeping in mind what "survey" means—you are thoroughly familiar with what "survey" means—would you say that lots 4,593 and 4,594 were surveyed by the Company—that is what is called for by the Statute—were they surveyed by the Company—previous to the issue of these Crown grants? Have you, for instance, in the office of your Department any field-notes, a survey and plan, from any surveyor? A.—We have the plans of the—have you got a plan here of those railway lands?

Q.—(Handing plan to witness). That one, or the blue print? A.—This will do. I can explain on the map better than otherwise. Now, these two blocks (indicating on map) were surveyed in 1899 by the Company, and the Crown grants issued to them; the initial blocks.

Mr. Gore—*Continued.*

Q.—That would be blocks 4,589 and 4,588? A.—Yes, sir, those two.

Q.—Those blocks were surveyed by whom? A.—By the Company—by the B. C. Southern Railway Company, and Crown grants issued for them. The survey of this line (indicating) is common to both those, you see.

Q.—You mean the easterly line? A.—The westerly line of this one is the easterly line of this one (indicating).

Q.—The westerly line of 4,594 and the easterly line of 4,589 are common to each other? A.—Yes.

Q.—It is the boundary between them. A.—Yes; and it is a surveyed boundary.

Q.—It is really the Elk River? A.—It is really the Elk River; it traverses that.

Q.—But as to the other boundaries of block 4,594? A.—It was not run on the ground, neither the north boundary nor the west boundary of 4,594.

Q.—Then the other boundaries were not run on the ground, or surveyed? A.—Not surveyed on the ground.

Q.—In what way are they defined? A.—They are defined—you will see the description of them attached to that Order in Council, as starting from a point on the railway marked so and so, thence due north, thence due east to the Elk River, and thence following the Elk River to the place of commencement.

Q.—Dealing now with block 4,594, there has been no survey of it, but there is in the office of the Lands and Works Department a survey covering blocks 4,589 and 4,588, which gives the easterly boundary of block 4,594; is that it? A.—Yes.

Q.—But there has been no survey of 4,594 as such; I mean standing alone as such? A.—No.

Q.—And no field-notes in the Lands and Works Department? A.—No field-notes other than the survey of the easterly boundary of 4,594.

Q.—But then, the field-notes that you have in your Department showing the survey of lots 4,588 and 4,589 do not make any reference to lot 4,594? A. No; it did not have that number at that time, but still it is a common line to both. We never require a line that has already been established to be re-run; it would be a useless expense to go to work and traverse that river all over again to make a survey of that lot.

Q.—You are a surveyor yourself, are you not? A.—Yes.

Q.—I ask you, now, the straight question of fact, do you or do you not say that block 4,594 was surveyed? As a surveyor I ask you that. A.—No, it was not surveyed; I say, as a surveyor, this line should be run to define the boundary between this and adjacent lands (indicating).

Q.—And there has been no actual computation of area from survey of the ground? A.—No.

Mr. Green: The other block is in precisely the same position, is it not? A.—Yes.

Mr. McPhillips: The other block is in precisely the same position, except that it is the westerly line that happens to be defined by the survey of block 4,589? A.—As a matter of fact that line has never been defined at all.

Mr. Green: That block is in a worse position, then, because not defined at all? A.—Yes.

Mr. McPhillips: As to block 4,593, there has been no survey in any respect? A.—No; there has been no survey on the ground.

The Chairman: And block 4,594 has only been surveyed on its eastern boundary? A.—Yes.

Mr. Green: It is putting in a boundary line of another block that has been surveyed? A.—Yes.

Mr. McPhillips: And there has been no computation of area necessarily as to 4,593 except as arbitrarily defined here without survey? A.—That is it. The summit of the Rocky Mountains, of course, is—

Q.—Mr. Gore, why was not the question of survey taken up? Wasn't it always your practice in the office to say to these companies when they came for these lands, to see to it that the conditions precedent to their getting them were complied with, that surveys had been had? A.—Well, as to the reason why it was not done, I think that the members of the Government would be the proper persons to answer that, the Chief Commissioner or some other member of the Government. It is not my position to do that.

Mr. Gore—*Continued.*

Q.—But was your mind brought to bear upon this question of survey or no survey, previous to the issuance of Crown grants for blocks 4,593 and 4,594? A.—Not immediately previous to it. My attention was not called to it at all at that particular time.

Q.—But did you, in your official capacity, call the attention of the Columbia and Western Railway people to the fact that they had had no survey? A.—Not at that time.

Q.—Well, did you raise that point with the Chief Commissioner of Lands and Works when he handed you those memoranda “A” and “B,” which define the lands? A.—I am not sure that I did.

Q.—Well, you did not raise any objection on your part? A.—It was not my place.

Q.—You received instructions in this matter and you carried them out? A.—It is my duty to carry out my instructions and not to comment on it.

Q.—To carry out instructions from your superior officer? A.—Yes.

Q.—And you did not, of your own volition, raise any objections to the course that was adopted? A.—It would not be the proper thing for me to do, to raise objections to a matter that had been decided by the Executive Council.

Q.—No; but isn't it the practice, Mr. Gore, for you in your capacity, to say when these matters come up, “Well, no surveys have been made and we don't know what lands to allot”? But you were not asked anything as to surveys? A.—Not at that time.

Q.—When were you for the first time? A.—Oh, years before. For two or three years previously I had been trying to get the surveys made of those lands. But the question of the selection of blocks was a question that could not be agreed upon between the Government and the Company, I believe, up to 1901—some time in 1901.

Q.—But, in any case, Mr. Gore, you took your instructions from the Chief Commissioner of Lands and Works, and you did not, on your part, raise any exception to the fact that it was proposed to make grants of land where no surveys had been made? A.—Well, I really cannot call to mind whether I raised any objections of that kind or not, at the moment. But after I was instructed to have them prepared I don't think it would be proper.

Q.—Whilst that is true, Mr. Gore, wasn't it a singular departure from custom and usage in your office to have presented to you—to have absolutely presented to you—a cut and dried memorandum defining certain areas of land, without any previous reference to your Department at all, and without your having any survey on the files of your office? A.—Yes; it was contrary to the usual practice.

Q.—And it was the first time it had ever occurred, wasn't it, in your office? A.—Yes. The Railway Company had a traverse made of their line of railway and had latitude and departure, calculated the points where those lines—where those meridians—would start, and in that way were able to make a written description, and probably quite an accurate one of each parcel. And the Government considered that that was a sufficient survey to warrant their issuing Crown grants upon.

Q.—In this case? A.—In this case. And those memoranda attached to the Order in Council were the descriptions which were arrived at by that survey made by Mr. Gauvreau, Provincial land surveyor. As he traversed this line of railway, after making his calculations and verifying them, he planted posts which were the initial points for these different blocks. And, as a matter of fact, a party of surveyors were in the field last year and they surveyed several of those blocks from those posts, and they found them, as near as they could tell, quite accurate.

Q.—But when you say Mr. Gauvreau was traversing the line of railway—Blocks 4,593 and 4,594 are not at all contiguous to the line of railway of the Columbia and Western? A.—This traverse was made of the B. C. Southern, as well as of the Columbia and Western.

Q.—But, as I take it, at any rate, you had produced to you virtually a cut-and-dried proposition that did not emanate from your office at all, that Crown grants should issue for lots 4,593 and 4,594, as described in that memoranda— A.—Yes.

Q.—being exhibits “A” and “B” to the Order in Council. And you say that you had no surveys supporting those descriptions in your office, other than you have referred to there as to that boundary line? A.—And the traverse of the railway.

Q.—Yes. But I did not understand that any railway traversed either of these Blocks 4,593 or 4,594? A.—It does not run through 4,593, but it does through 4,594.

Q.—Which railway? A.—The B. C. Southern Railway.

Q.—But there is no railway through 4,593? A.—No.

Mr. Gore—*Concluded.*

Q.—Well then, Mr. Gore, did you gather from reading those memoranda that they were prepared by some surveyor or engineer, when they were handed to you? A.—Oh yes, I did.

Q.—They were not signed by any surveyor or engineer? A.—No.

Q.—They were not authenticated by anybody in any way, earmarked as having come from anybody? A.—Not to me, no.

Q.—You presumed they came from where? A.—I presumed they were furnished by the Railway Company.

Mr. Smith: Mr. Gore, have the Government ever issued any Crown grants to blocks of land in that condition before, that you are aware of? A.—Never, that I am aware of; I don't recall any instance of it now.

Mr. Green: In other words, this was entirely irregular from the usual routine in the office? A.—Well, I would not like to say it was irregular.

Q.—But I mean from the usual routine in the office? A.—It does not follow the usual routine of the office.

Mr. Helmcken: Since yesterday, Mr. Gore, you have not recalled any reasons leading up to the cancellation of the Crown grants? A.—No. Those are private matters of the Government I have nothing to do with.

Witness stands aside.

Mr. Green moved that the Committee adjourn to meet at 10:30 a. m. on Monday, April 27th, and that the Hon. the Attorney-General be asked to attend at that time, and advised that he will be the first witness.

Seconded by Mr. McPhillips and carried, the Committee adjourning accordingly.

MONDAY, 27th April, 1893, 10.30 A. M.

The Committee met pursuant to adjournment from April 24th. Present: Messrs. Clifford (Chairman), Helmcken, K. C., and Green (Messrs. McPhillips, K. C., and A. W. Smith taking their seats after the proceedings were begun).

The minutes of last previous meeting were read and adopted.

The examination of Hon. D. M. Eberts, Attorney-General, was then proceeded with.

HON. D. M. EBERTS testifies as follows:—

Mr. Oliver: Mr. Eberts, on page 93 of your evidence, about the middle of the page, in speaking about Mr. Martin's contention that the Company was not entitled, on account of having passed from under control of the Legislature, you say: "Well, but that was fought out in the House and it was concluded otherwise by the Legislature." I don't know whether that is what you intended or not (copy of evidence handed to witness); I just draw your attention to that; it looks to me as though there must be some misunderstanding. A.—I think that came up in the Legislature in reference to the British Columbia Southern Railway Company.

Q.—As far as I can find, the question never was passed on by the Legislature. A.—Well, I remember it was thrashed out in the House—the opinion of Christopher Robinson.

Q.—I just drew your attention to it because I thought it might be an error. At the close of the last Session, Mr. Eberts—you are dealing there with the question of the agreements as between the Railway Company and the Government, at different times, with regard to substituting cash for lands. Now, I want to draw your attention to that uncompleted agreement between the Government and the Railway Company, which is dated the 8th day of July, and particularly to the proviso at the end of the agreement, and I want to ask you if the effect of that proviso would not have been that it would preserve the rights of the Company to its subsidy with regard to sections five and six of the line of road (documents G. McL. B., three handed to witness). This is the proviso that I have referred to, Mr. Eberts, you see (indicating)? A.—I might tell you with reference to that agreement, that was never submitted by the Government of British Columbia to the Columbia and Western Railway Company. That agreement was not submitted at all. I never saw that agreement until I think, probably, the year 1900.

Q.—Allow me to draw your attention to your evidence on page 87, near the top, in which you say: "Sir Thomas Shaughnessy said he would take that matter back to his Company in Montreal, would bring it up before the Board of Directors, would have an agreement prepared on those lines, and would submit it to the Government." Now, I take it that that agreement

Hon. Mr. Eberts—*Continued.*

which you have before you was not what was drawn up by the Company in carrying out the matter that you there refer to? A.—That question, with reference to that clause, did not arise with the Government at all.

