

MR. JAMES DUNSMUIR, being recalled, testifies as follows:—

Mr. Duff: Mr. Dunsmuir, you remember the meeting of Council on the 2nd of August, 1901, which, I think, you said before you were present at? A.—Yes.

Q.—There had been a previous meeting of Council of the 31st of July; do you recall that? A.—No, I don't recall it on that date.

Q.—These meetings occurred just shortly before you went North, in the summer? A.—Yes.

Q.—Now, are you clear that the question of the passing of the Order in Council on which the Crown grants for these lots were issued, was dealt with at the meetings of Council before you went north? A.—Before I went North?

Q.—I just recall to your mind circumstances. You remember that just before Mr. Wells went East the matter was discussed? A.—Yes.

Q.—You went into the maps and the matter was explained to you then? And, now, are you clear that before you went North the matter was gone into at these two meetings of Council? A.—Yes, I think on the 2nd day of August the matter was gone into.

Q.—It was? A.—Yes.

Q.—Now, I should like to know this; I think you suggested that one ground that influenced you, or one reason that influenced you, was that the settlement suggested would mean a considerable saving of acreage? A.—No, that was brought up after.

Q.—That was brought up after? A.—Yes.

Q.—Well— A.—No, on the 2nd day of August it was brought up. They wanted to rescind the Order that was given giving it to the B. C. Southern; of course, I wanted to know why; and Mr. Eberts said that Mr. Brown wanted it that way, and it did not make any difference, it belonged to the same Company—the two roads belonged to the same Company.

Q.—That Mr. Brown wanted it that way? A.—That Mr. Brown wanted it that way.

Q.—Now, on the 2nd of August, then, the circumstance that was urged by Mr. Eberts was that Mr. Brown, that is, the Company, desired really to transfer the lands from the British Columbia Southern to the Columbia and Western? A.—Yes.

Q.—And that is what affected you at the time? A.—Yes.

Q.—That, so far as the Province was concerned, it did not make any difference? A.—No.

Q.—Of course it would not. A.—The B. C. Southern had got the lands.

Q.—The B. C. Southern had got the lands, and the Company desired the transfer from the B. C. Southern to the Columbia and Western? A.—Yes.

Q.—And then, you, of course, were not present at the meeting of the Council on the 10th of August, but you understood the matter was settled before you left? A.—No, I did not.

Q.—What do you mean, then? A.—It was brought up on the 2nd day of August, and Mr. Eberts and Mr. Turner said that Mr. Brown was pressing the Government to get a settlement; and I said to Mr. Turner, "I am going away, so you better attend to it."

Q.—Do I gather, then, that on the reason mentioned by Mr. Eberts you assented to the matter, or assented to the proposed change? A.—By me saying that?

Q.—Yes. A.—No.

Q.—Do you mean that, so far as you were concerned, you did not express any opinion upon it one way or the other? A.—No, I did not, then.

Q.—You did not express an opinion one way or the other? A.—No.

Q.—But, at all events, that was a reason suggested to you by Mr. Eberts? A.—Yes.

Q.—And then you came back, and the matter was not touched upon until just before Mr. Wells was going away? A.—I got back on the 29th of August, and then the matter was brought up.

Q.—Oh, brought up on the 29th? A.—That is what you mean; the Order in Council transferring it to the Columbia and Western was passed on the 10th day of August; I was not here when it was passed; and when I came back I went into Mr. Wells' room, or—Mr. Wells said he sent for me—I don't remember—but Mr. Prentice was there and Mr. Wells and myself, and this matter came up, and I was not quite satisfied with it; I didn't see why they wished to change it from the B. C. Southern and give it to the Columbia and Western.

Q.—You had regarded the matter up to that time as simply a transfer from one company to the other? A.—Yes.

Mr. DUNSMUIR—*Continued.*

Q.—And you were not quite satisfied, yes—on what point? A.—Well, we talked about it in Mr. Wells' room, and Mr. Wells says, "I will tell you what we will do; I will take the Crown grants to Montreal and see if we cannot get better terms."

Q.—Was that on the 29th of August? A.—That was after I came back; I cannot say what date. I got back on the 29th of August, and it was some time after that. It was not the day I got back.

Q.—You do not mean to say that that occurred on the 29th of August? A.—Oh, no.

Q.—Did you have more than one meeting, then—just to fix the matter—could you say that? A.—We had two meetings.

Q.—You mean to say you had two meetings after you came back? A.—Two meetings after I came back.

Q.—Will you tell us now about the first one? A.—The first one?

Q.—Mr. Prentice and yourself were present? A.—Yes.

Q.—And you were not satisfied with the reasons which had been suggested for the transfer? A.—No.

Q.—And what further happened, as far as you remember? A.—Mr. Wells and Mr. Prentice—Mr. Prentice was not satisfied—and they told me that they were going to save 300,000 acres of land.

Q.—Who told you that? A.—Mr. Prentice and Mr. Wells.

Q.—And you say Mr. Prentice was not satisfied? A.—No, he was not satisfied.

Q.—He was not satisfied either. But they suggested that you would save 300,000 acres by the transfer? A.—Yes.

Q.—And did that satisfy you? A.—No, it did not satisfy me then.

Q.—Did anything else occur at that meeting, that you remember? A.—Of course, the Order in Council was passed and the arrangement had; I agreed to it.

Q.—You said to let it go, then? A.—Yes, let it go.

Q.—How long afterwards did you have another meeting? A.—I think it was a little while after that; I know we met in Mr. Eberts' room and the same thing came up there.

Q.—Was Mr. Eberts present? A.—I think Mr. Eberts came in; he was in his room; I don't know whether he was there all the time.

Q.—You were in the habit of using Mr. Eberts' room? A.—Oh, no, this was in Mr. Prentice's room.

Q.—This was in Mr. Prentice's room? A.—Yes.

Q.—And you think Mr. Eberts came in? A.—It was in Mr. Prentice's room; I think he came in. Mr. Wells said again that he would take the Crown grants to Montreal and see if he could not get better terms, to build the road from Midway to Spence's Bridge, and if he could not get that done he would bring the Crown grants back.

Q.—Now, you think that was in Mr. Prentice's room or Mr. Wells' room? A.—That was in Mr. Prentice's room, and Mr. Wells'; the same thing came up in Mr. Wells' room, too.

Q.—Now, just let me see: Did these two interviews occur, I mean to say, the one in Mr. Wells' room and the other in Mr. Prentice's room, about the same time? A.—In a little while after.

Q.—About how long? A.—I couldn't say how long; it might have been a few days.

Q.—And at the first one Mr. Eberts was not present? A.—He was not present at the first one.

Q.—But at the second he was? A.—Yes, he was. How long he was there I couldn't say, but he was in the room.

Q.—He came in and went out again? A.—He came in and went out again.

Q.—The thing I want to get at, Mr. Dunsmuir, is this: Does your recollection enable you to say, and if you can say, you might give us the reason for saying, whether Mr. Eberts knew of the fact that you were reconsidering, or rather considering, the purport of the Order in Council of the 10th of August, and whether there was any understanding with regard to what Mr. Wells was to do when he went to Montreal, with reference to Spence's Bridge? A.—Whether he was considering that, or not, do you mean?

Q.—Yes, did he know what you were doing; that is what I want to get at? A.—Doing in which way? I don't quite understand.

Q.—I mean to say, did he know the nature of the discussion that was going on? A.—Oh, I think he did, yes.

Mr. Dunsmuir—*Continued.*

Q.—Of course, I do not want to be unfair, and I know you do not want to be unfair to Mr. Eberts either; how far can you go when you say that you think he did? A.—Well, I think Mr. Eberts knew that I was not satisfied with it.

Q.—You think he did? A.—Yes; and Mr. Eberts knew that that was the arrangement or the proposition that Mr. Wells had made.

Q.—That is, that he should take the Crown grants to Montreal? A.—That he should take the Crown grants to Montreal and get better terms; and if he did not, he would bring them back. Mr. Eberts knew.

Q.—You think he did? A.—Yes.

Q.—I call your attention that Mr. Eberts has stated distinctly that he did not know? A.—Well, Mr. Eberts is wrong; he did know that.

Q.—Well, is there any ground on which you base your statement that he did know that? A.—Because he was there; and certainly he was in the room, in Mr. Prentice's room, at the time when Mr. Wells made that remark.

Q.—I see. And your recollection is quite distinct on that? A.—Yes; I recollect. He knew about it; and I believe he told me he knew about it; that he mentioned that here in his evidence, that he understood.

Q.—Mr. Eberts has stated, Mr. Dunsmuir, that he was present at a meeting, but he has distinctly said that he knew nothing whatever about any conditions being imposed upon the delivery of the Crown grants? A.—Well, I know he did.

Q.—He not only said that he did not remember any, but he distinctly said that there were none. A.—Well, I am certain that Mr. Wells said that, in Mr. Prentice's room, and Mr. Eberts was there.

Q.—And you all agreed to it? A.—I said yes.

Q.—And I suppose you don't remember particularly what the others said? A.—No.

Q.—There was no dissenting to it? A.—No, no one said anything about it.

Q.—Mr. Wells went away then with the Crown grants; and, so far as you were concerned, what Mr. Wells was to do was to try and get better terms; and if he could not get better terms he would bring them back? A.—That is what he said.

Q.—When you say that is what he said—you assented to that as a proper arrangement, did you? A.—I said all right.

Q.—You said all right; your mind went with it, did it? A.—No.

Q.—Or were you opposed to the delivering of these Crown grants, anyway? A.—No, I was not.

Q.—What was your position at that time with regard to it? A.—My position at that time, that the Order in Council was passed granting these lands to the B. C. Southern, and I signed the recommendation to make out the Crown grants; and I thought the thing was settled; I agreed with my colleagues.

Q.—You considered the matter as being a settled matter by the Executive, that they were to give the lands. However, you still felt that it was quite a legitimate thing to insist on further conditions? A.—Well, I thought that they had gone out beyond the scope of the Act; the railroad was entitled to the land contiguous to the road.

Q.—When was that matter brought to your attention about the terms of the Subsidy Act requiring lands to be granted which were contiguous to the line of railway? A.—That was brought up in all the discussions in the Executive.

Q.—Was that brought up on the 2nd of August, you think, when Mr. Eberts first pointed out to you that it was a mere transfer from one company to the other? A.—I don't remember it was brought up on the 2nd of August; but it was generally brought up in the Executive in all the discussions.

Q.—The general discussions, as a matter of fact, in the Executive, and the discussion with regard to the Crown grants, as far as you were concerned; and then Mr. Wells went away. A.—Oh, there were a good many discussions.

Q.—Had there been discussions before the 2nd of August? A.—Oh, yes.

Q.—Had Mr. Brown ever been before the Executive, that you remember? A.—I cannot remember—yes, I do one time, I think.

Q.—I am not referring now to the interview that Colonel Prior has been talking about in 1902; not the cancellation interview. A.—No.

Mr. Dunsmuir--*Continued.*

Q.—But I mean in 1901. I am not referring, either, to the interview when he was trying to get them for the B. C. Southern. A.—No.

Q.—Do you remember any discussion of the matter in the Executive prior to the 10th of August, within a short time before that, within a year or two to that, or within a month or two months before that? A.—When Mr. Brown was present?

Q.—Well, in the first place, any discussion of any kind? A.—Oh, yes.

Q.—No doubt about it, the matter had been discussed frequently? A.—Frequently the matter was discussed.

Q.—In the course of those discussions, was it ever put forward, at least, was it understood by you, that the Government was making a proposal that this change should be made? A.—The Government making a proposal?

Q.—Yes? A.—No, no.

Q.—I don't know whether you heard what Mr. Brown said, but Mr. Brown put it that the suggestion came from the Government. Did you ever hear that before? A.—No. What was the Government to make their proposition for?

Q.—It is difficult for anybody to understand; but he said it was. A.—The Government never made the proposal; the proposal came from George McL. Brown, or whoever it was, I couldn't say.

Q.—The proposal came on behalf of the Company? A.—On behalf of the Company.

Q.—And it was put to you as a proposal; that the change might properly be made from the British Columbia Southern to the Columbia and Western, because they were all one Company, anyway? A.—Yes.

Q.—Was Mr. Wells tied down, when he went to Montreal, to specific conditions, or was he left generally to negotiate with the Canadian Pacific Railway with regard to the improved railway facilities in the Boundary country or near there? A.—No, just this proposition of his; it was a proposition of his own.

Q.—Mr. Wells'? A.—Yes.

Q.—I see; Mr. Wells suggested that he would go— A.—That meeting was not a regular Executive meeting.

Q.—I am not putting it that way, Mr. Dunsmuir. A.—It was only Mr. Wells, Mr. Prentice, and myself at the meeting.

Q.—And you simply assented to it? A.—Yes, I assented to it.

Q.—But, still, you were not satisfied with the matter in any condition? A.—I was not satisfied.

Q.—When did it first occur to you that the grants would be beyond the Subsidy Act? A.—The grants?

Q.—Yes. A.—It is just this; I knew—I didn't see how we could go beyond the scope of the Act. There is the Act that is passed by the Legislature, which the Government has got to go by.

Q.—Certainly. That would be your view of the duty of the Government, that they would not be entitled to give lands at their own pleasure? A.—No, of course not.