Q.—But that is not the point I wish to get at, Mr. Eberts. The point is, supposing that that agreement had been ratified by the Government, the effect of that provision would have been to retain to the Company their rights in their subsidy to the two sections of land? A.—If that agreement had been carried out that agreement would have spoken for itself. That is the answer to it.

Q.—I don't think that is a proper answer. I want to know what the effect of that provision would have been if that agreement had been carried out? A.—I do not think that I have come here to give the effect of a paper that is placed before me. You want to ask my opinion about that agreement.

Mr. Helmcken: What agreement are you referring to?

The Witness: An agreement which I never saw until the year 1900, which evidently was signed and came into the possession of the Government some time in the fall of 1898, after the Turner Government had gone out of power.

Q.—What agreement? A.—It is an agreement dated the 8th day of July, 1898.

Mr. Oliver: Then, Mr. Eberts, I put it another way: That proviso was not a matter that had been agreed upon by the Government and Mr. Shaughnessy when he was here? A.—We did not go into that question in that way. Let me see, where is the agreement; have you got it there?

Mr. Helmcken: It is all attached there.

The Witness (looking at paper): Well, that would simply be a clause put in there, a general clause put in at the end there, to protect all of their rights under their charter.

Mr. Oliver: Mr. Eberts, is that clause consistent with the claim now made that the Company had surrendered their rights to build, a few days previously? A.—Is it consistent with it?

Q.—Is it consistent with the claim now made that the Company had surrendered their rights to the road previously? A.—I told you that the Turner Government had made that arrangement with Mackenzie & Mann and Sir Thomas Shaughnessy, that Mackenzie & Mann were to build the line down from Penticton to Midway, and that the Columbia and Western were to give up their right—would stand aside of their right to build from Midway to Penticton, and they would be protected in that course, because the Government of the day had no desire to have the line duplicated between Penticton and Midway.

Q.—In Bill 87, submitted to the Legislature last year, the statement is made that the Company had surrendered their rights to build the fifth and sixth sections of the road, or words to that effect. A.—Yes.

Q.—Now, I will ask you, is that provision in that agreement consistent with that statement? A.—The agreement with the Company was that they would surrender that portion of their line, and they could not do it except by an Act of Parliament. They could not change the Columbia and Western Act except by an Act of Parliament.

Q.—But in that agreement there they contradict the statement that they had surrendered? A.—I don't know that they do at all; it might be that they were not going to lose any right that they had had under the Columbia and Western Act, don't you see. It might be that they were not going—if the Turner Government had been kept in power there is no doubt that that agreement would have been carried out to the letter.

Q.—As it is therein expressed? A.—I don't know as it is therein expressed, because the Turner Government never saw that agreement.

Q.—A Bill passed in the year 1901—chapter 7 of the Statutes of 1901 extends the time in which the Company should have to build these two sections of the road, does it not (handing Statutes to witness)? A.—Yes, it does; I think so; the Statute shows for itself.

Q.—It shows that the Company have up until the expiration of the time limit mentioned in the Statute of 1901 in which to build the line of road. Therefore, the statement made in the Bill, to the Legislature last year, cannot be correct? A.—I do not know how you make that out.

Q.—The statement in the Bill last year is that the Company had surrendered their right. A.—Yes; they agreed that they would give up their right to build to Penticton.

Q.—But the statement in the Bill is that the Company had surrendered their rights. A.—I told you what the agreement was. It was in their rights, you know.

Hon. Mr. Eberts—*Continued.*

Q.—Then, as a matter of fact, the Company never had surrendered their rights—isn't that so? A.—How do you mean—by an agreement in writing?

Q.—They never surrendered their rights in its legal sense? A.—They never surrendered their rights by an agreement in writing.

Q.—They never made any effectual surrender of their rights, a surrender that could be enforced in law, did they, Mr. Eberts? A.—They never made any agreement by which their surrender could be enforced in law. I have never said that they did. I have always said that it was an agreement for the benefit of the people of British Columbia. An agreement solemnly made for the people of British Columbia, in order to facilitate the building of the Coast-Kootenay line of railway. That is my understanding of it.

Q.—Now, in your evidence the other day, you stated that Mr. Wells took the Crown grants for these two particular lots in South-East Kootenay to Montreal for delivery to Mr. Shaughnessy. Can you tell us about what time of the year, about the date of Mr. Wells' visit to Montreal? A.—Well, I really cannot say. When I say that Mr. Wells took the Crown grants to Montreal, I never saw the Crown grants in Mr. Wells' possession to take them to Montreal. I think that Mr. Wells left some time in the latter end of October; he was in Montreal, I think, in the latter end of October or the beginning of November; I am not sure.

Q.—The latter end of October or beginning of November? A.—I think so, Mr. Chairman; I would not swear positively to that. I could go out and verify that.

Q.—I don't think it is necessary; I just wanted to get an idea about the time.

The Chairman: It is not important at all.

Mr. Oliver: Now, before Mr. Wells left for Montreal with those Crown grants, did the Government discuss any propositions that were to be submitted to Mr. Shaughnessy before those Crown grants should be delivered—any other proposition than that contained in the Order in Council? A.—Did the matter come up in the Executive, you mean?

Q.—Yes. A.—I don't remember that it did. And I think I was at every meeting of the Executive.

Q.—Do you of your own knowledge know what concessions Mr. Wells was to ask of Mr. Shaughnessy before delivery of those grants? A.—I do not.

Q.—Is there any authority by which these two particular Crown grants could be cancelled except by that Order in Council of 18th of March? A.—The authority of the Legislature.

Q.—As a matter of fact, is there any statutory authority under which those Crown grants could be cancelled as purported to be cancelled on the 18th of March? A.—Well, I think probably—I do not state this as an opinion—that they could probably by an action at law, at the institution of the Crown.

Q.—But outside of an action at law? A.—Do you mean the statutory authority?

Q.—Yes. A.—I cannot state the statutory authority unless I see the Act.

Q.—There is authority given under the Land Act? A.—There is a power under the Land Act to cancel Crown grants in case of error, misdirection—

Q.—Misnomer? A.—Misnomer, or technical defects, with a view of issuing the title properly.

Q.—That provides for a new grant to be issued? A.—That provides for a new grant to be issued in the terms of the old one, except as to the mistakes made in the one called in.

Q.—But there is no statutory authority for cancelling Crown grants—we will say a Crown grant, except for defects in the grant? A.—Under the Land Act?

Q.—Yes. A.—I don't think there is; I don't know of any.

Q.—I would like to ask a little more particularly as to whether Mr. Wells had instructions to ask anything more of the Canadian Pacific Railway? A.—In what line?

Q.—Any further concessions except those contained in the Order of Council? A.—You mean from the Executive of British Columbia?

Q.—Yes. A.—The matter was never brought up in the Executive that I know of.

Q.—So that there should be no mistake in this, Mr. Eberts, I direct your attention to the statement made by Mr. Wells on the floor of the House; he says, so it is reported in the "Colonist": "When these Crown grants were prepared the Government had discussed the question as to how far they would be prepared to go in making a bargain with the Company ere letting the grants pass out of the Government's possession." It was in reference to that that I asked the question as to what this discussion was and whether you had any knowledge of it.

Hon. Mr. Eberts—*Continued.*

A.—I have knowledge of an informal talk with reference to trying to get the C. P. R. to go from Midway to Spence's Bridge. If you will remember rightly there was a great deal of talk of opening up that country, if possible; and I think Mr. Wells mentioned that fact to me—I am sure he did, that while he was in Montreal he was going to try and induce the C. P. R. to open up that portion of the country.

Q.—Now, had Mr. Wells any authority from the Government to make that a condition of delivering those Crown grants to Mr. Shaughnessy? A.—I never knew that he had.

Mr. McPhillips: Mr. Eberts, when was it that you became aware, for the first time, that the Columbia and Western Railway Company people were desirous of obtaining the land covered by these two Crown grants, blocks 4,593 and 4,594? How did it first come to your knowledge that that particular land was to be dealt with in connection with the Columbia and Western Railway Company? A.—Well, Mr. McPhillips, it is a very difficult thing to pin my memory down to. Two years ago—this was some time in the summer of 1901 that this matter came up—there were several discussions with the Executive about the matter.

Q.—I would like to know who first suggested that this particular land should be given to the Columbia and Western Railway? A.—Well, I could not say that.

Q.—Would you say that it was on the initiative of the Government or on the initiative of the Columbia and Western Railway people that this particular piece of land was selected? A.—I could not say that just now; I could not say that.

Q.—Well, as Attorney-General, were you ever asked to advise as to whether this particular land would come within the purview of the Columbia and Western Railway Subsidy Act? A.—I was.

Q.—You were asked that by the Government? A.—I was asked that by the Government.

Q.—And did you give any opinion in the matter? A.—I did.

Q.—Was it in writing? A.—No, it was not.

Q.—What was that opinion? A.—I gave an opinion that the Government had power under the Act.

Q.—To go into the territory covered by these Crown grants, 4,593 and 4,594? A.—Under and by virtue of the Act, yes.

Q.—Did you think it came then within the power granted by section 6 of the Act? A.—I did think so. I may tell you that—I think that was before me, I am not sure—but the opinion of, I think, the present Chief Justice was taken, too.

Q.—Yes, I see that; we have that amongst the papers. Did you obtain that before or after your view was expressed in the matter, do you remember? A.—Well, I think, probably, that was obtained after my view.

Q.—I see, Gordon Hunter, then a practising barrister, now Chief Justice, gave his opinion under date 24th of October, 1901; at least, it is dated that (handing document to witness). A.—Yes. I did not ask that opinion; it came to Mr. Wells.

Q.—The opinion of Mr. Hunter came through Mr. Wells? A.—Yes.

Q.—You don't know what facts were placed before Mr. Hunter? A.—I never consulted Mr. Hunter on the subject at all.

Q.—And you do not know what facts were laid before Mr. Hunter? A.—I do not. I never consulted Mr. Hunter on it at all.

Q.—You did not prepare any stated case on the facts? A.—I did not.

Q.—And ask for any opinion from Mr. Hunter on the facts? A.—I did not.

Q.—All you know about the opinion is you saw it in writing, and it bears date the 24th of October, 1901? A.—That is right.

Q.—But it is an opinion, speaking generally, to the effect that the Lieutenant-Governor in Council would have the power? A.—Would have the power under the Act.

Q.—To grant parcels 4,593 and 4,594 under the Columbia and Western Railway Subsidy Act, 1896. Now, your view is in line with that, so far as the matter of law goes. Are you familiar, Mr. Eberts, with the land upon the ground? Do you know where it is? A.—No, I am not.

Q.—You know generally? A.—I know generally where it is.

Q.—But you would not say, Mr. Eberts, as a fact, that these lands are in localities as near as practicable contiguous to the line of railway of the Columbia and Western? A.—I do not think the section reads altogether in that way, you see.

Hon. Mr. Eberts—*Continued.*

Q.—(Reading the whole of section 6). Now, firstly, Mr. Eberts, these lands that were purported to be granted were lands granted for a deficiency; is that not the fact? A.—Yes.

Q.—Well, would you say, as a fact, on the reading of that section, confining yourself to this language of the section, “and in localities as near as practicable contiguous to the said line of railway”—— A.—Well, I gave my opinion, Mr. McPhillips, and I thought that under that the Lieutenant-Governor in Council had discretionary power with reference to that, so long as those lands are in the two districts. If you read the other section, I think the second section of the Act, where they were to be granted——

Q.—The first section says in the Districts of Kootenay and Yale? A.—So long as those lands were in the Districts of Kootenay and Yale, the Lieutenant-Governor in Council, I believed and still believe, would exercise their discretion. I was asked and I gave my opinion; I think they could. It may be I am entirely wrong.

Q.—But apart from that, Mr. Eberts, leaving the question of law aside—— A.—(Interrupting.) I might tell you also that the Lieutenant-Governor in Council exercises discretion with reference to that, from the fact, also, that there was a very large saving of land if given in that way.

Q.—They thought there was to be. A.—Three hundred thousand acres of land would be saved.

Q.—That is assuming that the Company had agreed to that? A.—That is assuming that the Company had agreed to that.

Q.—Or even now agree to that. We have no evidence of that. All we have had so far, Mr. George McL. Brown says that he, on the part of the Company, said that it was satisfactory to the Company. But apart from that, Mr. Eberts—— A.—I think copies of those Orders in Council were given to the Executive Agent of the Company.

Q.—That is true? A.—They were ordered to be given, and I see by his evidence they had been given.

Q.—But at the same time, I don't know what effect that has in law; the mere fact that they are handed out copies of the Orders in Council may not necessarily impose that that was an agreement finally completed between the two parties, would it? A.—No. I never heard, though, that they refused to accept it.

Q.—But dealing with the question as a fact, Mr. Eberts, if you felt that you were constrained in law to adhere to this language, “in localities as near as practicable contiguous to the said line of railway”——if you were constrained, as a matter of law, to confine yourself to that language, this particular land as selected in these two grants—4,593 and 4,594—would not come within that terminology, would it? A.—If they are practically contiguous—no, they are not practically contiguous.

Q.—In localities as near as practicable contiguous to the line—they would not be? A.—I think you will find by looking at the grants that have been given, they have given even contiguous lands ninety miles away.

Q.—But even if you were confined to the language as I read it from the section—in localities as near as practicable contiguous to the said line of railway—those two parcels of land would not come within that language, would they? A.—Well, I don't know. If you are using just those words alone—if you are just using those words alone probably they would not. But, taking the whole tenor of the Act, covering section one and section six, I was of opinion at that time that the Lieutenant-Governor in Council had discretionary power; and that discretion gave them the power to give those lands in those two districts.

Q.—That is, in your opinion, as a matter of law the Government was not controlled by the particular language I have drawn your attention to? A.—No, they were not.

Q.—Now, are you aware, Mr. Eberts, that an opinion given in addition to this one of Mr. Hunter's of the 24th of October, 1901, has been obtained by the Government, bearing date 8th of April, 1902? A.—Yes; Mr. Wells obtained that from Mr. McCaul.

Q.—Mr. C. C. McCaul? A.—Yes.

Q.—Who has lately come to British Columbia? A.—Yes; just from Dawson; formerly practising at Calgary.

Q.—Now in the case of both of these opinions, Mr. Eberts, were they obtained upon request of the Executive, or at the instance of the Chief Commissioner of Lands and Works, in each case? A.—Well, I have never seen Mr. McCaul's opinion, I have heard it read, I have never seen it.

Hon. Mr. Eberts—*Continued.*

Q.—Speaking first of Mr. Hunter's opinion, was that obtained at the request of the Executive at the time? A.—I don't know that it was.

Q.—You did not request it? A.—I did not request it, no.

Q.—Then in the case of Mr. McCaul's opinion, do you know whether the Executive requested that opinion to be obtained? A.—Mr. Wells spoke to me about that he would like to get the opinion of Mr. McCaul.

Q.—Would you term it an Executive act on the part of the Government? A.—Well, I don't know; it did not come up in that way.

Q.—No. Well, I mean, were these two opinions obtained, we will say, with the consensus of opinion on the part of the Executive that they ought to be obtained? A.—I don't think the question was taken up by the Executive; I don't remember.

Q.—In either case? A.—I don't remember, Mr. McPhillips; I don't think they were.

Q.—It is rather important, Mr. Eberts, from this Committee's point of view, because it is very important to know whether the Government are acting as a body or individually in this matter. We have two opinions before this Committee, one in direct conflict with the other. In any case you say it was not an Executive act, in getting either opinion? A.—I don't remember; I don't think it was. It may not have been at the Executive, Mr. McPhillips, and it may have been considered at the Executive. But I do not think there was any Order in Council passed, if that is what you ask, that the opinion of so-and-so would be obtained.

Q.—But did you agree amongst yourselves that the opinion would be obtained, in Council? A.—Of Gordon Hunter?

Q.—Yes. A.—I never heard it.

Q.—In the case of Mr. McCaul? A.—I think Mr. Wells, in that case he spoke to me before he got the opinion, and said that he was going to get the opinion of Mr. McCaul.

Q.—And you would not say it was at the request of the Executive as an Executive? A.—I couldn't say one thing or the other; because it might have been when I was not there. To my knowledge it was not. It might have been.

Q.—I draw to your attention, Mr. Eberts, that this opinion of Mr. Hunter was obtained apparently on the 24th of October, 1901; that would be after the Crown grants were dated, at any rate, after the date appearing on the Crown grants. That is, the act, in so far as there had been a completed or noncompleted act, had taken place before the opinion of Mr. Hunter was received; the 3rd of October would be some twenty-one days before this opinion was obtained. A.—They might be dated to-day and they might not be signed until some time afterwards.

Q.—Could you, simply speaking from recollection, say whether those Crown grants were signed and sealed previous to Mr. Hunter's opinion being received? A.—I could not; I don't know anything about it. It is not in my Department, and I don't know when they were signed or sealed.

Q.—Did you settle the Crown grants in any form at all in your Department? A.—Speaking for myself, I did not see the Crown grants. But I may say that forms of the Crown grants were brought before the Executive, and the forms were settled by an Order of Council.

Q.—But they did not really come formally into your Department; and were not passed upon as such. You don't know as to that? A.—I don't know as to that.

Q.—Whether the Deputy Attorney-General, for instance— A.—He might have; I really do not know.

Q.—Are you aware as a matter of fact that these alleged Crown grants convey and grant the coal to the Company? A.—I am not. I do not know because I never saw the Crown grants.

Q.—Which was not the practice or custom or the law at the time with respect to other Crown grants? A.—Well, I think probably it was at the time the agreement was made to give them the lands. I think that question of coal—the coal was taken out of the Crown grants in the year 1899 under the Semlin Government, if I remember rightly; coal went with Crown grants prior to 1899. Isn't that right?

The Chairman: 1899; I think so. A.—I think the first reservation of coal by the Government was in the year 1899, if I remember rightly. By chapter 88 of 1899, section eighteen (reading the section).

Hon. Mr. Eberts—*Continued*

Mr. McPhillips: You construed that Act as only applying to parties— A.— —to parties who acquired title subsequent to 1899.

Q.—Then, in arriving at any conclusion as to any rights of the Columbia and Western Railway under the Columbia and Western Railway Subsidy Act, which was passed the 17th of April, 1896, your view would be that any lands that were given in pursuance of that Statute would be granted as the land law stood at the time? A.—I think so.

Q.—As the Land Act stood at the time? A.—I think so. It might be something with reference to the procedure, what procedure they did obtain. The procedure is always running, but the acquisition of land is from the time the parties acquire title.

Q.—Do you know, Mr. Eberts, as a matter of fact, whether there was any request on the part of the Executive, or any enquiry made into the question as to whether or not these respective parcels, 4,593 and 4,594, had been surveyed in pursuance of the Columbia and Western Railway Subsidy Act, previous to your passing the Order in Council providing for Crown grants in respect of them? A.—I don't know anything about that.

Q.—Is it or is it not the practice for you to pass upon the matters that are more or less matters in the way of condition precedent to their right to get land; or whose Department would that come under? A.—That is always in the Lands and Works Department; all matters in connection with land go to the Lands and Works Department.

Q.—You do know as a matter of fact that in the previous cases, take for instance the Nelson and Fort Sheppard Railway Company, were you not a member of the Government of the day when the Government was very insistent—insisted strongly upon full compliance with their Act in regard to surveys and setting apart of their land grant? A.—No; I do not think they did. I think that was one of the great fights in the House they had—I remember there was a motion of want of confidence, in the House, brought in by Mr. Kellie, on the ground that the Government had exceeded its powers in giving lands in the way they had, and giving the alternate blocks, and giving them in square mile sections where any part of it had been alienated; I remember particularly well that there was a motion of want of confidence in the Government on that particular thing.

Q.—But the Government of that time was very particular to require full compliance on the part of the Company with the requirement as to surveys? A.—Well, you can see, so far as this land is concerned, you could not survey some of it; it is an impossibility. The exact boundary of that is not known now, the eastern boundary of one of those blocks, because it is bounded by the tops of the Rocky Mountains, whatever it may be. That is the boundary, I think, between Alberta and British Columbia.

Q.—Yes. A.—And the other portion of it was bounded of course by a defined boundary there, the International Boundary Line—

Q.—That would be the southern boundary? A.—Yes; and on the west side of it, it is bounded by the easterly confines of a grant that had been given before, if I remember rightly, which had been given to the British Columbia Southern Railway Company in the time of the Semlin-Cotton Government.

Q.—Yes; and of course Mr. Gore has told us that even that boundary, though, has never been really surveyed; although, as you say, on paper it appears to be defined—on the plan it would appear to be defined? A.—Yes, as clearly defined as you could probably possibly do it on the ground. Because, I think the Kootenay River comes along on one side, and the Alberta boundary on the east side, and the International Boundary on the south.

Q.—But there was no requirement towards this Company to have a survey on the ground? A.—The Government were evidently satisfied with the boundaries.

Q.—Do you know, Mr. Eberts, how it was that the memoranda which appear as part of the Order in Council of the 4th of September—from what source that memoranda came? A.—I have no knowledge of it at all.

Q.—This is it (showing same to witness); Mr. Gore has sworn it was not prepared in the office of the Lands and Works. A.—I don't know anything about it. I never saw it before.

Q.—But it was apparently passed on by this Order in Council—"that the enclosed memorandum A"— A.—I don't know where it came from. I never saw it before.

Q.—Well, the Committee, of course would be rather interested to know, perhaps, from whence that did come. But you don't know, Mr. Eberts? A.—I have no knowledge whatever.

Hon. Mr. Eberts—*Continued.*

Q.—Mr. Gore said it did not come from the Department of Lands and Works ; he has also added—he seems to think it came from the Company in some way or other. That would be the Columbia and Western Railway Company. A.—Of that I know nothing.

The Chairman : I think he said that Mr. Wells could answer that question.

Mr. McPhillips : I think he said it was prepared by Mr. Gauvreau, he thought, who was working for the Columbia and Western Railway Company.

Mr. Oliver : He suggested that it might have been.

Mr. Smith : He said he got the papers from the private secretary of the Chief Commissioner.

Mr. McPhillips : In view, Mr. Eberts, of the fact that the Government had the opinion, either before or after those Crown grants were ordered to be prepared, of Mr. Gordon Hunter, to the effect that these grants were within the authority of the Government to make, why was it that on the 18th day of March, 1902, a cancelling Order in Council was passed? A.—Well, the Order will show for itself, Mr. McPhillips.

Q.—Do you mean to say that it was some matter of policy or something that occurred in the Executive that you do not care to disclose? A.—I would not disclose anything that took place in the Executive ; I could not do that, Mr. McPhillips, as you know perfectly well.