Q.—Certainly. Do you remember that Mr. Eberts' opinion was taken on that point? A.—Yes, I think it was. He said we could give. And Mr. Wells got Mr. Hunter's opinion.

Q.—I think that was only at the last moment. A.—Not long before he left.

Q.—It was dated the 24th of October, and Mr. Wells went away on the 24th of October. Now, when Mr. Wells came back, did he give you any explanation of the result of his interview? A.—When he came back from Montreal?

Q.—Yes. A.—No, he did not; not at first.

Q.—How was it, as you ultimately did learn, that the grants had not been delivered? A.—Yes, I understood they were not delivered.

Q.—Who did you learn that from; do you remember? A.—Oh, yes; he told me it first.

Q.—He told you? A.—Yes; and then George McL. Brown came to me afterwards.

Q.—I suppose he told you that he did not succeed? You knew that he made no arrangements; and then Mr. Brown came pressing you? A.—Yes; he said Mr. Wells would not give up the Crown grants.

Q.—And you were also approached by Mr. Eberts on that subject, were you? A.—No, I don't think so.

Mr. Dunsmuir—*Continued.*

Q.—You think that is a mistake? A.—I couldn't say whether Mr. Eberts—he may have spoken to me about it.

Q.—At all events, you went to Mr. Wells about it? A.—I know Mr. Brown spoke to me about it.

Q.—More than once? A.—I don't know whether it was more than once about it; I don't know that; I know he did speak to me.

Q.—But the impression is on your mind he was pressing you, and you went to Mr. Wells. A.—There was no pressing about it, only he said Mr. Wells would not deliver up the Crown grants; and I said I would see Mr. Wells; and I saw Mr. Wells, and he said he would let me know later on.

Q.—Now, did you understand that the matter had been finally settled that if the Spence's Bridge road was not built that they were not to get the Crown grants, or did you understand only that Mr. Wells was to take the Crown grants to Montreal and try to negotiate, and use them as a lever in that way to get the Spence's Bridge road built? A.—It was only a proposition of Mr. Wells'.

Q.—It was only a proposition of Mr. Wells'? A.—That was all.

Q.—You did not understand that it was imposed by the Government, and by you as head of the Government, as a condition without which the Crown grants would not be delivered? A.—Not at all.

Q.—Not at all? A.—Not at all.

Q.—And so, when Mr. Brown came to you and complained about the grants not being delivered, you went to Mr. Wells? A.—Yes.

Q.—And he ultimately told you the reason? A.—Yes.

Q.—What was the explanation he gave you? A.—He told Mr. Prentice first, and then Mr. Prentice told me.

Q.—You have already stated what Mr. Prentice told you? A.—I have already stated.

Q.—Have you anything to add to what you have stated already? A.—No. He told me that he was approached in Montreal by Mr. Taylor; if he would hand over the Crown grants that there was some company or something was going to be formed and he would get some portion, I think he said 30,000 acres, or one-twentieth of it.

Q.—How long was that before the cancellation? A.—Oh, that was some little time; I think during my examination—about the 15th; I think it was before the 15th.

Q.—How long before? A.—Oh, it must have been a week or so before that.

Q.—It must have been a week or two before that. Did you come to any conclusion at once when Mr. Wells told you about it? A.—Yes, I did.

Q.—Now, what was it? A.—I told Mr. Wells that I would not stand any monkeying as long as I was in the Government, that I would not have my name attached to anything that I thought was not right, and I would cancel the Crown grants.

Q.—Now, did you express that determination to Mr. Eberts and Mr. Brown? A.—I did.

Q.—When did you see Mr. Brown and Mr. Eberts? A.—I came over there, I think it was in the morning; I went upstairs—

Q.—About what time would that be? A.—I used to go over about 11 o'clock.

Q.—I don't mean the time of the day, but how long before the 18th? A.—I couldn't say; it may have been two or three days before the 18th.

Q.—Would it be less than a week? A.—Yes, it might have been three or four days; I couldn't say.

Q.—That is close enough. A.—As I got up there Mr. Brown was on the top landing; and he asked me again about the Crown grants; and I said, "Come in here; come in Mr. Eberts' room."

Q.—Where was that? A.—Right opposite Mr. Eberts' door.

Q.—Was Mr. Eberts there? A.—He was inside, yes. We went in. And I said, "Now, look here, Mr. Wells has told me that he was approached by Taylor, if he would hand over the Crown grants that he would get 30,000 acres; there was some company going to be formed"—explained the whole thing to him. And I said, "I understand, Mr. Eberts, you are in it, and I understand, Mr. Brown, you are in it." And I said, "I will not allow these Crown grants to be delivered." I don't know whether I said I was going to cancel them, but I remember distinctly saying I would not allow the Crown grants to be delivered.

Mr. Dunsmuir—*Continued.*

Q.—The effect of it was that you would not allow the transaction to go any further?

A.—I told them that.

Q.—Now, you say that you understood that Mr. Eberts and Mr. Brown were in it. Now, where did you get that idea from? A.—From what Mr. Wells had inferred.

Q.—From what he had inferred. Did Mr. Wells tell you that Mr. Taylor had told him specifically that Mr. Brown and Mr. Eberts were in it? A.—No; I didn't say that.

Q.—But that Mr. Wells expressed the view? A.—There were two members of the Government in it.

Q.—And other people in it? A.—Yes.

Q.—And you drew the inference, at all events, from what Mr. Wells told you at that time, that Mr. Brown and Mr. Eberts were in it? A.—That is what I thought, yes.

Q.—That is what you thought, and you told them that? A.—And I told them that.

Q.—Now, what did they say? A.—They said they were not.

Q.—Then what? A.—Of course, they went on a whole rigmarole; I cannot repeat it now.

Q.—Did they give any reason as proving that they were not in it? A.—They said they would not be implicated in any such thing as that; and they said it was not true, it was false.

Q.—Now, before I go any further, it occurs to me, Mr. Dunsmuir—all the time from the beginning you understood this was a transfer from one company to the other? A.—Yes.

Q.—It was always put to you in that way? A.—In that way.

Q.—Now, was any reason given to you why that transfer should be made, excepting the reason that Mr. Brown wanted it, or the Company wanted it? A.—That was the only reason.

Q.—And, of course, it was immaterial to the Government; that is all you ever heard? A.—Yes; it was the same Company, and they could do it. Still, I was not there when they signed the Order in Council.

Q.—I understand that; but the matter was discussed at the 2nd of August and on the previous meetings; the matter had come up, and you say the Government was not pressing it; and the Company then, of course, must have been pressing it prior to that time? A.—The Company was pressing it, of course.

Q.—The Company was pressing, of course, to get that change made, and it was put to you that there would be a saving in acreage? A.—I told Mr. Eberts previous to the conversation I had with Mr. Brown and Mr. Eberts.

Q.—Did you? A.—Yes.

Q.—Where was that? A.—That was in Mr. Eberts' room; the first time that Mr. Wells told me I told Mr. Eberts. I told him what I repeated there.

Q.—Did you ever see Mr. Taylor with regard to it? A.—Never, no.

Q.—Did Mr. Eberts tell you that he had seen Mr. Taylor? A.—Yes.

Q.—What did he say about it? A.—He said he saw Mr. Taylor; that was the next day after I told him; he said he saw Mr. Taylor, and if he ever could get Mr. Wells outside of the hotel and let him say that, he would do something to him.

Q.—He would do something to him? A.—Yes. Still, he said there was no truth in it. Mr. Eberts said there was no truth in it, it was not true.

Q.—Well, then you had a meeting of the Executive Council and you cancelled the grants? A.—I made up my mind then that I thought there was something wrong from the way it had been going, getting the Crown grants, signing the Order in Council giving it to the B. C. Southern, and then cancelling that Order in Council and turning them over to the Columbia and Western; I thought there was something wrong; and from what Mr. Wells, one of my Ministers, told me, I thought the best thing I could do was to cancel the whole thing and put it back in its original position.

Q.—From what Mr. Wells told you? A.—From what Mr. Wells told me about Mr. Taylor I thought there was something wrong in the whole thing.

Q.—I gather from what you say that you were not at all satisfied as to whether this transfer should be made by the Government? A.—No, I was not.

Q.—And then before Mr. Wells went away you were dissatisfied with the condition of affairs? A.—Yes. Still, I was one of the Ministers; I will take the blame just the same as the others. I am telling you.

Q.—I am not putting it to you as a political matter at all, but as to the course of events, the same as the others. You take your blame up to that point? A.—Yes, the same as the others.

Mr. Dunsmuir—*Continued.*

Q.—I don't understand that you are trying to shirk any blame at all with regard to it. When this matter came up you determined— A.—I determined that there would not be anything wrong as long as I was Premier of the Province.

Q.—Now, the reason, then, that prompted the cancellation of the Crown grants was undoubtedly this thing that occurred in Montreal? A.—Yes.

Q.—That is what you acted on? A.—Yes; that is, that, and knowing the other circumstances, the way the thing was carried on, I commenced then to think there was something out of the way that was not right.

Q.—Do you remember the interview between the Executive and Mr. Brown? A.—Yes, I do. In the Executive?

Q.—Yes. A.—Oh, yes; that was after the cancellation of the Crown grants?

Q.—Yes. Have you read that memorandum through? A.—Yes; a lot of rot.

Q.—Is there anything in that that you would like to contradict? A.—I read it over. He could not remember; he did not write that there; he went over to his hotel and wrote that; he could not remember. He had a very bad memory when he was sitting here; he didn't remember anything; but, by Jove, he remembered everything, according to that.

Mr. Helmcken: "By Jove"; he uses an expression of yours; is that correct? A.—No, it is not quite correct.

Mr. Duff: He has not quite got it? A.—No.

Q.—Now, at that interview, was it suggested that the reason for the cancellation of the grants was these conditions which had been imposed? Was anything said about Spence's Bridge in that interview at all? A.—Not at all, that I remember.

Q.—Was there anything said? A.—Mr. Brown knew well enough, because I had told him in Mr. Eberts' room the reason, and he knew well enough.

Q.—Did you tell Mr. Brown that he knew all about what the reason was? A.—Yes, I said that; I said, "You know the reason." I said to Mr. Wells, "You tell him what you told me." And that was the reason.

Q.—Now, while this procedure was going on, with regard to cancellation, was it suggested that the non-building of the road to Spence's Bridge was a ground for cancellation? A.—No.

Q.—And you were not regarding that as a ground for cancellation? A.—No. I thought it was in order, and I agreed to it. But when I heard the yarn, or story, or whatever you call it, I thought there was something wrong. And that is the reason I said to cancel it. But at this meeting, that is telling an Executive—but it does not matter to me its being in the Executive—Mr. Eberts said I could not cancel them, and I said I would cancel them.

Q.—He took the objection you could not? A.—He took the objection I could not do it, and I said I could do it, and I did do it.

Q.—And you did do it? A.—He was against it altogether.

Q.—He took the ground that they should not be cancelled, in fact, that they could not be cancelled? A.—Yes.

Q.—Now, you were present when Bill 87 was introduced? A.—Yes, I was present.

Q.—You were at the caucus meeting? A.—Yes; but the Bill was never brought into the caucus; it was only explained by Mr. Eberts.

Q.—That it was simply a reinstatement of the subsidy for section four? A.—Section four. And that letter of mine is to that effect, too.

Q.—Exactly so; and that was simply fulfilling the pledge given in your letter? A.—Exactly.

Q.—Did you understand that there was any intention of any sort whatever to enlarge the powers of the Company, excepting to the extent of wiping out that condition about completing sections five and six? A.—Yes, that was all.

Q.—But you did not understand that the Company were to be entitled to select their lands in any other way? A.—No. I never saw the Bill.

Q.—You never saw the Bill? A.—No, I never saw the Bill. I have seen it since. That Bill went beyond the meaning altogether.

Q.—I want to call your recommendation to mind, of the 20th day of May. A.—I recollect of it.

Q.—That was a recommendation signed by you, recommending that that Bill be brought down. You see that includes in it there a copy of Bill 87? A.—Yes, I saw that.

Mr. Dunsmuir—*Continued.*

Q.—Now, have you any recollection about it at all? A.—I signed the recommendation.

Q.—You signed the recommendation? A.—It was introduced before I went away to England.

Q.—So that you probably did see the Bill, then? A.—No, I did not.

Q.—You think you did not pay attention to it? A.—I did not pay attention to it.

Q.—You would do that as the result of a Council meeting, or simply on the recommendation of the Minister? A.—Recommendation of the Minister that has charge of the Bill. I think that is the usual way of doing.

Q.—The Bill was explained by Mr. Eberts on the basis of this agreement? A.—Yes; but not exactly like that.

Q.—Why? A.—Well, that was giving the power to select it.

Q.—But I don't mean that; I mean the necessity for introducing the Bill restoring the subsidy for the fourth section? A.—That was all explained by Mr. Eberts.

Q.—As you have heard Colonel Prior say, namely, on the basis of the agreement said to have been entered into? A.—Yes.

Q.—And you heard Sir Thomas Shaughnessy say he could not recall any such agreement? A.—Yes.