Q.—I am not pressing that ; I want to know why the cancelling order was passed, unless it is that you cannot say so on the ground— A.—I do not propose to say anything that passed in the Executive. An order was passed in the Executive, and the order is there.

Q.—Apart from anything that took place in the Executive, are you in a position to say why it was that the Crown grants were ordered to be cancelled? A.—No.

Q.—Was it upon any ground that there was fraud or improvidence in their being issued? You would not say that? A.—The Executive concluded to pass an Order of Council, and that Order of Council is now before the Committee, and that is the Executive act.

Q.—Do you say then that you are not at liberty to say why the Order in Council cancelling the Crown grants was passed. A.—No.

Q.—You say you are not at liberty? A.—I am not at liberty to say anything as to what takes place at the Executive Council.

Q.—I am not pressing that. But I want to know if it is possible for this Committee to know why it was, upon what ground it was that the Order in Council cancelling the Crown grants was passed. There might be many reasons, not ones of public policy. There might be reasons, for instance, such as that the Government was over-reached, that some fraud was perpetrated upon the Government by the Company, that they were through some improvidence issued, which would entitle the Government to set those grants aside, quite apart from any of the merits of the matter. But you have no—you cannot answer that? A.—I have nothing to state on that subject.

Q.—Are you prepared to state that that was wanting in this transaction ; no fraud ; no improvidence ; and that the Government was not influenced in any wrong way to issue these Crown grants? A.—Am I to say what?

Q.—Are you at liberty to say whether or not the Government was constrained, were influenced, to issue those grants by any fraud or improvidence on the part of the Company? A.—I may say that the Government was not influenced in issuing those grants by any fraud, most assuredly.

Q.—You say that in the issuance of those Crown grants the Government was not influenced by any fraud, or improvidence, on the part of the Company? A.—Most assuredly they were not ; as far as I know.

Q.—Then, as to the real reason, though, for the passing of the cancelling Order in Council, you are not at liberty to say what that was? A.—You could hardly ask me to disclose what took place at the Executive Council.

Q.—I don't ask that ; but I want to know exactly whether the reasons for cancelling those Crown grants are matters you might say, State secrets, or are they to be made public? You say you are not at liberty to say why they were cancelled? A.—Yes.

Q.—Why the Order in Council was passed cancelling, you are not at liberty to say? A.—That Order in Council speaks for itself, that they were cancelled.

Q.—I don't know that it does, with all due deference to you, Mr. Eberts, it says nothing. (Mr. McPhillips reads from the Order in Council). You see it gives no reason for the passing of the Order in Council at all. It does not say that because the Columbia and Western Rail-

Hon. Mr. Eberts—*Continued.*

way Company had failed to do something which had been a condition which had to be fulfilled before the Crown grants could have effect; nor does it say anything which gives any idea of what moved the Government in the matter. Do you say then, Mr. Eberts, that the reason—I suppose there must have been some reason—that the reason is one that you are in possession of as a member of the Government and you are not at liberty to disclose it? A.—I say the Order in Council speaks for itself.

Q.—Well, I don't know; I would like you to answer that if you can, Mr. Eberts; what I want to get at—something, I suppose, moved the Government to pass this cancelling Order in Council, and I want to know if there was any reason—. A.—I suppose there is a recommendation attached to it, isn't there?

Q.—I don't think that explains anything. It says (reading same). That appears to have the signatures of the Chief Commissioner of Lands and Works and also James Dunsmuir, presiding member of the Executive Council. But there is no reason given there. Well, if there was any reason, Mr. Eberts, for this Order in Council cancelling that of the 4th of September, 1901, you are not at liberty to give it? A.—Oh, I have said all I will say on the meeting of the Executive—what transpired at the Executive. You know perfectly well that I am not going to go further than my oath.

Q.—I don't wish you to go further; but I really did think that this Committee was entitled to know the reason for the passing of that Order in Council was some public one—some State one—and that we were not entitled to get it. We are to find out all matters, according to the Order of the House, relating to these land subsidies. Apparently, then, we cannot find out why it was that this rescinding Order of the 18th of March, 1902, was passed.

The Chairman: Mr. Eberts does not say that we are not entitled to get information, but that he feels himself that he cannot give it; that is the way I understand it.

Mr. McPhillips: If Mr. Eberts knows it, I submit that the only answer Mr. Eberts can make is that the reason is one that is within his knowledge as a member of the Executive, and he cannot tell us for that reason.

The Chairman: That is the way I understand him.

Mr. McPhillips: I would like Mr. Eberts to put it that way, if he would, to the Committee, that the reason which actuated the Executive in passing that Order in Council of the 18th of March, 1902, is one within his knowledge as a member of the Cabinet and of which he is not at liberty to disclose.

The Witness: I have told you that, Mr. McPhillips.

Mr. McPhillips: Well, perhaps I was a little longer in having the matter clear to me. But that is the way you put it. Are you at liberty to say, Mr. Eberts, whether you were at the Executive meeting when this recommendation was made bearing date the 18th of March, 1902? A.—I think I came in at the latter end of the meeting.

Q.—I notice that the approved Order of the 18th day of March, 1902, that is, bearing the signature of His Honour the Lieutenant-Governor, has not been filled up showing who the members of the Cabinet were which were present at that meeting? A.—No; it is not usual to do that.

Q.—Well, why is this form printed in this manner? A.—Well, I think those are some old forms. In the earlier Governments the forms were not in that way; and during the time of the Martin—or at least the Semlin Government—I think those forms were used. There are a lot of forms on hand, and I think for a short time after the Dunsmuir Government came into power they used to put in the names of the members of the Executive who were present, and finally that was discontinued; I think I could almost tell you about the time, because I happened to be looking up an Order in Council this morning as to Revelstoke; I think that about the month of September, 1900; I gather it from the copies of the Orders that have been sent to my office—not dealing with this matter; I just happened to see that this morning in looking at another Order in Council.

Q.—You think, then, Mr. Eberts, you came in at the close of this Executive meeting? A.—Yes.

Q.—When this Order in Council was passed on the 28th of March, 1902? A.—I don't know that it was a regular Executive meeting, but the members of the Executive were there.

Q.—You are not at liberty to say, of course, what took place there? A.—No, not at liberty to say what transpired there.

Hon. Mr. Eberts—*Continued.*

Q.—You are not at liberty to say whether you assented or dissented from the passing of the Order in Council? A.—I hardly think that is a fair question to ask me, Mr. McPhillips. It was passed at an Executive meeting, and the majority of the Executive passed it.

Q.—Now, Mr. Eberts, going back to the land question again; do you say or not that it was a matter of treaty between the Columbia and Western Railway Company and the Government as to whether or not these particular lands described as 4,593 and 4,594 should or should not be given to the Columbia and Western Railway Company? A.—I don't say it was a matter of treaty at all. I never said that.

Q.—You say it never was. Was it ever discussed as to the— A.—(Interrupting) I think the matter came up in the Executive and was brought down by a recommendation which appears before you.

Q.—But previous to that; I am dealing with anterior to the passing of the Order in Council of the 4th of September, 1902; was the question of giving these particular lands a question that was being taken up and considered between the Company and the Government? A.—I think so. I think the Order of Council—of the 4th day of September, is it?

Q.—Yes, 1901. A.— was probably agreed on some time before that, in the month of August.

Q.—Well, had it been a short or a long time before the notice of the Government that those particular lands might be dealt with in this way? A.—Had what been?

Q.—The question of giving lots 4,593 and 4,594? A.—I don't quite understand the way you put it.

Q.—Was it for a short or long time previous to the 4th of September, 1901, that the Government had under consideration the question of giving lots 4,593 and 4,594? A.—I think it was considered during the month of August.

Q.—During the month of August, 1901? A.—Of 1901.

Q.—You think that would be about the first time the matter was taken up? A.—I think the Columbia and Western Railway people were for some time prior to that trying to get a settlement with the Government for what they considered was due to them for their land grants; I think for some long time before that.

Q.—I would like to get from you, Mr. Eberts, whether as far as you know the suggestion came from the Company or from the Government that these particular lands should be dealt with? A.—Well, I don't know that, Mr. McPhillips.

Q.—You are not prepared to say? A.—I am not prepared to say.

Q.—Well, was it not known to you that these particular lands, especially the southern block, that block which goes to the international boundary, was a block of land of purported peculiar value? A.—All I knew about the land was what I had heard of the geological reports of the country.

Q.—And those reports were? A.—I may say that I had never read those reports.

Q.—Was not block 4,593 looked upon as being largely made up of coal and petroleum lands? A.—I never knew it.

Q.—Was it a matter of common debate in the Legislature,—wasn't it? A.—I don't know. When?

Q.—In the last three or four years. A.—I never heard of it. It was last year, and it has been this year, if my memory serves me right.

Q.—But the Government had not had any geological reports made upon the property? A.—No, they have not. I have heard it talked about, too, that the whole of that country was mineralised by coal, and that that lot 4,594 was a coal area altogether. I am told now that there is not the slightest indication of coal on 4,594, and no evidence of it. I think Mr. Wells told me that.

Q.—4,594 is some little distance from 4,593? A.—Not a very great distance; they are all in the same locality.

Q.—There is an intervening area containing the Crow's Nest Coal Company's lands in between them, I think. A.—No, I think the land between is land owned by the Company, if I remember rightly, isn't it?

Q.—Largely. A.—The Crow's Nest Coal Company have only got about ten thousand acres of land in their coal fields. (Looking on map.) That is a strip of land that belongs to the British Columbia Southern (indicating). It is all one institution, the C. P. R. and the

Hon. Mr. Eberts—*Continued.*

Columbia and Western. And this land (indicating) Mr. Wells has been informed that there is no coal on it at all; no evidence of coal at all.

Mr. Green: There is Morrissey and Fernie (indicating). A.—It might be; but the country rock crops right up there, and they know perfectly well there is no coal there. That can be shown right up here at Wellington. Where the country rock crops up there is no possibility of coal being there, because that is under the coal formation.

Mr. McPhillips: Still there was some general knowledge that there was coal lands in that Block 4,593, the lower one? A.—I did not know it, Mr. McPhillips. I thought what those geological returns spoke about referred to the coal lands that have been taken up by the Crow's Nest Coal Company; in fact, I know they were. And I know that those coal lands were taken up and sought after because of Mr. Selwin and the geological report; they were taken up in the year 1899.

Q.—We have it in evidence from Mr. Gore that for seven or eight years back the Lands and Works Department had applications for licences to prospect for coal and petroleum in portions of this Lot 4,593. A.—That I don't know.

Q.—Will you say, Mr. Eberts, whether the Government considered that these two blocks, 4,593 and 4,594, had any peculiar or different value from other lands that were available for disposal in the way of land subsidy to the Columbia and Western Company? A.—I could not say that; because I had no knowledge of the value of the lands.

Q.—Don't you think that it follows as an almost natural corollary, because your contention is that you were getting rid of liability in the way of land subsidy of about nine hundred thousand acres for about six hundred thousand acres? A.—Well, you might make an offer in that way in order to arrive at a settlement, without going perhaps in—considering the advantages or taking into consideration the possible value of any portion.

Q.—In this Session of 1902, when the cancelling Order of Council was passed, was there not considerable debate as to the value of these particular lands in the Legislature? The cancelling order was passed on the 18th of March, 1902; wasn't there at that time considerable debate and inquiry held as to these particular lands in South-East Kootenay? A.—I don't remember just now. I will give you the debates if you care to look at them.

Q.—It doesn't matter. You knew, of course, of the Order of Council being passed which would authorise the preparation of these two particular Crown grants. Did you know, after that, whether they ever were prepared or not; did you ever see the Crown grants? A.—I never saw the Crown grants, but I heard that they were prepared and I heard that Mr. Wells was taking them to Montreal.

Q.—Well, did the Government, to your knowledge, add any further condition before their delivery over? A.—I think I have gone over that.

Q.—You said no, did you? A.—I said the Executive had put no condition on them that ever I understood.

Q.—I think you said previously when you were here, Mr. Eberts, that it was not for a month or two months after Mr. Wells' return that you first became aware that he had not delivered those two Crown grants to the Columbia and Western Railway people in Montreal? A.—I think it was about that time. It is a long time ago; I cannot charge my memory exactly.

Q.—Do you remember about what time it was in the year 1901 that he came back? A.—I think he came back in the month of December.

Q.—Month of December, 1901. Well, was there no demand made by the Columbia and Western Railway Company or the Canadian Pacific Railway Company upon the Government for the delivery of those Crown grants? A.—Not through me.

Q.—When did you first know they were demanding them, and they were not delivered? You have said that about a month or two months after Mr. Wells returned. But, then, did any of the Company—did any of the officers of the Company come to you personally and ask why it was that those Crown grants were not delivered? A.—No; they did not.

Q.—Well, did they complain and come to you in your capacity as Attorney-General and complain about the non-delivery of the Crown grants? A.—I think the matter was spoken over during 1902.

Q.—Was it Mr. Brown who approached you in the matter? A.—Yes. Mr. Brown was the executive agent of the C. P. R.

Hon. Mr. Eberts—*Continued.*

Q.—And did he complain about the non-delivery of those two Crown grants? A.—He always complained that he was entitled to the Crown grants.

Q.—Would that be before the cancelling order of the 18th of March, 1902, that he complained? A.—That I cannot tell you; I cannot remember; he most probably did.

Q.—Well, then, did the Government tell him, or did you advise him, that the matter would be rectified in any way—put right? A.—I don't know that the matter was ever brought up before the Government.

Q.—Well, you don't remember having advised him, or with any authority to advise him, that the matter would be put right? A.—No. I think he spoke to the Premier about it.

Q.—Well, was there any promise made to him that the matter would be put right? A.—By the Government?

Q.—Yes. A.—I could not say that.

Q.—Or that some legislation would be passed which would rectify the matter? A.—I never heard that. I think there was a letter from—

Q.—There was a letter from the Premier that went in here.

Mr. Oliver: That was away previous.

Mr. Helmcken: That was in 1901.

Mr. McPhillips: But that was dealing with the fourth section. A.—I think that dealt with the fourth section alone.

Q.—But what I want to get at, Mr. Eberts, is this: it seems to me, and it strikes, I think, any member of this Committee, that a very great delay took place in all this matter; here the Canadian Pacific Railway Company find out on the 18th day of March, 1901, or on or about that time, that these two Crown grants were in effect set aside—

Mr Oliver: That was 1902.

Q.—1902? A.—Yes, they knew it at that time or shortly afterwards.

Q.—And there was apparently a great deal of delay. One would think that the Company would be very expeditious in this matter, it being a very momentous one to them. But as near as I can observe there seems to have been a great deal of delay and nothing done. A.—Well, I don't know; the Company's agent could speak for that, I don't know.

Q.—But I notice that in the Session of 1902 a Bill was brought down, which was not, as you remember, proceeded with, being Bill No. 87; and section 2 of that proposed Act reads: "2. There shall be granted to the Columbia and Western Railway Company an area of land equal to 20,000 acres per mile for each mile of railway constructed by the Company over the said fourth section of its said line of railway, extending from Christina Lake to Midway. The said land so to be granted to the Company shall be selected by the Company within the Districts of Yale and Kootenay, in blocks of not less than 10 miles square, within 2 years after the passage of this Act." As you will notice, Mr. Eberts, there, that was dealing with section 4, and in compliance with the Premier's letter that an Act of this nature would be introduced. But do you say now, Mr. Eberts, whether or not this legislation, if passed, had been agreed to, and was satisfactory to the Columbia and Western Railway Company? A.—I don't know. I never consulted with the Columbia and Western Railway Company whether it would be or not.

Q.—You had never consulted them. Because, my deduction from this legislation would be, if it had been passed, this land that we are dealing with here, lots 4,593 and 4,594, could have been very properly granted in pursuance of this Statute, if it had passed; because they could have been given for section 4 of the railway and there would be no question about their being in the right situation? A.—But then that would be a question with the Government where they would get them, and probably they would get them along section 4 as far as they could, you see; they would exhaust section 4.

Q.—But here there is no limitation put upon the Government at all within the Districts of Yale and Kootenay? A.—The original Act says that as well.

Q.—But the original act is governed by section 6, I submit. But still this did not become law? A.—It did not become law. I think it was withdrawn just two or three days before the House rose.

Q.—But still these lands could have been dealt with if this had become law, because there is no limitation put upon the action of the Government except that the land should be within the Districts of Yale and Kootenay. A.—I understood from the evidence of the Executive Agent of the C. P. R. that they relied upon their Crown grants.

Hon. Mr. Eberts—*Continued.*

Q.—Already issued? A.—Already issued.

Q.—Well, was there no application made to you, Mr. Eberts, for a petition of right, say, on the part of the Columbia and Western Railway Company to enforce matters to an issue by the Columbia and Western? A.—Well, it would not come through me, Mr. McPhillips, it would come through the Provincial Secretary if a petition of right were given.

Q.—It would come through the Provincial Secretary? A.—It would come through His Honour, I think.

Q.—Well, did such an application come to your notice? A.—No, it never came to my notice.

Q.—But you know there are actions now pending bringing up the question? A.—Yes, a large number of actions are now pending.

Q.—Bringing up the question involved in the issuing of these Crown grants? A.—Yes.

Q.—Is the Crown a party to those actions in any way? A.—The Crown is not a party.

Q.—Were you never asked to intervene in the matter or be bound by the decision in the Courts? A.—It did not come through me, but through the Provincial Secretary. The Hon. Mr. McInnes had a letter from the Company saying that actions had been brought, and I think if I remember rightly—I have not the letter before me—asking that the Crown should intervene to virtually test the question. And some of the parties who have been sued—in fact I know one of the parties wrote to the Government, or to a branch of the Government, asking that he be protected.

Q.—Yes? A.—Wrote to the Chief Commissioner of Lands and Works, I know, because the letter came into my Department afterwards.

Q.—At any rate, up to date, the Crown, in the right of the Province of British Columbia, is not a party to any of these actions? A.—British Columbia is not a party to any of the actions.

Q.—And is the Crown supporting any of these litigants in their rights? A.—Not that I know of.

Mr. McPhillips: That is about all I want to ask Mr. Eberts, I think.

Mr. Oliver: There is one question I would like to ask in connection with this Bill 87 of last year. The language used in section 2 is, (reading the section again). Had that Bill become law, would it not have given the Company the absolute right to select those lands in any place they saw fit within those two blocks? A.—How could they get their grant?

Q.—The language says it shall be granted. A.—But how are they going to get their grant?

Q.—Because the Statute makes it obligatory upon the parties who issue the Crown grants. A.—That is not so.

Q.—The language is “There shall be granted to the Columbia and Western Railway Company.” A.—The other Act says, “it shall be lawful to grant”—they are placed in the same position, they have got to go before the Executive to get the grant; and they cannot go to Court to force the grant.

Q.—Well, we have no right to assume that the Government would not be willing to comply with the Statutes in this matter; and I say, assuming that the Government complied with this Statute, wouldn't the Company have the right to select these very lands which are now in dispute, or any other lands within those two districts? A.—The Act speaks for itself.

Mr. Helmcken: Mr. Attorney, you state that the agreement of 1898 that you were speaking about, that you never saw until 1900; is that correct? A.—That is perfectly correct, sir.

Q.—I only want to clear this up. A.—I don't know whether you were here when I explained that the other day.

Q.—There is a letter which you wrote here, filed amongst the papers, of the 9th of June, 1902. (Mr. Helmcken reads the letter.) That is your letter, in June 9th, 1902? A.—I may tell you that that probably was signed—it seems to bear date, Montreal, the 8th of July, 1898; it might have been signed some time after that; but I know that it was not seen by the Turner Government, because they went out of power, I think the next month—in the month of August, 1898—and I never saw nor heard of that agreement afterwards; I never saw that agreement.

Q.—I only want to clear it up. The agreement is the 8th of July, 1898. And it had not come to the Government because the Government had gone out of power. That was

Hon. Mr. Eberts—*Continued.*

signed by Mr. Shaughnessy and H. Campbell Oswald; there is nothing there showing any connection with the Government at all. A.—None whatever. The matter was in consideration, of course, by the subsequent Government, you will see by the letters there also. There was a letter which I produced from my Department, written by Sir Thomas Shaughnessy to the Hon. Joseph Martin at the time, calling his attention to the fact that that portion of the line—that the settlement of that portion of the line between Robson and Midway had been agreed upon, that they were to take a cash subsidy instead of land. And in September, 1900, the Semlin-Cotton Government brought down—in the Queen's Speech—the fact that the Company had completed its line from Rossland to Midway, about one hundred and thirty-one miles, and that they were entitled to about two and one-half millions of acres of land; and they were going to grant them, for that purpose, a portion of that land that was reserved.

Q.—But that was not carried out? A.—That was not carried out; the Turner Government went out of power in 1898, and the Semlin Government went out of power in February, 1900.

Q.—In answer to my friend Mr. McPhillips, you stated that so far as your knowledge was concerned no application for a petition of right had been made by the Railway Company, the C. P. R., or the Columbia and Western? A.—A petition of right, what for?

Q.—Was there any agreement? A.—Will you kindly answer me before, Mr. McPhillips, what do you mean, a petition of right for what?

Mr. McPhillips: I don't know what would be their action; but my idea was that the Canadian Pacific Railway seemed to have been very slow in action.

The Witness: Supposing a petition of right were granted?

Mr. McPhillips: They would claim compensation for the cancellation of those two Crown grants, for instance, against the Crown, if they were entitled to them and they were wrongly taken from them.

The Witness: If that were so they would be entitled to the lands, not for damages on account of it.

Mr. McPhillips: They might elect to take damages.

The Witness: An action, it seems to me, would not lie for damages there.

Mr. McPhillips: It seems to me it is just in law, there would either be an action for specific performance or damages in lieu of it.

The Witness: You know very well an action at law, an action for specific performance, could not lie against the Crown.

Q.—It would, if the Crown assented to it. A.—I beg your pardon, with all due deference; the authorities go to show that it would not lie against the Crown. A petition of right, even if they got it would not lie against the Crown to make the Crown give them those particular lands, notwithstanding the fact that the Statute specifically says when they finish the line of railway it shall be lawful for the Lieutenant-Governor in Council to give it to them.

Q.—Whilst I agree that, as a general principle, a petition of right will not lie to direct that certain lands will be given, yet, at the same time, I take this view, that the Crown could give the right to adjudicate upon the question as to whether or not there had been delivery of these Crown grants. I think so. There is one thing as to whether or not they should have the lands, and it is another thing as to whether or not the title had actually passed from the Crown into the Company. A.—Well, that may be a question with the people who thought they had received the Crown grants, they might have relied upon one position or they might have relied upon another; they might have thought their stronger position would be they would stand out for their rights under and by virtue of the Crown grants; and until they were effected in the lands their position would not be changed at all. And immediately they were effected in the lands, as they evidently have brought actions to test the question, and have asked the Government to interfere—it amounts to a petition of right.