Q.—Did you understand that the Canadian Pacific Railway Company were pressing for this Bill, then, at that time; asking for it and asking for that agreement to be carried out? A.—Yes.

Q.—And it was on the faith of that that you went into the matter; it was on the faith of that that you assented to it? A.—Well, yes, and the explanation that the Attorney-General, Mr. Eberts, explained to us that they were entitled to it.

Q.—You didn't examine the Bill to ascertain its scope? A.—No.

Q.—Had you known that the Bill was enlarging the scope of the selection of lands, would you have assented to it? A.—No.

Q.—And, speaking as a public man, you would not have any doubt that, under that Bill, the Company getting that Bill would be entitled to select any lands in Yale and Kootenay? A.—Yes, I see that now.

Q.—Including these lands, or any other lands? A.—Well, they would not have got the two lots if I was in the Government. The Government cancelled them, and that would be the end of it.

Q.—Looking at it as a public man, would you have felt justified if the Legislature had said the Canadian Pacific Railway Company are entitled to have so many acres of land to be selected where they please, in the District of Kootenay, in blocks of 10 miles square, and the Act had passed the Legislature—do you think you would have felt justified, as a public man, in saying, "I don't care what the Legislature has said; I won't give it to them"? A.—No, it would not be right to do that. But, then, these two particular blocks—of course, the attention of the Government being called to the cancellation of these two blocks, they would not have given them these two blocks.

Q.—Certainly, if your attention had been called to the fact that that Bill would in those terms have enabled them, you would not have assented to that Bill going into the House? A.—No.

Mr. McCaul: Mr. Dunsmuir, at the meeting of the 2nd of August, 1901, as a matter of fact, the question before the meeting was the transfer from the British Columbia Southern to the Columbia and Western Railway Company of these two blocks of land? A.—Yes.

Q.—That was clearly the question that was before the meeting? A.—That was before the meeting.

Q.—And that came up; Mr. Eberts stated that Mr. Brown wanted it that way, wanted that transfer made? A.—Yes.

Q.—And the final result of that meeting, when this particular transfer was discussed, was that Mr. Turner was to give instructions to Mr. Wells to bring down a recommendation on those lines? A.—I don't know anything about that, no.

Q.—Do you know that that was the final upshot of the meeting, that Mr. Turner was to give instructions to Mr. Wells? A.—No.

Q.—You don't recollect that? A.—No.



Mr. Dunsmuir—*Continued.*

Q.—At any rate, you are quite clear that the subject of the discussion was that particular transfer? A.—Yes.

Q.—And I think you said that that had been discussed in the Executive for some time prior, at several meetings? A.—Several times.

Q.—Several meetings? A.—A good many times.

Q.—And there is no question at all that Mr. Brown had for some time prior to the 2nd of August been pressing the question of this transfer upon the notice of the Government? A.—Well, he never pressed me very much; I don't know who it was he was pressing.

Q.—No; but it was coming from that quarter, from the Railway Company, and being brought to the notice of the Government? A.—Yes.

Q.—For some time prior. Now, then, coming to the question of the conditions which Mr. Wells was to propose in connection with the delivery of the Crown grants. What was the conclusion that was come to by yourself, Mr. Prentice and Mr. Wells before Mr. Wells left for Montreal? A.—The conclusion? Mr. Wells said—it was Mr. Wells' own proposition.

Q.—I quite understand. A.—Mr. Wells said that he would take the Crown grants to Montreal, and see if he could not get better terms; which was to build the railway from Midway to Spence's Bridge; that he would bring the Crown grants back with him.

Q.—Up to that time you had been dissatisfied with the question of the delivery of these grants? A.—Yes, I was.

Q.—And you and Mr. Prentice, at any rate, concurred in Mr. Wells' suggestion? A.—Yes.

Q.—That that was a proper course to pursue? A.—I said all right.

Q.—So that Mr. Wells made the suggestion, you and Mr. Prentice concurred, and Mr. Wells went down with that understanding, that he was to ask for the building of the road to Spence's Bridge; and if that was not granted, to return with the grants? A.—Yes, he said he would bring them back.

Q.—Now, I think you said the only other member of the Government at that time was Mr. Eberts? A.—Yes.

Q.—And I think you said that Mr. Eberts was fully aware of these conditions, and that he was quite satisfied, too? A.—He knew that—I don't know whether he was quite satisfied; I didn't say that; but he knew. I did not say he was satisfied.

Q.—You are sure that Mr. Eberts knew those conditions were attached to the delivery of the grants. That was a clear-cut condition that Mr. Wells was to have for the delivery of the grants, and failing to get those conditions, he was to return with them? A.—That was Mr. Wells' proposition; he said he would bring them back.

Q.—And agreed to by yourself and Mr. Prentice? A.—Yes.

Q.—With the knowledge of Mr. Eberts? A.—Yes.

Q.—Quite so. So that when Mr. Wells returned with the grants you must have understood that the C. P. R. had not agreed to that condition? A.—Yes.

Q.—That is clear? A.—Yes.

Q.—And still, Mr. Dunsmuir, when Mr. Brown pressed it upon you that he should get delivery of these grants, you did not press the fact that that condition had not been complied with, upon him? A.—No, I did not.

Q.—How is that? A.—Oh, I didn't think that proposition amounted to anything.

Q.—You didn't think that proposition amounted to anything? A.—No.

Q.—Still, you knew that Mr. Prentice had agreed to it, and with the knowledge of Mr. Eberts, that that was the specific condition? A.—Oh, no; I didn't say that; specific condition, no; I never said that; I said all right.

Q.—You said all right? A.—Yes.

Q.—And, at any rate, Mr. Wells understood that that was to be the condition, and the only condition, upon which he was to give up the grants? A.—Yes, probably so.

Q.—Now, Mr. Dunsmuir, when did the question of the lands being contiguous to the railway first come up? Did that come up prior to the meeting of the 2nd of August? A.—Oh, yes.

Q.—That did come up? A.—Yes.

Q.—And had the Attorney-General's opinion been taken on that before? Had he discussed it? A.—Prior to that, or when?

Q.—Yes. A.—It had been taken, I don't know whether it was prior or after.

Mr. Dunsmuir—*Continued.*

Q.—Well, of course, that was a question on which the Government would naturally look to the law officer of the Crown to advise them on? A.—Yes.

Q.—And, as a matter of fact, you know that his opinion was taken, and subsequently the Chief Justice's? A.—Yes.

Mr. McPhillips: Mr. Dunsmuir, did Mr. Eberts on this occasion dissent from the proposition of Mr. Wells that he should get those better terms? A.—He didn't say anything.

Q.—And that if they were not obtained that he was to bring the Crown grants back? A.—No; Mr. Eberts knew, but he did not say anything about it, either one way or the other.

Q.—Well, did you understand him as objecting? A.—No, I did not understand him as objecting; he didn't say anything.

Q.—There was nothing to show you that he was objecting in any way to that? A.—No. All the same, he knew.

Q.—Then do I understand, Mr. Dunsmuir, that if you had not heard of this matter that was broached by Mr. Taylor to Mr. Wells, you would have been agreeable to Mr. Wells handing over the Crown grants? A.—Yes, I would.

Q.—Without any further concession? A.—Yes.

Q.—Of the building of a railway between Spence's Bridge and Midway? A.—Yes. That was passed by the Executive.

Q.—And there had been no change of Executive act in that regard? A.—No. But still, all the same, I will still say I think that went beyond the scope of the Act; it was not right to do that, whether we had got advice or not.

Q.—All the same, you always had a sort of hesitancy as to whether you had a right to do it? A.—I thought we did not have a right to do it.

Q.—But, still, you were supported by the Attorney-General's opinion that you had, and Mr. Hunter's opinion that you had? A.—Yes.

Q.—But you always had the feeling? A.—That we could not do it, because the Act is passed by the House, and I don't see how we could go beyond the scope of it.

Q.—Did you ever advise Mr. George McL. Brown that you ever doubted the power of the Government to grant these two particular lands? A.—No, I never had much talk with George McL. Brown.

Q.—Now, with regard to the other matter, Mr. Dunsmuir, you felt that some fraud had been perpetrated; is that it? A.—I did; yes, that was my feelings.

Q.—Or attempted to be perpetrated? A.—I thought there was something wrong.

Q.—And you felt that upon that ground the Government would be entitled to cancel those grants? A.—Yes.

Q.—And if anything was done later it could be done after a full investigation taken in the House? A.—Or let the Legislature do what they liked with it, or the people. I wished my hands clear.

Q.—You were held, as Premier, responsible to the people, and you considered the situation was such that you should prevent the matter being consummated? A.—Yes, that is what I thought.

Q.—And whatever the rights of the Railway Company were, they could be dealt with later? A.—They could be dealt with later.

Q.—In coming to that conclusion, Mr. Dunsmuir, it is true, is it not, that you did not, as a matter of fact, call in the Canadian Pacific Railway Company and ask them for any explanation of this information that had been brought to your notice? A.—About that, what Mr. Wells told me?

Q.—Yes. A.—I explained it all to George McL. Brown.

Q.—But that would be after the rescinding Order? A.—Oh, no, it was before; a few days before.

Q.—I remember now. I think George McL. Brown disputes that. A.—I think he says I didn't say anything about it. But I know I did.

Q.—You are clear, Mr. Dunsmuir, that three or four days before the cancelling Order of the 18th of March, 1902, you mentioned this matter? A.—I mentioned it to George McL. Brown and Mr. Eberts, in Mr. Eberts' room.

Q.—And you then said, I think, in effect, that you would see to it that the Crown grants were cancelled? A.—I think I said I would not allow the Crown grants to be delivered up. I think those were the words I used; something to that effect.

Mr. Dunsmuir—*Continued.*

Q.—And you thought you would place the matter *in statu quo*—that is, the question would remain —? A.—That I would not have my name attached to anything that was not right and proper. We had a long talk, and a pretty hot talk, too.

Q.—To arrive at that conclusion you must have given full credence to what Mr. Wells told you; you fully believed it? A.—Well, I thought so; I thought there was something wrong; I couldn't say; I cannot prove it.

Q.—Well, you felt you were justified in doing what you did? A.—I felt I was justified in doing what I did. Of course, to follow it, I cannot prove it; I have got no proof; but it was one of the Ministers that reported that to me, and I thought there was something wrong.

Q.—But, then, did not Mr. Eberts dispute it? A.—He did.

Q.—So that you had one Minister's statement of it having taken place, and another Minister— A.—(Interrupting)—I cannot help that; I could see.

Q.—I don't know whether we got that down on the notes (referring to gesture made by the witness). Did Mr. Eberts take any pains to acquaint you with a denial of Mr. Taylor of this matter before you acted on the 18th of March, 1902? A.—No, he did not.

Q.—Mr. Eberts, for instance, did not come to you or bring Mr. Taylor to you? A.—No.

Q.—To make any denial of this? A.—No, he did not.

Q.—Although you had told Mr. Eberts some few days before the cancelling Order, do you say? A.—Yes; some days before the cancelling Order.

Q.—And when you acted on the 18th day of March, 1902, you were not placed in possession of any information in the way of contradiction of Mr. Wells' statement? A.—No; none at all.

Q.—And, as you say, you had advised Mr. Brown, the executive agent of the Company? A.—Wait a minute; but in contradiction of Mr. Wells, Mr. Eberts contradicted it and so did Mr. Brown.

Q.—But, as a matter of fact, that was no contradiction by Mr. Taylor's statement? A.—No.

Q.—You see, they could not speak as to what Mr. Taylor said to Mr. Wells. A.—Yes.

Q.—You had no information from any source, or especially from Mr. Taylor, that it was untrue? A.—No.

Q.—At the time that you acted? A.—Well, Mr. Eberts told me what Mr. Taylor said.

Q.—Was that before the cancelling Order? A.—That was before the cancelling Order, and before I met Mr. Eberts and George McL. Brown; it was right after, the very day after, Mr. Prentice told me.

Q.—Oh, Mr. Eberts told you that? A.—Mr. Prentice told me and I told Mr. Eberts. Before Mr. Wells told me, Mr. Eberts knew. I told Mr. Eberts right after Mr. Prentice told me.

Q.—I see. A.—Then, after Mr. Prentice told me, Mr. Wells came out to my house one night and told me.

Q.—So that, then, Mr. Eberts knew quite a few days? A.—He knew before—

Q.—How long would you say before the 18th of March? A.—Oh, I think it was a week or more, I think.

Q.—And Mr. Eberts seemed to content himself with merely stating— A.— —that it was not correct; there was nothing in it.

Q.—That it was not true? A.—That it was not true.

Q.—That he had spoken to Mr. Taylor and Mr. Taylor denied it? A.—That Mr. Taylor denied it; yes.

Q.—But no other statement was made to you upon the matter? A.—No other statement.

Q.—Except Mr. Brown, also, of course? A.—Mr. Brown; yes.

Q.—Denying any complicity in the matter? A.—Yes.

Q.—Well, Mr. Dunsmuir, could you say, of your knowledge, whether Mr. Taylor had ever acted for the Columbia and Western Railway or the Canadian Pacific Railway, with the Government, in connection with these lands? A.—No, I cannot say; I don't know.

Q.—You never knew anything of that kind? A.—No.