Q.—But, if you remember, the actions that are pending do not affect block 4,593 at all, the most valuable of the two blocks; they are all in 4,594. A.—I don't know that any applications have been received under 4,593, the southern portion—I don't know that any applications have been received for that; if there are—there are a lot of late applications.

Q.—But they have always been refused on account of the reserve existing there? A.—There is a reserve still.

Q.—But any of these actions that are pending do not call up the question of the validity of the Crown grant to lot 4,593, they are only calling up the validity of the Crown grant to 4,594. A.—Because that is the only one that the Government has dealt with.

Hon. Mr. Eberts—*Continued.*

Q.—In any other way. A.—In any other way.

Q.—The reason that this Committee asked you something about any petition of right is not because it emanates from this Committee, but Mr. Wells in debate made this statement, a petition of right had been asked for and refused in the public interest. That is Mr. Wells' reported in the Colonist of Tuesday, April 21st. And naturally the Committee wanted to find out. A.—Well, I think that is an error in Mr. Wells' statement there, if that is taken correctly.

Q.—Well that is the way it reads; a petition of right had been asked for and refused, as in the public interest.

Mr. Oliver: I recollect his making the statement.

Mr. McPhillips: But as to that, Mr. Eberts, you say to your particular knowledge no petition of right has been asked for? A.—I am perfectly well satisfied of it, because if a petition of right had been asked for the matter would have been referred to the Attorney-General's Department for an opinion on the subject.

Mr. Helmcken: Do you recollect Mr. Geo. McL. Brown being before the Executive on the 19th day of March, 1902? Mr. Geo. McL. Brown, in his evidence, says that he heard a rumour of the cancellation on the 19th of March, and he says that at a meeting of the Executive Council, which took place on the 19th day of March, he made a protest against the act of the Government in cancelling the Order in Council. Do you recollect that, Mr. Attorney. A.—I do.

Q.—What did Geo. Brown say? Are you at liberty to say that? A.—I don't know that that is an Executive secret there, because other people were there, who were not members of the Executive. Mr. Brown came in there before the Executive upon an appointment; I don't know whether it was on the 19th of March or what day it was, but some time after that Order of Council had been cancelled—the cancelling Order of Council had been brought up, and he spoke very strongly on the subject.

Q.—Yes. Was there anything done by the Executive in consequence of his protest? A.—I don't know that there was.

Q.—Mr. Brown says that he got a letter from Mr. Dunsmuir; do you recollect that, Mr. Eberts? This is a copy sent in to us (handed to witness). A.—Well, that was in the year 1901.

Q.—Yes. And Mr. Brown says that this Bill, No. 87, 1902, was introduced in the House in consequence of that promise given by the Premier. A.—Well, I suppose it was; I don't know.

Q.—Now, as a matter of fact, Mr. Eberts, was there an agreement between the Company, either the Columbia and Western or the Canadian Pacific Railway, and the Government touching the issuance of grants to these lands? A.—Which lands—mentioned there?

Q.—4,593 and 4,594. A.—Was there an agreement?

Q.—Yes. Arrived at between the Government and C. P. R. or Columbia and Western. A.—Well, an Order of Council was passed, and a recommendation came in, and upon the strength of that, I understand, the grants were drawn.

Q.—That is the 4th of September? A.—4th of September.

Q.—1901? A.—Which Order of Council was passed in the month of August, 1901.

Q.—And afterwards approved by His Honour. Would you say then, that that amounted to an agreement between the Government and the Company? A.—Well, I understood so. Have you got the Crown grants here?

Q.—No. A.—Have you got a copy of them here? Let me see a copy of the Crown grants and see what it was. I have not seen the Crown grant, but Mr. Gore said it set out the fact that this was in settlement. I never saw the Crown grants but Mr. Gore told me a few days ago.

Q.—Those are not exact copies, but that is the usual form (handing documents to witness). A.—Yes, there are the words. There is the form of the Crown grant; in the body of the Crown grant; it says "in full settlement of all claims for subsidy."

Q.—So that, as a matter of fact, from your point of view, Mr. Attorney, that was the arrangement made between the Government and the Company? A.—I thought it was.

Mr. McPhillips: You don't know whether the other one reads that way? A.—No, I do not know myself. I would like to see that, I have never seen it.

Hon. Mr. Eberts—*Concluded.*

Mr. Green : Mr. Eberts, why did you say the majority of the Executive? A.—Because all things are carried by a majority of the Executive.

Q.—All things are carried by a majority; and then it is a question of agreeing to the will of the majority, is it? A.—It becomes an act of the Executive when the majority passes it.

Q.—Well, are we to understand in this case there was a division? A.—I did not say so.

Q.—And I suppose you will not say as to whether there was or not.

Mr. Gore here produced Crown grants to blocks 4,593 and 4,594 referred to.

The witness (reading Crown grant): It is the same words; the same words are there as in the other one, the B. C. Southern.

Mr. McPhillips: Doesn't it limit it to the section? Because if that was binding on the Company they would not be able to get anything more.

A.—Pursuant to the Order of 4th September?

Q.—Oh yes; it is ear-marked by that, I suppose? A.—Certainly; it is guided by that. Witness stands aside.

Mr. Oliver: A number of letters were asked for; and I would like to know if those letters have been produced yet?

Mr. Helmcken: They have been written for.

The Committee here adjourned until 10.30 a. m. to-morrow, to take the testimony of Hon. Mr. Wells.

TUESDAY, April 28th, 1903, 10.30 A. M.

The Committee met pursuant to adjournment from yesterday. Present: Messrs. Clifford (Chairman), Helmcken, K. C., A. W. Smith and Green.

The minutes of last previous meeting were read and adopted.

Hon. Mr. Wells appeared before the Committee.

The Chairman: Mr. Wells, you desire to say something?

Hon. Mr. Wells: Mr. Chairman, I intimated last night to Mr. Helmcken that I would prefer having my examination deferred for, I think I said a day—until to-morrow; and so far as he could say anything about it, he thought there would be no objection from the Committee. I have reason for doing so; I may tell you that; otherwise, I would not wish to delay the proceedings of the Committee—which I have no wish to do. But there is certain data which I wish to supply myself with before I would care to go on with my examination, which I have not been able to do yet.

Mr. Helmcken: That is what I understood Mr. Wells to say last night, that he was not quite prepared to come before the Committee, as he wished to obtain further correspondence and look up other data, so that he could come properly prepared for examination before the Committee; and, as he states, I intimated the best thing was to appear before the Committee and state that, and get the adjournment for his convenience.

Mr. Green: Could not we go on with a portion of it?

Hon. Mr. Wells: I do not think that would be advisable; because one thing leads into another, so that I do not think it would be satisfactory either to the Committee or to myself.

Mr. Smith: I move that the Committee defer it until 10 to-morrow.

The Chairman: What hour, 10 or half-past?

Mr. Wells: It occurred to me that I wire to Sir Thomas Shaughnessy in regard to my interview with him. There was a good deal of that I may say which might be considered by him as of a personal character, and it suggests itself to me that I should wire him to know if he has any objection why our whole conversation or discussion should not be published.

The Chairman: You mean as regards confidential conversation between you:

Mr. Wells: Well, whether he would consider our discussion of such a nature, of such a personal nature, as should not be submitted for publication.

The Chairman: I think it would be a very good idea to wire him and find out.

Mr. Wells: I may say that I have already a letter of his which I find is marked personal, and I took pains the other day to wire him to know if he had any objections to that being submitted; and I have his reply to that to the effect that there can be no objection whatever to his letter being published. So that I will produce that in evidence, for what it is worth, to the Committee.

Mr. Smith: What day would it be convenient?

Mr. Wells: I shall wire Sir Thomas Shaughnessy to-night, or this afternoon some time; very likely I will have a reply from him to-morrow, but, possibly, I might not receive it until some time during the day, possibly too late for this Committee.

Mr. Green: Of course, Mr. Wells, it is generally understood—I may be wrong—but it is fairly understood that there is a good deal of attention being paid to the proceedings of this Committee, as to the results of it, and so forth; and, in fact, it is even rumoured on the street that the Governor is waiting for the proceedings of this Committee to be announced, or fairly well along, before he either assents or refuses to assent to that Bill that was passed the other day. That being the case, you can understand our desire to get along with this work.

Hon. Mr. Wells: Do I understand you to say that the Governor is reserving his decision on the Bill pending the report of this Committee?

Mr. Green: I do not say it as authoritative, but as street rumour.

Hon. Mr. Wells: Oh, well, street rumour—

Mr. Green: In any case, we are very anxious to get on.

Hon. Mr. Wells: I understand that; I have no desire at all otherwise; in fact, it was supposed that there was plenty of other evidence to be taken, which would continue the proceedings of the Committee for some days yet.

Mr. Green: I think that we should simply wait until we get Mr. Wells' evidence.

Mr. Oliver: Mr. Chairman, I would like to draw the attention of the Committee to the fact that it is three weeks since this Committee was appointed. Surely there is no excuse for any further delay in this matter. This Committee was appointed, sir, on the 7th day of April—three weeks ago. The proceedings of this Committee, to my mind, have been very slow; and delay such as is now proposed I consider is altogether unwarranted. Of course, it is not for me to say; but, certainly, there has been ample time—three weeks has been ample time to prepare any evidence for this Committee.

Mr. Smith: Have you got everything in?

Mr. Oliver: I do not propose to proceed any further until we get Mr. Wells' evidence. I think if we get a full statement of the case from Mr. Wells it will not be necessary to call any more evidence, as far as I am aware. I do not intend to proceed any further without Mr. Wells' evidence.

The Chairman: You must recollect, Mr. Oliver, that Mr. Wells only got official notice yesterday.

Hon. Mr. Wells: I never knew that I would appear before the Committee, for that matter.

The Chairman: It was only yesterday that I was authorised to give Mr. Wells notice, and I gave him notice at once that he should appear here at half-past 10 to-day.

Mr. Oliver: The idea that Mr. Wells was not aware that he would be called before this Committee is simply ridiculous. Mr. Chairman, this is a matter that pertains more to Mr. Wells' Department than to any other Department of the Government, and Mr. Wells is the man, above all others, that could throw the most light upon this matter. And to suggest that he had no expectation to be called to give this evidence is simply ridiculous.

The Chairman: I did not say that at all. I say that I did not give official notice that he was required to appear before this Committee until yesterday, after the meeting rose. I went to him and told him then that the Committee would like him to appear before them at half-past 10 to-day. Whether he knew of it before, that he would be likely to be called, I am not saying that.

Mr. Green: As a matter of fact, wasn't it one of the first things that was done, that Mr. Wells and the Attorney-General were notified that they would be required?

The Chairman: They were notified to produce all papers.

Mr. Green: To hold themselves in readiness.

The Chairman: I was not instructed to tell them that.

Mr. Oliver: If you will turn to my letter of a few days after this Committee was formed, you will find there that there was a written request that these gentlemen should be summoned in and give evidence after we had had the documents.

The Chairman: I do not think that was done. I did not think it was proper to tell them that they would be required until the time came when they were required.

Mr. Oliver: If you will turn back to the evidence that is transcribed you will find the statement you made, that these gentlemen could be got to attend at any time they were asked.

The Chairman : That statement was made, and they have not been asked. I was told by Mr. Eberts and by Mr. Wells that they were ready to appear before the Committee at any time, when they got notice.

Mr. Oliver : Now, Mr. Wells has that notice, and is still asking for a further delay, and an indefinite delay.

Mr. Wells : It is not an indefinite delay ; I have only asked for to-morrow.

The Secretary read the letter of Mr. Oliver referred to.

Mr. Smith : I think Mr. Wells' request is quite reasonable ; I do not see why there should be so much comment on his request.

Mr. Smith : I move that he be allowed to appear to-morrow or the next day, whenever he is ready with his reply, as he mentions it, from Mr. Shaughnessy.

The Chairman : I fancy it would be better to make it a definite date.

Mr. Smith : Well, Thursday.

Hon. Mr. Wells : That would be sufficient.

Mr. Helmcken : There is no sitting of the House to-morrow night ; cannot we sit to-morrow night ?

Hon. Mr. Wells : If I have a reply from Sir Thomas Shaughnessy I have no objection at all. The purport of my telegram will be that I have just received notice to appear before the Committee, and if he has any objection to my repeating the conversation or discussion which took place between him and myself?—that will settle it.

Mr. Oliver : Just on that statement—does the mere fact that Mr. Shaughnessy objects to this evidence being given—is that to stop this evidence being taken by the Committee ?

Mr. Helmcken : Mr. Wells makes the request—he says, “I will be in a better position to give my evidence when I have all my data prepared and ready,” and there is no case of delay. And, as you know, you cannot disclose a personal letter ; and he wants to get permission from Sir Thomas Shaughnessy to use it. Now, that is reasonable.

The Chairman : There is nothing unreasonable about it.

Mr. Oliver : I submit this is an inquiry to ascertain all the facts with respect to this matter.

Mr. Helmcken : That is what he wants to do.

The Chairman : Certainly, just exactly.

Mr. Oliver : If it is a communication between Mr. Shaughnessy and Mr. Wells relating to this matter, it is not a personal matter ; and the mere fact that they choose to say it is a personal matter does not make it so.

Mr. Helmcken : If the matter is marked personal, as was explained before, you cannot bring that before the Committee unless the parties to the correspondence are willing.

Mr. Oliver : Then absolutely there is no use having the Committee.

Hon. Mr. Wells : I do not think you need have any apprehension about the reply he will give. I think as a matter of courtesy to Mr. Shaughnessy I should communicate with him and tell him what I propose to do.

Mr. Helmcken : There is no date fixed in the motion.

Hon. Mr. Wells : I think you better say day after to-morrow, to fix the date ; I will make it a point to be ready then.

The Chairman : Is it that the meeting adjourn until Thursday ?

Mr. Helmcken : Mr. Oliver does not want to go on before Mr. Wells is examined.

The Chairman : It is moved that Mr. Wells' evidence be not taken before this Committee until Thursday, at half-past 10 o'clock.

Mr. Smith : Yes, that is my motion.

The Chairman : And he is requested to appear then.

The motion was seconded by Mr. Green and carried.

The Chairman : Is there any other evidence we can take in the meantime ?

Mr. Helmcken : How about Mr. Prentice and Mr. Dunsmuir ?

The Chairman : And Mr. McBride ?

Mr. Helmcken : I would rather get some work done.

Mr. Green : I think Mr. Wells should have been examined first ; and I do not think any further testimony should be taken until we get Mr. Wells' evidence.

It was moved that the Committee adjourn until 10 a. m. on Thursday next. Carried.

The Chairman called to the attention of the Committee that Hon. Mr. Eberts complains that he was entirely misrepresented in the report of his evidence appearing in the Colonist of

to-day (April 28th) and the Times of yesterday, and he would like the Committee to take some action in the matter, he being willing to appear before the Committee in regard to it, if necessary.

The Committee here adjourned.

THURSDAY, April 30th, 1903, 10 a.m.

The Committee met pursuant to adjournment from Tuesday, April 28th. Present: Messrs. Clifford (Chairman), Helmcken, K. C., McPhillips, K. C., A. W. Smith and Green.

The minutes of the last previous meeting were read and adopted.

Hon. Mr. Wells attended before the Committee.

The Chairman: Mr. Wells, you know this Committee has been appointed to inquire into all matters relating to the granting, or proposed granting, of a land subsidy to the Columbia and Western Railway Company. Would you kindly state what you know with reference to the matter?

HON. W. C. WELLS, being duly sworn, testifies as follows:—

Witness: I am aware that the scope of the inquiry of this Committee is intended in reference to all matters pertaining to the Columbia and Western Railway Company. I will have to go back of that, though—further back of that, in order to make it all the more intelligible to the Committee as to these particular transactions. And I wish to take up what took place it regard to the settlement of the B. C. Southern lands—the B. C. Southern subsidy.

Mr. Helmcken: What year was that, Mr. Wells? A.—Well, the settlement of that subsidy commenced in 1899, under the Semlin-Cotton Government. That Company was entitled to a subsidy of 20,000 acres per mile, aggregating 3,600,000 altogether. In August, 1899, the Company selected its initial block.

Mr. Green: That is, the B. C. Southern Company? A.—Yes, the B. C. Southern Company selected its initial block, comprising 611,533 acres. They subsequently selected three additional blocks, shown on the map that I have here, coloured in yellow, aggregating 1,646,600 acres. Those selections, up to that time, made a total of 2,258,133 acres.

Mr. Oliver: Up to what time was that, Mr. Wells? A.—Well, it would be some time previous to the 10th of September, 1900. I have not the exact date of that. That would leave a deficiency of 1,341,867 acres, to which would have to be added alienations of 78,124 acres, making a total deficiency of, as it stood on the 10th of September, 1900, 1,419,991 acres. Now, it was proposed to give them two blocks in settlement of that which would make up that quantity, one block lying to the west of what had already been selected—that would be this one marked there (indicating on map), and another one to the north—this block and that block (indicating on map) as making up that deficiency. And an Order in Council was passed on the 10th of September, 1900, by which they were to get those two blocks. That settles that part of it.

Mr. Helmcken: Have those blocks got any particular name, Mr. Wells? A.—Yes, I think they have; they are marked "deficiency blocks A and B—BA and BB."

Mr. Green: When was that rescinding order passed? A.—Presumably about the same date that we substituted those two blocks. I have not looked that up, but I have no doubt it was about the same date, if not exactly the same date.

Mr. McPhillips: What date was that? A.—10th of September, 1898; and the subsequent one was passed on the 19th of December.

Q.—Would that be in your time of office? A.—Oh yes.

Mr. Green: It is not quite clear to me yet. These two blocks, you say, were originally given to the B. C. Southern? A.—I am just coming now to that, when they were given.

Q.—But they were originally given to the B. C. Southern—these two blocks—and then that was rescinded? A.—Yes, and the other blocks substituted, or one of them.

Q.—But these two blocks were originally given to the B. C. Southern? A.—Yes; making a saving of 167,031 acres, that is between these two blocks and that northerly block, which the Company agreed to take in full satisfaction of the deficiency.

Q.—Then, have these blocks been given to the B. C. Southern and then rescinded and given to the Columbia and Western? A.—I am coming to that. We will just take it in order. Now, you understand that, do you? Well, the whole matter seems to have remained

Hon. Mr. Wells—*Continued.*

in abeyance then until the following summer—of 1901—when the Company then came back. I have now to speak of the Columbia and Western, because, up to this time, it was the B. C. Southern—but they were practically the same Company. They came back to the Government and proposed, or made a request, that we should substitute, that is to say, that instead of giving those two blocks as a part of the B. C. Southern subsidy, that they would be given as part of the subsidy to the Columbia and Western.

Q.—Those are the two blocks in question now? A.—Yes. Now, that brings us within the time of the Columbia and Western transactions.

Mr. Helmcken: Was that proposition made in writing? A.—No, it was not.

Q.—By whom was it made? A.—It was made verbally, through Mr. Brown.

Q.—That is Mr. G. McL. Brown? A.—G. McL. Brown, yes. I remember one interview particularly which he had with myself about this, although I believe there were other interviews before that, but there is just one that I remember particularly about, when I suggested to him that he should make his proposition to the Government—submit his proposition to the Government; meaning in due form. His reply to that was, that he did not want it as coming, as emanating, from his Company, but as if emanating from the Government—or emanating from the Government.

Q.—Can you fix the date of that, Mr. Wells? A.—No; I haven't anything that I can attach to it as giving me an approximate day.

Mr. Green: You don't remember whether this was a first interview or a subsequent one? A.—This, I think, was the last interview I had with him.

Q.—The last one? A.—Yes.

Q.—Was Mr. Brown accompanied by anybody at that interview, or any other? A.—I don't remember of anyone being with him, in regard to the Columbia and Western interviews at all; I do in respect to the B. C. Southern, but not the Columbia and Western.

Q.—There was someone with him at an interview on behalf of the B. C. Southern? A.—Well, I cannot say that there was somebody with him, but I remember of Mr. Taylor taking an active part.

Q.—Which Mr. Taylor? A.—Mr. Taylor, Mr. Eberts' partner, taking an active part in having this change—this previous change—made.

Q.—Do you remember on whose behalf he appeared? A.—Well, I don't know that I can say. It was on behalf of the B. C. Southern; presumably it was.

Q.—On behalf of the B. C. Southern? A.—I am not sure of that. I know that he was active in bringing about that exchange,—that is, substituting those two blocks for the ones that had been previously given.

Q.—You say he was active in that? A.—Well, he came to see me about it; I wouldn't say he was active.

Q.—He was there in behalf of the C. & W. rather than the B. C. Southern? A.—Not at that time.

Q.—Not at that time. He was at several interviews, then, was he? A.—Well, I would not like to tax my memory with several interviews, but I remember one in particular. But I don't remember of his having taken any part in the—when he came down to deal with the Columbia and Western matter.

Q.—Did he appear as solicitor for those people, or just simply— A.—Well, I cannot tell what capacity, I am not prepared to say in what capacity he appeared. So that, in this connection, when Mr. Brown—I may say when Mr. Brown says, as I understand from the reading of his evidence, that he knew nothing of this transaction and not apprised of it until he got, as I understand, a copy of the Order in Council—I think that that was his evidence, wasn't it—some-where about the 12th of August—?

Mr. Oliver: I would suggest, Mr. Chairman, it is better for Mr. Wells to give us his statement of facts outside of Mr. Brown's evidence; he can deal with the rebuttal of Mr. Brown's evidence at a future occasion.

The Chairman: It is for Mr. Wells to take his own course; he is making a statement now, and he should not be interrupted.

The Witness: If I understand what Mr. Brown's evidence was in this respect correctly, it was that he knew nothing about this transaction until he was apprised of it on the 12th of August; he is certainly incorrect.

Hon. Mr. Wells—*Continued.*

Mr. Helmcken: Possibly this is what you want to know: This is Mr. Geo. McL. Brown's evidence:—" (Q.) When did you first become aware of the fact that the Government were willing to give you these particular lands? (A.) Just about the time that the Order in Council was first— (Q.) That would be on the 10th of August, 1901? (A.) Yes, about that, yes. (Q.) Now, do you say that you did not suggest to the Government that those lands should be given or granted to the Columbia and Western Railway Company? (A.) I certainly do. (Q.) You say you did not? (A.) I say I did not, yes. (Q.) And the first intimation you had on that matter was a communication—in fact a certified copy of the Minutes of Council of the 10th of August, 1901, which set forth these particular lands? (A.) Yes, certainly. (Q.) That was your first intimation? (A.) Well, no, I won't say that positively; because I did hear the discussion of what the settlement would be prior to that day." That is what you refer to?