Q.—Didn't it occur to you rather singular that Mr. Taylor, who was not known to you to be acting for the Columbia and Western Railway or the Canadian Pacific Railway, should be making any statement in reference to these lands? A.—Well, I can't say that; I don't

Mr. Dunsmuir—*Continued.*

know. I know there was something funny in it all the time; I couldn't say anything about it he ever acted, or anything like that. All I know, I thought there was some—it was not right.

Q.—And on that you acted? A.—Yes.

Q.—And, as far as you are concerned, you acted on that alone, didn't you? A.—I acted on that alone, as far as I was concerned.

Mr. Helmcken: Mr. Dunsmuir, when you were told about the Montreal incident, do you recollect whether it was stated that two members of the Government or two members of the House were implicated? A.—Well, I don't know whether it was two members of the House or two members of the Government. I think it was two members of the Government.

Q.—That is the best of your recollection? A.—Yes.

Q.—Then, when you had this interview with the Attorney-General regarding this incident, did Mr. Attorney tell you what Mr. Taylor said? A.—Mr. Eberts?

Q.—Yes. A.—What Mr. Taylor said?

Q.—What Mr. Taylor said? A.—He said it was not true.

Q.—Yes, but did he say anything further? A.—No, I don't remember anything further.

Q.—Did Mr. Taylor ever say anything about 30,000 acres and cutting it up? A.—No.

Q.—You don't recollect anything about the statement made here, that you could cut up 30,000 for each of your crowd, meaning the nineteen or twenty supporters of your Government? A.—Who was that, Mr. Taylor?

Q.—That is Mr. Taylor's explanation. A.—No, no. Mr. Taylor never explained it. Mr. Eberts never said that Mr. Taylor had said that.

Q.—That is what I want to get, what he said to you. A.—No; he denied it and said there was nothing in it at all.

Q.—Now, look at that letter, please, Mr. Dunsmuir (handed to witness). A.—That is the letter, I believe, I know it. (Letter 15th May, 1901, Hon. Mr. Dunsmuir to G. McL. Brown).

Q.—And, Mr. Dunsmuir, you will observe that that is written on Attorney-General's office paper. A.—Yes.

Q.—You have got paper of your own? A.—It was dictated by the Attorney-General; that is how it was dictated.

Q.—I beg your pardon? A.—The Attorney-General wrote it and I signed it.

Q.—I thought so. A.—I knew what I was signing; I read it. That is my letter; as far as that is concerned, I wrote the letter.

Q.—I understand that. Haven't you got official paper of your own? A.—You mean in the Premier's office? Yes.

Q.—As Premier, you had official paper of your own? A.—Yes.

Q.—This letter here, you mean to say, was dictated by the Attorney-General? A.—Yes.

Q.—And you signed it? A.—And I signed it.

Q.—Was that the result of an Executive act, or was it a meeting between you and Mr. Attorney? A.—Mr. Eberts, you mean?

Q.—Mr. Eberts I call Mr. Attorney. A.—We talked the matter over—I talked the matter over with the Attorney-General, and I said, "Mr. Eberts, you write the letter out and I will sign it."

Q.—Was any person else present beside you two? A.—No, just us two.

Q.—Now, what were the circumstances under which you wrote that letter, if you recollect, Mr. Dunsmuir? A.—It was because the Attorney-General explained to me—

Q.—(Interrupting)—I will put this to you: on the 11th of May of that year the House adjourned? A.—Yes.

Q.—And this letter is the 15th of May? A.—Yes. That was after.

Q.—Now, I want to get from you the explanation. A.—Well, we talked the matter over, and I agreed to give Mr. Brown a letter to that effect, that in the next Session there would be a Bill brought in to reinstate them for the land they were supposed to be entitled to for the fourth section; and that is the letter.

Q.—Who brought the matter to you? A.—Mr. Eberts.

Mr. Dunsmuir—*Continued.*

Q.—Was Mr. Brown present? A.—No, Mr. Brown was not present.

Q.—Mr. Eberts brought that matter to you? A.—Yes; it was done in Mr. Eberts' room.

Q.—Now, a Bill was about to be introduced in the House that year? A.—Yes.

Q.—And it was not introduced? A.—No.

Q.—And was a protest made by Mr. Brown, made to you as Premier, after the House rose, complaining of the non-introduction of this Bill? A.—I forget.

Q.—113 the Bill is. A.—I know Mr. Brown came to me and asked me if I would give him a letter to bring in a Bill at the next Session. I told him I would, and I spoke to Mr. Eberts about it, and he drafted the letter and I signed it.

Q.—Will you kindly look at that, Mr. Dunsmuir (handing Bill 113 to witness); that is the Bill that it was intended should be introduced in that Session? A.—Yes, that was the Bill. And that is the Bill that should have been introduced instead of 87.

Q.—Instead of 87. There is a copy of a letter here, Mr. Dunsmuir, dated from Vancouver, February 25th, 1902: "To the Honourable James Dunsmuir, M. L. A., Premier of British Columbia, Victoria, B. C. My Dear Mr. Dunsmuir—Recognising how fully occupied you must be, in view of present stress of public business, I hesitate to, and trust you will pardon my calling your attention to the Columbia and Western Railway legislation, which in your letter of 15th of May, 1901, you advised me the Government would bring down this Session, authorising the conveyance to the Company of the lands appertaining to the fourth section, Christina Lake to Midway (constructed). If not asking too much, I would be obliged if you would advise me at what period during the Session the Act will be introduced." Do you recollect getting that letter? A.—Yes. Does that refer to No. 87?

Q.—No, that is before 87. 87 was introduced into the House on the 22nd of May, 1902; the Session commenced on the 20th of February, 1902. A.—This is the Columbia and Western.

Q.—Yes. A.—Well, that was land for the fourth section; that would be land for the fourth section, giving up the fifth and sixth sections, the arrangement they had with Mackenzie & Mann and the C. P. R., which Mr. Eberts has always explained to us, and in the House, too.

Q.—You knew by the Land Act they could not get a grant under section four until the completion of section five? A.—No.

Q.—What induced the Government to say, then, that they would give a land grant to the Company for section four, notwithstanding the non-completion of section five? A.—On account of the arrangement they had made, or supposed to make, I don't know the arrangement, with Mackenzie & Mann and the C. P. R., giving up the fifth and sixth sections. And, of course, I thought it was right that they should have land for the fourth section; and all I did was to promise to bring in a Bill in the House. In that letter I promised to bring in a Bill in the House to reinstate them in that.

Q.—In doing so, had you in mind the lands, or the locality of the lands, which were to be given to the Company? A.—The lands, no; I thought it would be contiguous to the road.

Q.—Did you at any time think that the lands could be, as it turned out afterwards, lots 4,593 and 4,594? A.—No.

Q.—Well, how is it that Crown grants were made out for 4,593 and 4,594 to the Columbia and Western? A.—That is what I want to know. I don't know. I said that I was not satisfied with it.

Q.—You have always said you were not satisfied? A.—Yes.

Q.—But you still allowed Mr. Wells to go to Montreal? A.—I did; I agreed with it after it was passed, after the other Order in Council was cancelled and it was given to the Columbia and Western, and, all the Ministers agreeing, I agreed. It was passed and I agreed to it.

Q.—You felt in honour bound, then, to abide by that Order in Council? A.—Yes, by that Order in Council.

Q.—At the same time you were dissatisfied? A.—I was dissatisfied.

Q.—Yes. You would then have given up those Crown grants to the Columbia and Western? A.—I would. If it had not been for what Mr. Wells had told me I would have given them up.

Mr. Dunsmuir—*Continued.*

Q.—In 1901, that is, in October, 1901, you were ready to deliver those Crown grants over to the Railway Company? A.—1901—no.

Q.—That is when Mr. Wells went away? A.—Is that 1901?

Q.—Yes; Mr. Wells went away on the 24th of October, 1901. A.—1902?

Q.—No, 1901. A.—Yes.

Q.—Taking certain Crown grants with him? A.—Yes.

Q.—Well, you are absolutely certain, then, that those Crown grants were to be delivered over unconditionally? A.—I knew that the Crown grants would have to be delivered over.

Q.—Unconditionally? A.—Yes.

Q.—Well, how does it come about, then, that they were not? A.—Because when Mr. Wells told me what he did tell me, I thought there was something wrong, and had made up my mind to cancel it.

Q.—Mr. Wells returned here in December? A.—Yes.

Q.—Did Mr. Wells tell you that he had brought back the Crown grants? A.—I don't remember whether he told me that or not. I know I knew.

Q.—May I ask, Mr. Dunsmuir, if you were here at that time? Mr. Wells said he was ill; and you may not have been here. Wasn't that a time an event happened in your family in California, the marriage of your son? Were you away at that time? A.—Yes, I believe I was away in December or November.

Q.—May that not account for it? A.—I cannot remember dates; I don't know. I know in the fall of 1901 I was away.

Q.—Did Mr. Wells come to you and say, "Mr. Dunsmuir, I failed in my mission and I brought back the Crown grants"? A.—No, I don't think he said that in exactly that way; but I understood the Crown grants were brought back; I don't know exactly the language that he used.

Q.—Well, did you ask him, "Well, why didn't you hand them over?" A.—I asked Mr. Wells—George McL. Brown came to me and he said Mr. Wells would not hand the Crown grants over; I saw Mr. Wells and I says—I asked him why he did not do it; and he says, "I will let you know later on." And then I told you what happened.

Q.—Yes, I know that. But surely there was no intention to deliver those Crown grants over unconditionally? A.—Yes, as far as I was concerned, they would have been; because there they were, signed, sealed and not delivered, all ready to deliver. And those were conditions that Mr. Wells put on himself. Of course, I agreed.

Q.—You approved of it? A.—I approved; I said "All right, if you want to do that." "Well," he said, "I will take them to Montreal and if they do not do a certain thing I will bring them back"; and I said "All right."

Q.—Then you must have approved of Mr. Wells' act? A.—Yes, I expect so.

Q.—Therefore, he did go there with the condition attached to the delivery of those Crown grants? A.—Yes; but I felt that condition was not worth that (a snap of the finger).

Q.—Because you thought that the Railway Company would not give in to the condition? A.—Yes.

Q.—But, at the same time, surely it was a proper act on the part of your Government to try and get that line built, if possible? A.—Oh, yes, of course. Mr. Wells came back and failed; he did not get it.

Q.—Then this thing afterwards happened, and that accounts for the non-delivery and the cancellation? A.—Yes, that is the reason it was cancelled.

Q.—Well, in that Order in Council cancelling, Mr. Dunsmuir, why was no term inserted that the Crown grants should be cancelled? It simply refers to cancellation of the Order in Council authorising the issuance of the Crown grants. Was there any discussion at that time relative to the cancellation of the Crown grants? A.—Yes, I think there was. Mr. Eberts said it could not be done, we could not do it; there was some discussion; what it was I forget now; at any rate, I told him that I would do to it.

Q.—You were determined to have it done? A.—I was determined to have it done.

Q.—Why was that term not stated in the Order? A.—I did not draw up the Order; I couldn't say that.

Q.—Now, a telegram was handed in here, Mr. Dunsmuir, dated the 7th of May, 1902, from Sir Thomas Shaughnessy to Mr. G. McL. Brown, to this effect: "Say nothing until Provincial Parliament prorogues. Then say to the Government that we are advised the patent

Mr. Dunsmuir—*Concluded.*

for the land in the south-eastern corner of the Province having issued with the Great Seal attached, it could only be restored to the possession of the Crown by a deed from the Columbia and Western Railway Company. We are further advised that, in the case of a Crown patent, actual delivery is not required, but that, if it were, Mr. Wells made such delivery when here, and it was only placed in his possession for one month, for reasons which he explained to me. Very important that there should be no hint of this while Parliament is in session, otherwise they might introduce a revoking Act." A.—I never saw that.

Q.—No hint was conveyed to you? A.—No; I never saw the telegram.

Q.—On the 22nd of March, 1902, there is a personal telegram from George McL. Brown to Sir Thomas Shaughnessy: "Columbia and Western grant 2 block East Kootenay cancelled without notice. Wells and other Ministers explain political expediency, and now propose Company accept alternate Government blocks along line in settlement 3rd section, that grant will issue at Company's request, promise introduction of Bill to reinstate subsidy 4th section. Wells promises East Kootenay block settlement 4th section. Doubt sincerity. Am making formal written protest, and stating discussion this proposal without prejudice Company's right insist on settlement already reached. Have done so Ministers separately and meet Cabinet Monday as Premier ill to-day. If any suggestion or instructions, please wire." Now, did you ever explain to Mr. Brown that those grants were cancelled by reason of political expediency? A.—Not at all; no.

Q.—You told him clearly and plainly that they were cancelled on the ground you have stated here? A.—Yes. And if it defeated the Government it would not have made any difference to me; not a single bit; not a bit. Nothing to do with the Government at all in that way, so far as the position the Government was in. It did not cut any figure at all with me.

Q.—Do you recollect the Cabinet meeting on the 10th of September, 1900, with respect to the settlement of the B. C. Southern lands? A.—Changing it?

Q.—The cancelling did not take place until 1901; the B. C. Southern settlement was in September, 1900? A.—I signed the Order in Council giving those two blocks to the B. C. Southern.

Q.—On the 19th of December, 1900, there was a change made? A.—I signed the Order in Council giving those same two blocks to the B. C. Southern.

Mr. Duff: Mr. Turner signed the previous Order. A.—I wasn't there on the 10th of August, 1901.

Q.—Well, now, have you any explanation to offer to us, Mr. Dunsmuir, as to the reason of the change being made? A.—I cannot say; I don't know.

Q.—You mean to say you don't know? A.—I want to know the explanation, too. No sir, I don't know.

Q.—I believe you, if you say so. A.—And that is the reason.

Witness stands aside.

The Committee here adjourned until to-morrow, May 22nd, 1903.

FRIDAY, May 22nd, 1903.

The Committee met at 11:20 a.m., pursuant to adjournment. All present. The minutes of the sessions of yesterday were read and adopted.

HON. W. C. WELLS, being recalled, testifies:—

Mr. Chairman, I am very sorry to take up any more of your time, because I presume you are just as tired of this as I am. It was suggested to me yesterday that, inasmuch as Mr. Brown had put in a memoranda in regard to a conversation which took place between him and myself at the Driad Hotel—put this in as evidence—that I should not allow that to go uncontradicted, which up to the present time, perhaps, has not received such a contradiction from me as it should.

Mr. McCaul: Mr. Creelman was asked whether he remembered saying to you in Montreal, when you were leaving, that he was glad that they had got the twenty-three grants they had, but was sorry that the other two grants had not been delivered. A.—Yes; just before I left, the last time that I was in the C. P. R. office, I went in to say good-bye to Mr. Creelman, and

Hon. Mr. Wells—*Continued.*

some reference was made to the Crown grants that had been delivered, and he made use of that expression; he regretted that they had not been able to have gotten the other two grants. I remember that very well.

Q.—You heard Mr. Oswald's evidence? A.—Yes, I was here.

Q.—Do you wish to adhere to your former statement with regard to the grants never having left the Windsor Hotel? A.—Yes. Mr. Oswald is quite mistaken as to the dates upon which I delivered those Crown grants. I took those Crown grants from my room in the Windsor Hotel on the morning of the 21st, went down to the C. P. R. offices and took them in to Mr. Creelman's office. As a fact, I don't think that I knew that they had to be delivered to Mr. Oswald. Having met Mr. Creelman, I naturally went to him. I was there some time; and it was then when the question as to our powers under the Statute took place, and he at once—then I remember his getting the 1896 Statutes and reading over it. I remember his getting that, and we discussed it at some little length. That, to my mind—that is my recollection—was the first time that that was referred to at all. Mr. Creelman thought that we took that up in the presence of Sir Thomas Shaughnessy.

Q.—Then, the question as to the delivery of the grants? A.—Then, I think that he sent for Mr. Oswald, and I went then from Mr. Creelman's offices into Mr. Oswald's room, and I delivered those grants to him then. We took them out of the parcel, the package that they were wrapped in, and I gave him some explanation of them, I think, in reference to the B. C. Southern grants and the Columbia and Western.

Q.—Tell me, were those two particular grants in question kept separate from the other grants while they were in your possession? A.—I separated them when I left the Windsor Hotel. I remember distinctly of separating those two grants, taking them by themselves and putting them in an envelope by themselves; and they remained there until I got back to Victoria. This was on the 21st that I delivered those grants, and I went back in the evening and got my receipt. I remember that. So that what he says about my being there in the evening of the 20th and then coming back the second time, certainly never did occur. Because I never saw Mr. Oswald until the morning of the 21st.

Q.—Now, it is a little important to fix the dates referred to in Sir Thomas Shaughnessy's evidence. Your first interview took place with him in the evening of the 20th of November? A.—Yes.

Q.—And the question about the delivery of these grants and the Spence's Bridge extension was brought up? A.—That was fully discussed at that time.

Q.—Then, when did you prepare the memorandum which you handed to Sir Thomas Shaughnessy? A.—Well, either that evening or the following morning. I know I did so very promptly.

Q.—And it was delivered to him on the 21st? A.—On the 21st, about noon of the 21st.

Q.—And then do you recollect whether that was the day that you lunched with him at St. James' Club? A.—I know I lunched with him on the following day. I don't think that there was very much discussion the second day; I just simply took him this memoranda, and I don't think very much discussion followed. But on the day I lunched with him at St. James' Club, when we parted there, it was arranged that I should go back to his office at 4 o'clock in the afternoon and take up the subject of my memoranda; which I did.

Q.—And then Sir Thomas' answer to you was sent down to your hotel that night, addressed to Toronto? A.—Yes. I evidently told him I was going away that night, and I suggested that he should put what took place between us at that time in the form of a letter addressed to myself, and to forward that to Toronto, as I intended leaving that night. But along about 8 o'clock in the evening a messenger came up to the Windsor Hotel and delivered me the letter there.

Q.—Now, Mr. Wells, Sir Thomas said that you had undertaken to return these grants in 30 days. Was the question of 30 days or a month mentioned between you at all, and if so, how? A.—Well, I cannot recall to my mind anything that would lead Sir Thomas to come to any such conclusion as that, unless it is this: When I said good-bye to him—I remember when I said good-bye to him and was leaving his room, I got to the end of the table and he said something to me, and my recollection of it just now is that it was in reference to hearing from me again—if I had to say that it referred to something, that is what I should say; but I have not a very vivid recollection of it at all. The probability is I might have said that he would hear from me in a month or three weeks, or something to that effect.



Hon. Mr. Wells—*Continued.*

Q.—Now, you saw Sir Thomas again in June, 1902? A.—Yes.

Q.—Sir Thomas says that he thinks that he remonstrated with you in regard to your not carrying out your undertaking. Was there any such conversation? A.—Well, he expressed his disappointment at not receiving the Crown grants, there is no doubt about that. But I remember asking Sir Thomas if he attributed any blame to myself particularly; and he said, "No, I don't, but I blame the Government." Those are the words.

Q.—He did not remind you of your undertaking by saying that there had been any breach of faith on your part in not carrying it out? A.—No, he certainly did not. I met Sir Thomas three times; on three occasions I have met him since the cancellation of the grants, and he certainly never referred to the fact of my having promised to return those grants to him; never upon any instance at all.

Q.—Now, Mr. Wells, Colonel Prior, in giving his evidence, said that you assured him in the House that the Bill 87 was in conformity with the Subsidy Act. What is your recollection of that conversation that took place? A.—I remember now of Colonel Prior coming to me about this Bill; what I think I did say was that the Bill must conform, or should have conformed, to the words of the Subsidy Act; because I did not have the Act in my hand, and I don't think that I should have had such a recollection of it as to make a statement exactly in the words that Colonel Prior attributes. But I have no doubt that I said that the Bill must or should conform to the words of the Subsidy Act.

Q.—When did you first get, then, the intimation that there might be something wrong in the frame of the Bill? A.—Well, I think that probably that is the first time. Because I said in my evidence the other day that something had occurred to draw that feature of the Bill to my attention.

Q.—And you think that this was the something? A.—And I think that was the occasion of it.

Q.—And was it then that you, as you said before, spoke to Mr. Eberts about it? A.—Well, I have no recollection of going to Mr. Eberts about this particular Bill, but I would feel safe in saying that I must have gone to Mr. Eberts about it, because I made it a practice always of going to Mr. Eberts—

Q.—Where was that? A.—In the House—going to Mr. Eberts with regard to any difficulty that I was in about any matter of that kind.

Q.—Now, there has been some reference made to the answer— A. (Interrupting).—I may say, if you will allow me—I treated that Bill really as practically the Attorney-General's Bill. I knew nothing comparatively of the circumstances leading up to it; and certainly took the Bill as being all that it should be.

Q.—There has been some reference made to answers given by you in the House, Mr. Wells; were those answers approved by the Executive before they were presented to the House? A.—Well, I have no doubt in my own mind that I submitted those answers; because I make a practice, when there are any answers at all of any importance, that they are submitted to other members of the Executive.

Q.—Now, have you got Mr. Brown's memorandum there of his alleged conversation with you on the 27th? A.—Yes.

Q.—In the first place, did you have a conversation with him at the Driard Hotel about that time? A.—Yes, I remember now. When Mr. Helmcken suggested the other day that there was rather an unreasonable delay in my replying to that letter, it occurred to me, after I left the Committee, that I might have been waiting to see Mr. Brown. That would be the only reason, to my mind, why there should have been such a delay between the 26th of March, when the letter was received, and the 3rd of April. Now, I am confirmed in that from the fact that this conversation took place, and that I waited to see Mr. Brown.

Q.—By the by, I call your attention to the letter of the 21st of March that he refers to in that interview (handing document to witness), as to something that you intended to tag on. A.—What about this, Mr. McCaul?

Q.—Well, you will see in his memorandum in regard to that interview, that he refers to that letter. A.—Yes.

Q.—I would like you to explain what took place at that interview, and what that reference is? A.—Well, I remember—by the way, Mr. Brown lays some stress upon the fact that I came into the office from the direction of the bar; well, I have no doubt that that is correct, from the fact that I was evidently looking for Mr. Brown just about that time.

Hon. Mr. Wells—*Continued.*

Mr. Helmcken: And that is the way you would go to look for him? A.—Yes; I know his social proclivities; naturally, that is the first place I would go to look for him. I remember of saying to Mr. Brown that he should recall that letter. And I must say that I am surprised at seeing such extended notes referring to our conversation, because our interview was one of very short duration, very short indeed. Now, I wish to say this, that so far as this is intended to confirm, or does confirm, any assurance—an assurance which is alleged—on my part that I would see that he got those two Crown grants under cover of this Bill 87, it is entirely and absolutely incorrect; because I never gave Mr. Brown any assurance of that kind. Nothing could be further remote from my mind than that.

Q.—Either in your personal capacity or ministerial capacity? A.—In neither. I had a conversation with Mr. Brown, and probably on the date that he refers to, of the 19th, in which I referred to a settlement of this whole question; and I have no doubt that I said that I was quite willing, and would be willing, to do anything that I could to bring about a satisfactory settlement of it; I have no doubt about that at all; it is natural that I would have said so, and I think, as a matter of fact, I did say so.

Q.—That is, to open up new negotiations? A.—Yes. I remember, in connection with that, of stating to Mr. Brown that he would release the Government from any claim that the Company had in respect to section four as leading up to a settlement. I remember that very distinctly; and I remember what Mr. Brown said in reply to it, that he thought that would be very unfair to the Company, the Company would never entertain it, as being an unfair proposition. I remember that very distinctly. Now, unless upon that conversation Mr. Brown built up what he states as assurances from myself, I know of nothing else that ever occurred between us, and I don't think anything ever did occur.

Q.—Then, would that be the new proposal that he refers to in that conversation? A.—Well, that is the only new proposal—

Q.—That they should give up their subsidy, and that the Government would possibly open up new negotiations? A.—Yes.

Mr. Duff: There is another proposal in that letter, the giving of alternate blocks.

Mr. Duff: Mr. Wells, you wanted to see Mr. Brown, and that is the reason, you think, for the delay between the 26th of March—because that is the date, apparently, on which that letter of the 22nd was received? A.—Yes.

Q.——— and the 3rd of April? A.—Well, it occurred to me, after I left the Committee, that there must have been some reason.

Q.—I don't know what occurred to you then; but that is your notion at present, isn't it, that that was the reason of the delay? A.—No, I won't say so; I won't say so, but it may have been. No, I won't say that.

Q.—But it is evident enough that you did want to see him, anyway? A.—Well, I spoke to him as soon as I saw him that evening.

Q.—But, you know, you said you were hunting him? A.—Oh, well, I said that in a jocular way, referring to the bar incident.

Q.—You did not mean that, I see? A.—That I was hunting for him?

Q.—Yes. A.—No, I don't think I did.

Q.—I really want to know. A.—No, I couldn't say that I was hunting for him.

Q.—And you could not have been going into the bar? A.—Possibly I was waiting to see someone.

Q.—And when you saw Mr. Brown you spoke to him regarding the letter of the 22nd? A.—Yes.

Q.—Why? A.—Because he attributed circumstances to me that he was not warranted in.

Q.—Oh; why didn't you immediately reply and tell him there was nothing in it? A.—Oh, yes, I don't know but I was; I think I would naturally have taken the course that I did, waiting to see him; I think I would naturally have done so. Now, what I think I would have said to Mr. Brown was that he should write me a letter recalling that letter, and going so far as to say that he was mistaken in attributing to me those assurances.

Q.—Now, when you did reply to that letter to Mr. Brown on the 3rd of April, five days after this interview of the 27th—well, of course, there is no doubt Mr. Brown told you that he would not recall it? A.—Now, about that my impression of my interview with Mr. Brown was that he had no objection to recalling it. That is my impression of the interview.

Hon. Mr. Wells—*Continued.*

Q.—But he did not, as a matter of fact? A.—He did not, as a matter of fact.

Q.—Why didn't you reply? A.—I am confirmed in that from the fact that I waited some days before I replied to Mr. Brown.

Q.—But why did you not immediately reply and say that that statement was untrue? A.—Well, I think I practically did; I virtually did in my letter.

Q.—You have not any better explanation than that? A.—I think I did; I think I very effectually made that statement.