The Witness: Yes, that is what I refer to. Now, as a matter of fact, Mr. Brown discussed it with me before the Order in Council.

Mr. Helmcken (reading on): " (Q.) But you won't say it was at your suggestion? (A.) I certainly will not. (Q.) —that these particular lands were selected? (A.) Certainly not. (Q.) —by the Government? (A.) Certainly not. (Q.) But that these particular lands were proffered to you by the Government? (A.) Certainly they were. (Q.) And the first official information was the Minutes of Council of the 10th of August, 1901? (A.) That was the first intimation, yes."

The Witness: I wish to characterise that as sheer nonsense, that statement. Because, as a matter of fact, Mr. Brown was the one that made the proposition in the first place; and I remember that particularly, his wanting to have this emanate from the Government instead of from the Company. And that is how the proposition purports to emanate from the Government; it is put in that shape.

The Chairman: Then we understand that you give that a flat denial? A.—I give that a flat denial, a most emphatic denial. That the proposition emanated from Mr. Brown on behalf of the Columbia and Western Railway Company.

Mr. Oliver: Are we to understand, Mr. Wells, although the proposition emanated from Mr. Brown himself, at his suggestion the Government fixed this matter so as to appear that the proposition emanated from the Government? A.—I won't say the Government fixed this matter; we had no fixing about it; the Order in Council appeared in that form, as a proposition.

Q.—From the Government? A.—From the Government.

Q.—And it was put that way at the suggestion of Mr. Brown, so that it would appear as having come from the Government? A.—Mr. Brown was the first one that made that suggestion.

The Chairman (to Mr. Oliver): You are doing now what you objected to a moment ago.

Mr. Oliver: You ruled that Mr. Wells was to decide himself. I am following your ruling.

The Chairman: I think Mr. Wells should make his statement in his own way, without any cross-examination at all, until he has completed what he has to say about it. Will you go on, Mr. Wells, please?

The Witness: Now, this must have been, I think, some time in July, 1901? I don't remember of anything further occurring about it until my return from up-country, on or about the 9th of August following. I appear to have left here on the 27th of July, returning on or about the 9th of August. When I returned Mr. McNeill informed me that a letter had been received, addressed to me, from Mr. G. McL. Brown, on the 31st of July, I think—on or about the 31st of July, during my absence; that he had taken this letter into the Executive Council, which was then meeting, apparently at the request of Mr. Brown; and that after the meeting of the Executive was over, Mr. Dunsmuir sent for him to say that—referring to the Columbia and Western, a settlement of the Columbia and Western land subsidy—land matters—and that Mr. Turner would instruct me as to the particulars of it, or as to how this settlement was to be carried out. That is what I understood Mr. McNeill to say, and as he remembers it. I don't remember of anything further occurring about it until the meeting of the Executive, comprising Mr. Turner, Mr. Eberts and myself, as it appears by the Order in Council itself, on the 10th of August; that would be in a day or two after I returned. Have you got that Order in Council? (The document was handed to witness.) Yes, this says the 10th of August.

Hon. Mr. Wells—*Continued.*

Mr. Helmcken: That is the Order in Council, is it, of the 10th? A.—Yes. At that meeting, as is evidenced from the Order, the conclusion was arrived at to rescind the previous Order in Council giving the B. C. Southern those two blocks of land and substituting them in respect of the Columbia and Western subsidy. The terms of the Order show that these two blocks were to be taken in full satisfaction of a subsidy earned in respect to sections one and three. It also appears that the proposition was made there that Crown grants should be prepared. During the course of their preparation it occurred to me that I should know from Mr. Dunsmuir, the Premier, whether he fully understood the purport of this transaction. I, shortly before I left for Montreal, some time evidently between the 4th, the date of the Crown grants, and the 24th of October—I sent for Mr. Dunsmuir to come to my office. I had this feeling, that I was responsible to him in carrying out the consummation of this transaction, and I wished to know whether he fully understood it. I had no sooner explained it to him when he at once said that that was not his understanding of the proposed settlement. This, you understand, was not an Executive meeting at all, it came about from my action in sending for Mr. Dunsmuir—although Mr. Prentice was there.

Mr. Helmcken: Mr. Prentice was present at this conference? A.—I cannot explain how Mr. Prentice came to be there, because it was not intended as an Executive meeting. Mr. Dunsmuir's conclusion was that it would not do to carry out this settlement upon the conditions which had been proposed. And after a good deal of discussion the suggestion came from myself that we should make a proposition to the Canadian Pacific Railway Company to extend their system—extend the Columbia and Western system from Midway to Spence's Bridge, and that only upon that being agreed upon would the Government be justified in carrying out that previous proposition. There was something said at the same time as to getting a further concession in regard to area. But, in any case, my recollection of it is that their system would have to be extended from Midway to Spence's Bridge before we could carry out the settlement—pending settlement. Immediately after this, I remember Mr. Brown being in my office, when I told him what had taken place and what the conclusion was; and I remember particularly stating to him that a proposition was to be submitted to Sir Thomas Shaughnessy for the extension of their railway system to Spence's Bridge. His reply to that was that there would be no difficulty about it—or that he was satisfied there would be no difficulty about it, or words to that effect. So that when he says, as I understand, in his evidence that I was retaining these Crown grants for the purpose of delivering these Crown grants instead of him, it is entirely incorrect, as he understood distinctly that those were to be the conditions that were to be imposed, namely, that their railway system would have to be extended from Midway to Spence's Bridge. And that was his reply to me.

Mr. Green: Do we understand that Mr. Dunsmuir and Mr. Prentice, at this meeting which you had—that you agreed, the three of you together, that these conditions were to be imposed upon the C. P. R.? A.—Yes.

Q.—They were parties to that agreement, as it were? A.—Certainly.

Q.—The three of you made that arrangement? A.—Well, it was at the direction, as I said, first, of the Premier.

Q.—That is what I want to understand thoroughly; that it was at the direction of the Premier, and that it was a matter thoroughly agreed upon between the three of you? A.—Yes; there is no question about that at all.

Q.—Mr. Turner and Mr. Eberts did not know anything about this? A.—They were not there. In fact, as I explained it, it was only intended, I think, as a meeting between Mr. Dunsmuir and myself, because I remember sending for Mr. Dunsmuir and asking him to come to my office. I cannot explain how it was that Mr. Prentice was there.

Q.—Were Mr. Turner and Mr. Eberts informed of this before you left for the East,—of this decision you had arrived at? A.—Well, I cannot say as to that; I have no recollection of it.

Q.—Was not Mr. Turner out of the Government at that time? A.—He was out of it at that time.

Mr. Helmcken: Mr. Turner resigned on the 2nd of September.

Witness (continuing): On the 24th of October I left for Montreal, taking with me not only these two Crown grants, but twenty-three others, conveying certain blocks on the line of the Columbia and Western. I had to wait several days for Mr. Shaughnessy's return from the West—or some time, at least. Upon his return I took occasion to see him, and I informed

Hon. Mr. Wells—*Continued.*

him then as to what my directions were from Mr. Dunsmuir, and what conclusion we had arrived at in respect to these two particular Crown grants, but that I had the other Crown grants for the other blocks, twenty-three in all, which would be surrendered; but in respect of these two particular ones, that they could not be delivered upon the conditions which had already been proposed. And I indicated to him as to the conditions upon which they could be given up, namely, as I have already said, an extension of their system from Midway to Spence's Bridge. I remember of his saying at the conclusion of that, that he would like to have me submit to him a memorandum giving the outlines of such an agreement as we might enter into in regard to the construction of this road. I went to my hotel, and during that day, I think it was, or very shortly after, I drew up a memorandum, which I afterwards submitted to Sir Thomas Shaughnessy. I have a copy of that here, which I will read, if you wish me to do so.

The Chairman: Yes, we should like to hear it. A.—It is headed

“MEMO. RE EXTENSION OF C. AND W. RY.

“Your Company has earned the land subsidy for section 4, say, 900,000 acres, but is not entitled to a Crown grant until section 5 has been constructed. Upon completion of sections 5 and 6 it would have earned a further subsidy of 2,120,000 acres, or in all 3,020,000 acres.

“As it now stands, these subsidies have been forfeited, the remaining sections 5 and 6 not having been completed within the prescribed time.

“If your Company will submit a proposal to complete these sections and extend construction to Spence's Bridge, the B. C. Government would favourably consider; 1st, the reinstatement of your land subsidies under the Subsidy Act of '96; 2nd, a cash bonus from a point at or near Penticton to Spence's Bridge, under such conditions and terms as may be agreed upon.

“A survey of the Hope Mountain Pass has just been completed, and if it is determined to be a feasible one, proposals will probably be made for the construction of the 'Coast-Kootenay Road,' from the Coast to a point at or near Otter Lake, intersecting your road from Spence's Bridge to Midway.

“Should this road be built, either by the Government or by a company other than the Canadian Pacific Railway, it would be imperative that the necessary running power be given over your road to Midway; or, should the Coast-Kootenay be extended beyond Otter Lake to Midway by the Government or a company other than the Canadian Pacific Railway, your rights to all land subsidies would terminate, excepting in respect to section 4, but to which you would be entitled only upon construction of the Spence's Road to a point at or near Otter Lake, reserving to your Company running power from Otter Lake to Midway. The time limit for construction of that portion of your road from Spence's Bridge to Otter Lake to be fixed at, say, 1st Nov., 1903, and for the remaining portion of the road to Midway, in case your Company built it, in one year after that date. Construction to be commenced from Spence's Bridge and not less than 50 miles to be completed by 31st December, 1902.”

A. (continuing).—I got a reply to that memorandum.

Mr. Green: That is, while you were still in Montreal? A.—Oh, yes, still in Montreal. Here is a letter from Sir Thomas in reply to this—a pretty long letter; I will hand it in, or read it, if you like.

The Chairman: You might read it. A.—This letter is marked “personal,” but I wired Sir Thomas Shaughnessy to get his permission to read it.

The witness reads the letter, as follows:—

“22nd November, 1901.

“DEAR MR. WELLS:—Referring to your memorandum and our several conversations about additional transportation facilities in the Province of British Columbia.

“During the past four years, this Company has provided railway facilities between the eastern boundary of British Columbia and Nelson, with branches to the coal mines, silver lead mines and other industries along the road; has secured control of the railroad between Rossland and Robson, with the result that the cost of freight and treatment of ores was reduced forty per cent.; has provided means for the construction of a railway between Robson and Midway, with a good many miles of very expensive branch lines to the mines and smelters in the Boundary Creek District; is now engaged in constructing a railway from Kootenay Lake to Trout Lake, in order that the mining properties in the Lardean District may have transportation facilities; and a line from Vancouver to Steveston, which is thought to be in the interests of the Coast cities, is approaching completion. The construction of these railway lines, together with the lake and river steamers and other facilities requisite for the accommodation of the public, involve an expenditure of upwards of \$15,000,000.

“While, of course, with an eye to the future, the Directors of the Company felt that the investment was a wise one for the Company, the interests of British Columbia were never lost sight of for one moment, and every rail was laid, and every route established, with a view to keeping the products of the mines within Canadian territory, and thus securing for Canadian merchants, manufacturers and producers the large and profitable business that would, naturally, result from the establishment of important smelting enterprises.