Q.—Now, you say that you had an interview with Mr. Brown on the date mentioned, namely, the 19th of March? A.—Well, I would not attribute it to that date except for the circumstances that occurred.

Q.—It must have been about that time, because it was between the 19th and the 21st, wasn't it? A.—Yes, well I presume it was on the 19th.

Q.—The conversation must have been not later than the 20th? A.—Well, I would not think so.

Q.—Yes, not later than the 20th. Now, on that date you say you were suggesting to Mr. Brown that perhaps a new arrangement altogether might be made; and that, as leading up to that new arrangement, the Company should abandon all their rights or claims upon the Government in respect to section four? A.—I remember making that statement to Mr. Brown.

Q.—Now, what would the Company get in return for abandoning their claims under section four? A.—Well, if they attributed such greater value to these two particular blocks of land, it might be an adequate compensation for releasing their claim in respect to section four.

Q.—Then, in other words, what you mean to say is this, that they would abandon any other claims to section four, and receive these two blocks instead? A.—Well, I don't say receive them instead, but that it might lead to a settlement.

Q.—Well, surely a settlement would have to amount to that, practically? A.—Not necessarily; there might be other conditions. No, I did not make the proposition to him that if the Company would release their claim to section four that they would get these two blocks of land; I did not make such a proposition at all.

Q.—Well, what was it leading up to, in your mind? A.—That it would certainly contribute to a settlement.

Q.—In what way? If the Company were to abandon their claims with respect to section four, what was the Government to give them for that? They surely would not do that except for some *quid pro quo*? A.—What I said was this, that it might lead to a satisfactory settlement with regard to these two particular blocks of land.

Q.—But you must have had some idea in your mind? A.—I don't remember what idea I had in my mind, but I remember making that statement to him, and I remember his reply to it.

Q.—And that was in connection with the conversation with regard to these two blocks? A.—Yes, it was.

Q.—And Mr. Brown protested very strongly that the grants should not have been cancelled; and you said, well, abandon your claims under section four and it may possibly be that will lead to a settlement? A.—I think that was about it.

Q.—So that I gather you to say, Mr. Wells, substantially, this conversation from beginning to end is made up? A.—There is certainly a good deal of it manufactured.

Q.—Well, practically the whole of it, except the fact that you asked him to withdraw the letter? A.—I would not go so far as that.

Q.—Let us see what there is that is correct in it. You say this is not correct, "Yes, George, but you treat of things I said to you in my private capacity, and not as a member of the Government." Did you make a protest of that kind? A.—I don't remember that at all.

Q.—But, Mr. Wells, you could not have made a protest very well of that kind, because this conversation that you had had with Mr. Brown, as you recollect it now, was a business conversation between you and him, in which you made a suggestion that the giving up of the Company's claims under section four might lead to a settlement? A.—Yes.

Q.—Therefore, a remark of that kind would have no reference to the facts? A.—No, I don't think it would.

Q.—And that would be wrong? A.—No, I don't say that I made any such statement as that.

Hon. Mr. Wells—*Continued.*

Q.—Well, you did not make any such statements with regard to that, I understand?

A.—I would not pretend to remember things that I did not say in that respect.

Q.—It looks very much as if the whole conversation from beginning to end, except the fact that you made a request to withdraw the letter, is manufactured? A.—That was the subject of my interview. I tell you what I do remember particularly about: Mr. Brown made the remark that they had not received the consideration from myself that they expected or should have expected; and in reply to that I said, “Mr. Brown, if you mean that I should accord to your Company any treatment to the effect that I would lend myself to the defeat of the Government,” I said, “you make a great mistake.”

Q.—Was there any reason why they should receive any special consideration from you?

A.—Any reason?

Q.—Yes. A.—Oh, well, I don't know that there was; we were on very friendly terms.

Q.—But what would prompt such a remark as that they had not received the consideration— A.—Well, that is what he said, “We have not received the consideration at your hands that we expected or should have received.” And then I attempted to get some qualification of that.

Mr. McPhillips: I would like you to look at these two receipts that you got in Montreal for the various Crown grants. There is one (handing document to witness). A.—Yes, this is for the B. C. Southern.

Q.—You notice at the bottom a memorandum, “Obtained from C. C. L. and W., 30, 1, '02.” I would like you to say when you handed that receipt into your Department? A.—Well, I had all the papers in my office at my own room for some little time after I returned from Montreal.

Q.—And would that be the correct date, then, when that was handed in? A.—Yes, I think so.

Q.—And in the case of the other one, there is a like memorandum on it—dealing with the Columbia and Western. A.—That is no doubt correct, because I remember I had them in my possession some days.

Q.—Would that be only some days? That would be the 30th of January? A.—Well, I returned here in the middle of the month; so that I must have had them in my possession about two weeks. I was not in the office for some days.

Q.—It would be the middle of January that you arrived? I thought it was December when you returned? A.—Yes, it was December.

Q.—This is the 30th of January. A.—Well, I don't know how that occurred. Well, it is quite possible; no doubt that is correct.

Q.—Now, Mr. Wells, you spoke of these answers that have been referred to during this inquiry, the answers given by you as Chief Commissioner of Lands and Works, bearing upon these two particular blocks of land, 4,593 and 4,594? A.—Yes.

Q.—You say that you think that these answers were taken up with your colleagues on each occasion? A.—Well, I am satisfied that I must have submitted those answers to the rest of my colleagues, at least to the Premier and Attorney General.

Q.—Those answers were rather important answers, weren't they, Mr. Wells? There were these blocks more or less concerned in the answers? A.—I gave the answers, as I thought, sufficiently effectual.

Q.—Do you say that they were answers prepared on your own initiative and not submitted to your colleagues? A.—Oh, they must have been prepared on my own initiative; either myself or Mr. Gore, as a rule.

Q.—Well, will you say they were presented to the House without the sanction of your colleagues? A.—I don't think that the Executive had anything at all to do with the preparation of them; I am satisfied they had not; but I think I would have submitted them to the Executive before presenting them to the House.

Q.—Would you say that those questions were of such importance that you considered that it was wise to take the opinion of the Attorney-General as to what answer could be given? A.—I made it a practice of going to the Attorney-General in the House to submit any of my answers to him that were at all important.

Q.—But, then, would it be only a hurried submission like that, in such a case? A.—Well, it would be a very hurried examination very often.

Hon. Mr. Wells—*Continued.*

Q.—But have you any particular recollection of having submitted your answers to the Attorney-General in any of these cases? A.—No, I cannot say that I have.

Q.—Then you say that the Government, as such, did not seriously deliberate as to the answers that could be given? A.—Oh, I don't think so; I don't think so at all.

Q.—Well, it seems a matter of astonishment, rather. A.—Mr. Gore usually prepares answers; he often prepares answers without reference to myself, but I have no doubt that he referred these questions to me, and I practically gave the answers.

Q.—I would like you to look at the Return appearing at page 1,245 of the Sessional Papers of 1902, and read the Return at the top (handing book to witness). You will see by that, Mr. Wells, that a Return was asked for for all Crown grants and for all correspondence having relation to the granting of land, particularly those two blocks, to the Columbia and Western Railway Company? A.—Yes, I see that.

Q.—Now, if you will observe, Mr. Wells, there was no correspondence whatever brought down upon that Return. A.—There does not appear to be.

Q.—And yet we have in evidence here a letter written by the Deputy Commissioner of Lands and Works, Mr. W. S. Gore, to Mr. Armstrong, the Government Agent at Fort Steele, under date November 8th, 1901, which reads as follows:—"In reply to your letter of the 29th ultimo, I beg to advise having forwarded to your address by even mail the plan referred to in my letter to you of the 19th ultimo, showing lands in your district granted to the Railway Company." Now, we asked Mr. Gore to give us a copy of that plan, but he was unable to do so; but he has made the statement that that plan showed these two blocks as having been granted to the Columbia and Western Railway Company. Now, don't you think that would have formed a proper portion of that Return? A.—Oh, that letter certainly should have been returned as part of the correspondence. I cannot give any reason why it was not. This Return, I should say, was prepared by Mr. Gore entirely. And when I heard some reference the other day to a letter marked personal—I can easily account for that not being produced, because all letters marked personal are put on my personal file in my office; and when Mr. Gore made this Return he did not find any letter of that kind.

Q.—There is the original Return; and you are quite right in saying it was prepared by Mr. Gore. I notice a memorandum on the face of it, "Memo.—I do not find any correspondence on the subject." A.—Well, I took this return as coming from Mr. Gore, as being complete.

Q.—At the same time, you will find that the Legislature had not presented to it all the information that should have been given? A.—Yes, that is quite evident.

Q.—As a matter of fact, Mr. Wells, as far as the Legislature is concerned, at least that is my recollection, there was no notification of the Crown grants for these two blocks having actually been signed and sealed—prepared, signed and sealed but not delivered—until you made your explanation on the floor of the House at this Session, when Bill 16 was under consideration? A.—I don't know that there was any formal notice.

Q.—I cannot find any, and I know I never had any myself. A.—Well, I cannot say that there was any.

Q.—Because I have been tracing this up. A.—I don't know. I cannot say of my own knowledge.

Q.—Of course, we had a Return of the cancellation Order of the 18th of March. A.—Yes.

Q.—Which you thought, of course, as I understand it, did, in effect, do away with the Crown grants? A.—Certainly, that was my construction of it.

Q.—And you thought that you were entitled to say, in effect perhaps, that there were no Crown grants, because the authority for their issuance had gone? A.—Yes. Well, in dealing with the questions, I would take what was really the purport of the question. Now, it refers, first, to Crown grants that had been issued and delivered, I think. If you will show me the questions I can speak better of it.

Q.—Now, you will see, at page 51 of the Journals of the House, 1902, the question put by Mr. Curtis is answered by you there? A.—Yes.

Q.—And he asks, question 5, "What are the numbers of the blocks that have been Crown-granted to the Company, and what are the numbers of the blocks for which Crown grants are prepared and not yet issued?" A.—And in answer to that I say that "there are no Crown grants now prepared and not issued." Now, that is strictly correct.

Hon. Mr. Wells—*Continued.*

Q.—How can you say that that is strictly correct, because there are Crown grants now in that book? A.—Because they were destroyed; they were cancelled; they were of no force or effect upon that date.

Q.—But the point is this: the Legislature was kept unadvised of the true facts; that is, that following the Order in Council of the 4th of September, 1901, Crown grants were prepared and they were signed and they were sealed, but they were not delivered? A.—Yes, but the question does not call for that. We do not, as a rule, elaborate upon questions in giving answers. The purport of these questions is quite evident. He evidently means Crown grants that might still be issued. That is the purport, as I take it, of that question.

Q.—The contention now put forward by the Columbia and Western Railway Company, as we have seen from the evidence of Sir Thomas Shaughnessy and others, is that they still claim the right to take these lands under the Crown grants. A.—Oh, well, that is not my view of it, and the view of the Government. Our view of it was that rescinding the Order in Council and cancelling those grants effectually put an end to the whole thing.

Q.—Do you think that that question was advisedly answered that way, and not inadvertently answered that way? A.—I won't say advisedly—what do you mean advisedly?

Q.—Advisedly would mean with the full knowledge of the effect of the situation on the facts you answered that way; or did you answer inadvertently? A.—My intention was to give an answer that was effectual. I intended to give the information that he required.

Q.—You still think, then, that if you were asked that same question now, and the facts had remained the same, that you would have been entitled to so answer? A.—Oh, well, a good deal more has developed since then; Sir Thomas Shaughnessy has said that they intend to prosecute their claim to a title—insisting upon their claim to a title.

Q.—Don't you think it was unfair that the Legislature should not have had the facts upon a public matter like that? A.—I didn't consider it at all necessary at that time. What I supposed devolved upon me was that I was to give an answer which I considered perfectly effectual.

Q.—You see the House has had to act since, and the House has acted in setting aside these Crown grants. Now, if these Crown grants, as a matter of fact, had gone out of existence, you might say, by virtue of that Order in Council of the 18th of March, 1902, there was very little, if any, need for the House to set aside these already dead Crown grants? A.—Yes; well, the action of the House has arisen from the fact that the C. P. R. has taken actions since against the parties—against certain parties whose applications have been dealt with by the Government. Of course, we did not anticipate anything of that kind.

Q.—Don't you think it would have been a wise thing, now, looking back at the facts, looking back over the situation, that the House should have been advised of the true facts? A.—Well, I don't know that it would have practically made any difference at all. I don't see that it would.

Q.—Well, what is the form of giving these answers in the House? A.—Well, what I understood to be the meaning, the purport of Mr. Curtis' question, was that there might be Crown grants prepared with the intention of being delivered. Now, that is what I understood him to mean. I stated so in the House. And if he were advised of the fact that there were no Crown grants in existence prepared, that was an effectual answer to his question.

Q.—Now, Mr. Wells, you were not, I suppose, the Government in this? A.—I suppose not; I never cared for any such responsibility, I assure you. I don't know that I would go so far as Mr. Dunsmuir said yesterday, that he wouldn't take a million dollars and be Premier.

Q.—But everything you did you were doing on behalf of the Government? A.—Yes.

Q.—And you would feel, also, that it was the Government's responsibility and not only yours? A.—Yes; no doubt about that.

Q.—During this time that you were answering those questions, wasn't it a fact that the law officer of the Government, the Attorney-General, absolutely and unqualifiedly had stated that he considered that the action of the Government on the 18th of March, 1902, in rescinding that Order in Council, was of no effect? A.—No, I won't say that at all.

Q.—Didn't he consistently throughout say that it was ineffectual to change the circumstances—wasn't he opposed— A.—What is that?

Q.—That it would be an ineffectual act to pass that rescinding Order of the 18th of March, 1902? A.—Oh, I never heard that from the Attorney-General.

Q.—You never heard him say that? A.—I never heard him say that; I never did.

Hon. Mr. Wells—*Continued.*

Q.—But have you any particular recollection of having submitted your answers to the Attorney-General in any of these cases? A.—No, I cannot say that I have.

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Q.—And yet we have in evidence here a letter written by the Deputy Commissioner of Lands and Works, Mr. W. S. Gore, to Mr. Armstrong, the Government Agent at Fort Steele, under date November 8th, 1901, which reads as follows:—"In reply to your letter of the 29th ultimo, I beg to advise having forwarded to your address by even mail the plan referred to in my letter to you of the 19th ultimo, showing lands in your district granted to the Railway Company." Now, we asked Mr. Gore to give us a copy of that plan, but he was unable to do so; but he has made the statement that that plan showed these two blocks as having been granted to the Columbia and Western Railway Company. Now, don't you think that would have formed a proper portion of that Return? A.—Oh, that letter certainly should have been returned as part of the correspondence. I cannot give any reason why it was not. This Return, I should say, was prepared by Mr. Gore entirely. And when I heard some reference the other day to a letter marked personal—I can easily account for that not being produced, because all letters marked personal are put on my personal file in my office; and when Mr. Gore made this Return he did not find any letter of that kind.

Q.—There is the original Return; and you are quite right in saying it was prepared by Mr. Gore. I notice a memorandum on the face of it, "Memo.—I do not find any correspondence on the subject." A.—Well, I took this return as coming from Mr. Gore, as being complete.

Q.—At the same time, you will find that the Legislature had not presented to it all the information that should have been given? A.—Yes, that is quite evident.

Q.—As a matter of fact, Mr. Wells, as far as the Legislature is concerned, at least that is my recollection, there was no notification of the Crown grants for these two blocks having actually been signed and sealed—prepared, signed and sealed but not delivered—until you made your explanation on the floor of the House at this Session, when Bill 16 was under consideration? A.—I don't know that there was any formal notice.

Q.—I cannot find any, and I know I never had any myself. A.—Well, I cannot say that there was any.

Q.—Because I have been tracing this up. A.—I don't know. I cannot say of my own knowledge.

Q.—Of course, we had a Return of the cancellation Order of the 18th of March. A.—Yes.

Q.—Which you thought, of course, as I understand it, did, in effect, do away with the Crown grants? A.—Certainly, that was my construction of it.

Q.—And you thought that you were entitled to say, in effect perhaps, that there were no Crown grants, because the authority for their issuance had gone? A.—Yes. Well, in dealing with the questions, I would take what was really the purport of the question. Now, it refers, first, to Crown grants that had been issued and delivered, I think. If you will show me the questions I can speak better of it.

Q.—Now, you will see, at page 51 of the Journals of the House, 1902, the question put by Mr. Curtis is answered by you there? A.—Yes.

Q.—And he asks, question 5, "What are the numbers of the blocks that have been Crown-granted to the Company, and what are the numbers of the blocks for which Crown grants are prepared and not yet issued?" A.—And in answer to that I say that "there are no Crown grants now prepared and not issued." Now, that is strictly correct.

Hon. Mr. Wells—*Continued.*

Q.—How can you say that that is strictly correct, because there are Crown grants now in that book? A.—Because they were destroyed; they were cancelled; they were of no force or effect upon that date.

Q.—But the point is this: the Legislature was kept unadvised of the true facts; that is, that following the Order in Council of the 4th of September, 1901, Crown grants were prepared and they were signed and they were sealed, but they were not delivered? A.—Yes, but the question does not call for that. We do not, as a rule, elaborate upon questions in giving answers. The purport of these questions is quite evident. He evidently means Crown grants that might still be issued. That is the purport, as I take it, of that question.

Q.—The contention now put forward by the Columbia and Western Railway Company, as we have seen from the evidence of Sir Thomas Shaughnessy and others, is that they still claim the right to take these lands under the Crown grants. A.—Oh, well, that is not my view of it, and the view of the Government. Our view of it was that rescinding the Order in Council and cancelling those grants effectually put an end to the whole thing.

Q.—Do you think that that question was advisedly answered that way, and not inadvertently answered that way? A.—I won't say advisedly—what do you mean advisedly?

Q.—Advisedly would mean with the full knowledge of the effect of the situation on the facts you answered that way; or did you answer inadvertently? A.—My intention was to give an answer that was effectual. I intended to give the information that he required.

Q.—You still think, then, that if you were asked that same question now, and the facts had remained the same, that you would have been entitled to so answer? A.—Oh, well, a good deal more has developed since then; Sir Thomas Shaughnessy has said that they intend to prosecute their claim to a title—insisting upon their claim to a title.

Q.—Don't you think it was unfair that the Legislature should not have had the facts upon a public matter like that? A.—I didn't consider it at all necessary at that time. What I supposed devolved upon me was that I was to give an answer which I considered perfectly effectual.

Q.—You see the House has had to act since, and the House has acted in setting aside these Crown grants. Now, if these Crown grants, as a matter of fact, had gone out of existence, you might say, by virtue of that Order in Council of the 18th of March, 1902, there was very little, if any, need for the House to set aside these already dead Crown grants? A.—Yes; well, the action of the House has arisen from the fact that the C. P. R. has taken actions since against the parties—against certain parties whose applications have been dealt with by the Government. Of course, we did not anticipate anything of that kind.

Q.—Don't you think it would have been a wise thing, now, looking back at the facts, looking back over the situation, that the House should have been advised of the true facts? A.—Well, I don't know that it would have practically made any difference at all. I don't see that it would.

Q.—Well, what is the form of giving these answers in the House? A.—Well, what I understood to be the meaning, the purport of Mr. Curtis' question, was that there might be Crown grants prepared with the intention of being delivered. Now, that is what I understood him to mean. I stated so in the House. And if he were advised of the fact that there were no Crown grants in existence prepared, that was an effectual answer to his question.

Q.—Now, Mr. Wells, you were not, I suppose, the Government in this? A.—I suppose not; I never cared for any such responsibility, I assure you. I don't know that I would go so far as Mr. Dunsmuir said yesterday, that he wouldn't take a million dollars and be Premier.

Q.—But everything you did you were doing on behalf of the Government? A.—Yes.

Q.—And you would feel, also, that it was the Government's responsibility and not only yours? A.—Yes; no doubt about that.

Q.—During this time that you were answering those questions, wasn't it a fact that the law officer of the Government, the Attorney-General, absolutely and unqualifiedly had stated that he considered that the action of the Government on the 18th of March, 1902, in rescinding that Order in Council, was of no effect? A.—No, I won't say that at all.

Q.—Didn't he consistently throughout say that it was ineffectual to change the circumstances—wasn't he opposed— A.—What is that?

Q.—That it would be an ineffectual act to pass that rescinding Order of the 18th of March, 1902? A.—Oh, I never heard that from the Attorney-General.

Q.—You never heard him say that? A.—I never heard him say that; I never did.



Hon. Mr. Wells—*Continued.*

Q.—Well, do you say that he did not so advise? A.—Not to my knowledge. No, I never heard any statement of that kind coming from Mr. Eberts.

Q.—Don't you remember that Colonel Prior made a statement of that kind? A.—When? Yesterday?

Q.—Yes, yesterday. Perhaps you were not here at the time. A.—I was here part of the time. I don't remember Colonel Prior saying this, though.

Q.—Speaking for yourself, you say you never heard Mr. Eberts contend that? A.—No; no, that is a new feature of it entirely to me.

Q.—Didn't Mr. Eberts contend right along that the situation was this, that the Railway Company were entitled to these lands? A.—Oh, yes.

Q.—He contended that? A.—As I said the other day, that has been his contention all through this whole controversy.

Q.—And he also opposed the Government; he calls it, as he said himself, ill-timed legislation; he opposed virtually the action of the Government? A.—Are you speaking with respect to Bill 16?

Q.—Yes. A.—Oh, Mr. Eberts took strong grounds upon that. I thought you meant on the rescision of the Order in Council.

Q.—Well, I was dealing with the Order in Council. But you say you never heard him express the opinion that the Order in Council of the 18th of March, 1902, was ineffectual? A.—No, I never did.

Q.—But you heard him express strong opinions that legislation such as Bill 16 should not be passed? A.—Yes, I did. I remember his expressing himself in this way, that he had one opinion of this whole transaction from its incipency, and he was not going to change it.

Q.—Did he say what that was? A.—Well, as I took it, that they were entitled to those Crown grants.

Q.—Isn't that in effect, Mr. Wells, just what I have been asking you? Mr. Eberts maintained all through that the Columbia and Western were entitled to those particular lands? A.—Certainly. But what you asked me was if he expressed any opinion as to the rescinding Order in Council being effectual.

Q.—You say he did not as to that. But in effect it is the same thing; he always expressed himself in this way, that those lands were the lands of the Columbia and Western Railway Company? A.—Certainly, that they should have them.

Q.—Yes. And then he took strong exception to Bill 16? A.—He certainly did.

Q.—And, naturally, he would do that because Bill 16, at any rate, would be effective if the rescinding Order was not effective? A.—No doubt about that.

Q.—I mean to say, we are on common ground there? A.—No doubt about that.

Q.—That the Legislature, in passing Bill No. 16, effectually disposed of those Crown grants? A.—Of any doubt at all as to them.

Q.—And he strongly opposed that? A.—He did; there is no question of that at all.

Q.—But isn't that an anomalous situation, for a Government to have its Attorney-General, its legal adviser, opposing the passage of a Bill which was a Government Bill, like that, Mr. Wells? A.—Well, individual members of the Government are entitled to their own individual opinions, I suppose. It is not the first time.

Q.—But a Cabinet, as we understand a Cabinet, has to be united in all that is done; that is the theory, anyhow? A.—They have to become united. They may not be united when a question comes up. But there certainly must be concurrence.

Q.—When does the time of unity come? A.—There should be concurrence of a matter of that kind before a Bill of that nature would be consummated.

Q.—But he never at any time concurred in that Bill, did he? A.—He never did.

Q.—And who did the Government have to give them legal advice upon the subject of that Bill? A.—I don't know that they required any legal advice. The drafting of the Bill was referred to the Attorney-General's Department, and it was drafted as being sufficient.

Q.—Yes; he says he did not draft it; that is correct? A.—Well, I presume Mr. Maclean would have done so.

Mr. Helmcken: Do you recollect, Mr. Wells, when you wrote the word "cancelled" across these Crown grants? A.—Yes, I remember that.

Q.—When? A.—Well, that was shortly after the rescinding Order; I couldn't fix any particular date to it.

Hon. Mr. Wells—*Continued.*

Q.—After the rescinding Order? A.—Oh, of course it was; no doubt about that.

Q.—The Crown grants had not been cancelled previous to the Order in Council? A.—Oh, no. You mean the rescinding Order?

Q.—The rescinding Order. A.—No.

Q.—Mr. Dunsmuir told us yesterday that these Crown grants had been cancelled, and that the Order in Council was passed after the cancellation. A.—I don't know as I understand what you mean.

Q.—Across the face of the Crown grants the word "cancelled, W.C.W.," appears. A.—Yes.

Q.—When did you place that on these Crown grants, 4,593 and 4,594? A.—It must have been shortly after the rescinding Order; I have no recollection as to any particular date, but it must have been shortly after the rescision Order. I remember Mr. Gore came into my room for the purpose, I think, of getting these cancelled, having cancellation put into effect just in that way.

Q.—I see Mr. Gore's name; pen-marks have been run through that. You treated Bill 87, Mr. Wells, as the Attorney-General's Bill? A.—I certainly did.

Q.—Upon what reasoning did you do that? A.—Well, I had not the same knowledge of the facts leading up to that Bill that the Attorney-General had. He had been a member of the Government at the time when these transactions took place, which, he contended, released the Canadian Pacific Company or the Columbia and Western from the building of sections five and six. He was quite conversant with it, and I would not have undertaken to frame a Bill reinstating them in their rights.

Q.—Had you any conversation with the Attorney-General previously regarding that Bill? A.—I don't remember of any particular conversation further than what I have stated.

Q.—How does it come that you should treat that as the Attorney-General's Bill when you had no previous conversation with him? A.—Just for the reason I would not have attempted to frame a Bill leading up to that legislation.

Q.—And without making any inquiry, except what was told us by the Deputy Attorney-General, you accepted the Bill? A.—The Bill was brought to me in the House, as I stated before, and I certainly accepted it as practically a Bill from the Attorney-General, although my name was made use of as the introducer of the Bill.

Q.—Still you took upon yourself the responsibility of introducing that Bill into the House, bearing your name? A.—Oh, I don't attempt to shirk the responsibility. No doubt about that.

Q.—At the same time, evidently there was no inquiry of the Attorney-General as to the statement of facts contained in the recital, and you assumed it was correct? A.—I assumed it was correct.

Q.—You left on the 24th of October, and you turned up in Montreal on the 20th of November. What was the occasion of such a long trip? A.—Oh, I arrived in Montreal on the 4th of November.

Q.—Had you seen Sir Thomas between the 4th of November and the 20th? A.—I don't think I did; because Sir Thomas was away. I remember getting a wire in Ottawa when the train reached Ottawa, from Mr. Timmerman, informing me that Sir Thomas had gone West. So that I did not expect to see him at all until he returned.

Q.—Did you pass him on the road? A.—No. I was going to Montreal by Ottawa, and he had left Montreal.

Q.—Did you at any time, Mr. Wells, receive a letter from Mr. Oswald or the Columbia and Western Railway Company, or any person on behalf of the Columbia and Western Railway Company? A.—Receive a letter?

Q.—Yes, a letter or letters, or telegrams? A.—I don't remember of any.

Q.—As such? A.—I don't remember receiving any communications from Mr. Oswald.

Q.—Do you remember receiving any communications from any person on behalf of the Canadian Pacific Railway Company, as distinct from the Columbia and Western Railway Company? A.—I don't think so. I don't think I did.

Q.—On the 27th of November, 1902, you telegraphed to Sir Thomas: "Referring to my conversation with you when in Montreal, regarding settlement of land matters. I am prepared to take this up with you whenever you are ready to do so. I am anxious to have the reserva-

Hon. Mr. Wells—*Continued.*

tions removed as soon as possible, but do not wish to take any steps before making a settlement with your Company." What induced you to send that telegram to Sir Thomas at that time? A.—Well, I had all along realised the necessity of arriving at some settlement with the Canadian Pacific Railway Company in respect to their land subsidies; I was pressing upon the Government and had repeatedly done so, and I think that I brought about a meeting for that purpose, and that was the instruction—that was the course that was arrived at at that time.

Q.—Did you follow to Montreal, then? A.—No, I did not.

Q.—Did you have any meeting consequent on this telegram? A.—No; I sent that telegram in pursuance of a meeting that had taken place.

Q.—But when? A.—The date of the telegram, just about the date of the telegram.

Q.—Well, Sir Thomas Shaughnessy is in Montreal? A.—I sent the telegram to Montreal to Sir Thomas.

Q.—Had he been here shortly before that? A.—No; I referred to a conversation that took place last fall; I took the matter up with Sir Thomas at that time, referring to a settlement of their land matters, and Sir Thomas at that time told me that whenever the Government was ready to take up a settlement of their land matters that he would send some one out here.

Q.—You were anxious to have the reservations removed as soon as possible? A.—Yes.

Q.—What did you mean by that? A.—Well, there was a good deal of criticism indulged in as to keeping these reservations on unnecessarily.

Q.—The reservations of the two blocks? A.—As a matter of fact, there was only a reservation on one block.

Q.—But you use the word in the plural, "reservations"? A.—Well, there were reservations upon the land contiguous to the Columbia and Western as well.

Q.—But did you refer to blocks 4,593 and 4,594? A.—Well, I meant to reservations generally.

Q.—I just want an answer whether these two blocks in question were not included in that word "reservations"? A.—Possibly one of them would be.

Q.—Well, they were, as a matter of fact, because you knew that 4,594 was only reserved in one reservation. A.—It is not at all—not likely.

Q.—On that Return in 1902—Mr. Gore says applications were open in 4,594. On June 3rd, 1902, Mr. Armstrong, Government Agent at Fort Steele, writes to the Deputy Commissioner: "I have the honour to report that I have many inquiries as to whether the land in lot No. 4,594 is open for pre-emption, entry or purchase. In your letter of October 10th, 1901, No. 6,257, you informed me that this land had been conveyed to the British Columbia Southern Railway Company, and I am replying to all inquiries to that effect. It is claimed, however, that the land has not yet been conveyed, and some persons are staking the land and publishing notices of intention to purchase. Will any consideration be given to such applications?" Mr. Gore, on June 18th, 1902, replied: "I have the honour to acknowledge the receipt of your letter of the 3rd inst., and in reply to your inquiry beg to inform you that the land known as lot 4,594 has not been conveyed to the Railway Company and is open to application under the Land Act." So that there is some error somewhere in regard to the reservation of that lot 4,594. A.—Well, up to the time that this Order in Council was passed, giving these two blocks of land to the Columbia and Western, we were dealing with applications in respect of block 4,594, because there was no reservation upon that at all; but we treated that particular block as if there were reservations upon it after we passed this Order in Council, and we stopped dealing with applications. After the Order in Council was rescinded cancelling these two Crown grants, Mr. Gore came to me and drew my attention to the fact that, inasmuch as there was no reserve upon this block, there was no reason why we should not continue dealing with applications just the same as we had before. I expressed my surprise then that there was no reserve upon this particular block, because I had understood all the time before that that both of these blocks had been reserved. And that was the time I expressed my surprise. Mr. Gore satisfied me that there was no reservation upon block 4,594, but only with respect to 4,593; and I saw no reason why we should not continue to deal with applications with respect to block 4,594 as we did before the original Order in Council was passed.

Q.—Then, when dealing with Sir Thomas in the fall, what lands were you proposing to negotiate with him for? A.—What lands?

Hon. Mr. Wells—*Continued.*

Q.—Yes. A.—Well, I wanted a settlement—I wanted to bring about a settlement of his land matters generally.

Q.—Irrespective of 4,593 and 4,594? A.—Yes.

Q.—You treated everything as at an end? A.—Oh, yes. I did not intend to include them in the settlement.

Q.—After the cancelling or rescinding Order in Council you treated everything at an end? A.—Everything at an end, certainly.

Q.—Why did you retain these Crown grants so long in your possession after you returned home? A.—Well, as I said before, I cannot assign any particular reason for having done so.

Q.—Were you in hopes at that time that there might be some settlement arrived at? A.—Well, when I left Montreal I think I did express a hope to Sir Thomas that some settlement might be arrived at satisfactory both to his Company and the Government; I certainly was in hopes. But I couldn't say that that was the purpose of my retaining these grants in my hands at all. I think that was rather inadvertent.

Q.—Rather inadvertent? A.—I think so.

Q.—Was it that you did not wish to make any mention of the Montreal Taylor incident? A.—How is that?

Q.—Was it, in fact, that you did not want to have anything explained or mentioned in regard to the Montreal Taylor incident? A.—Oh, I don't think so.

Q.—That did not have any effect on you at all? A.—The first time that occurred to me was when Mr. Dunsmuir came to the House; I saw at once that he was taking a different view from what he had previously, that something had been brought to bear upon him changing his intention.

Q.—His view to us yesterday was that those Crown grants should have been delivered over, and that it was off your own bat that you suggested that you should try and obtain the Company to build the line from Spence's Bridge to Midway. A.—Well, up to the time that he came to my office he probably had that view of it, that they should be delivered; but when I drew his attention to the fact that we were departing from what was the intention of the Act so plainly, he at once said that he did not understand it that way, that he had not understood it that way at all.

Q.—Was that his view on the 24th of October, when you went away? A.—Well, I won't say that it was upon that date that we had this meeting; but I refer to the meeting between himself, Mr. Prentice and me.

Q.—Was that on the 24th of October? A.—I have never said it was on that date.

Q.—Well, do you recollect having a meeting with Premier Dunsmuir and Attorney-General Eberts on the day that you left for Montreal? A.—No, I have not.

Q.—Did you have, that day? A.—On the day I left?

Q.—Yes. A.—I don't remember that we had a meeting on that day.

Q.—The Attorney-General says you did? A.—Well, I cannot fix anything upon my mind as to a meeting upon that date.

Q.—When you went away you took positive instructions from your Premier, then, that you should not deliver over those Crown grants? A.—Yes, I did, that I should not deliver over those Crown grants.

Q.—Without obtaining—A.—Without obtaining better terms.

Q.—Without a concession to build this line, is that what I understand? A.—Well, practically that.

Q.—And Mr. Creelman says he put in this note in the receipt: "These patents are not accepted by this Company in full settlement of all claims for subsidy under the Act therein referred to, but are only in partial satisfaction of the Company's claims in respect of the first and third sections of its railway." Did you know that at the time? A.—Certainly, I did.

Q.—Did you have any conversation with Mr. Creelman at that time? A.—I don't know that I did, particularly.

Q.—Did that note strike you as being peculiar at all? A.—Oh, no, that is quite correct.

Q.—It is quite correct? A.—Yes.

Q.—Do you say, then, that the Columbia and Western Railway Company are still entitled to land in respect to the first and third sections? Certainly—well, only a small quantity in respect of No. 1, but some 896,000 acres in respect to section 3.

Hon. Mr. Wells—*Concluded.*

Mr. Duff: They accepted their land in full of section 1? A.—They were to accept lots 4,593 and 4,594 in full; but inasmuch as that was cancelled, of course, they would still be entitled to their deficiency.

Q.—When you say in full, you mean in full of 1 and 3? A.—1 and 3.

Q.—They wanted these 4,593 and 4,594 in respect to the whole of their claim, that would be 1, 3 and 4? A.—No, not 1, 3 and 4, 1 and 3.

Q.—1 and 3? A.—Yes.

Q.—And that is all they are claiming for? A.—Yes.

Q.—And then nothing came up with regard to section 4? A.—At that time?

Q.—Yes. A.—Oh, no.

Q.—And then, when did it first come up with regard to giving these lands in respect of section 4? A.—Never.

Q.—So that they are not attempting to get anything in respect of section 4? A.—No—well, only I suppose you might consider these suits that they brought against the parties whose applications were dealt with is an attempt to get these two particular blocks. That is the first intimation I ever had of it—well, I scarcely say that, but that is the first explanation of any action they took. But I think Sir Thomas is correct when he says he said to me that they intended to claim that they had the title to that. Although I thought the other day, when I referred to a conversation with Mr. Creelman, that that was the first intimation I had of it. But, no doubt, Sir Thomas is correct when he says so.

Witness stands aside.

COL. R. WOLFENDEN, being recalled, testifies as follows:—

Mr. Helmcken: On this copy of Bill 87 there is a note of G. McL. Brown that that is the final draft of a Bill, on the 15th of May, 1902 (handing Bill to witness). A.—That is a proof; I would not say it was a final proof at that date, but it is a proof that was printed on the 15th of May.

Q.—Well, comparing that with the Bill in question, Bill 87, can you tell the Committee how it comes to be that the entry in your register of work is on the 22nd of May? A.—Yes; I can account for it in this way: that Mr. Scholefield made the entry when the final order was given for the Bill to be struck off. And when I gave my evidence the other day I thought that he had made the entry when he received the draft.

Q.—Yes, I see. But the draft had evidently been received before the 22nd? A.—The draft was received on the 15th; and the Bill was finally printed off on the 22nd.

Witness stands aside.

MR. SMITH CURTIS, being duly sworn, testifies as follows:—

Mr. Chairman, I desire to speak with reference to Bill 87 of last Session, which when brought into the House by a Message was debated, and I took part in the debate. This is the Bill. It has been said here under oath by certain gentlemen that they did not understand at the time that the scope of the Bill was so wide with regard to the selection of lands anywhere in Yale and Kootenay that the Company might desire. With regard to that, I may say that in my remarks, following Joseph Martin—I had spoken before him, but afterwards, after he had spoken, in my remarks I pointed out that the Bill did have this scope, and that the Company could take lands anywhere at all in Yale and Kootenay, that is, unoccupied Crown lands; and I expressly stated that it would enable the Company to take the coal and oil lands in the south-east corner of the Province, meaning the lands that are covered by lot 4,593, which has been referred to here; and also any unappropriated coal lands in Nicola and the Similkameen Valleys, and in the North Fork of Kettle River; and I finally wound up my remarks by suggesting that the Commissioner or the Government had better give a Crown grant to the whole of Yale and Kootenay, excepting thereout and therefrom the lakes, rivers and mountain peaks down to the snow line. I have spoken to some members of the House who recollect that that was the gist of my remarks, and the way in which I wound up my remarks, as I have stated.

I may say, Mr. Joseph Martin has been here and has sworn that he did not understand that provision of the Bill. I may say that he was present, sat beside me, and he must have heard what I said.

Mr. Curtis—*Concluded.*

I would like also to state the reasons why I recollect this so distinctly. The first reason is this, that in the second session of 1900 there was a Bill brought in to extend the time for the Columbia and Western Railway under their Subsidy Act of 1896, to define and project upon a plan their selection of lands, which they had failed to do at the time within which they had a right to do it; the time had lapsed, so that, unless an extension were given, they would have no right to the land grant at all; and upon that occasion Mr. Martin took strong ground against the Bill and declared that the Railway Company had no right to lands at all. And I took the same view of the subject; anyway, if they had, they have lost it. And I have here an extract from the "Times" newspaper of the 31st of August, 1900, which fairly summarises what Mr. Joseph Martin said on that occasion; and I would like to read it and put it in. It is to this effect: "The Chief Commissioner recommended the second reading of the Columbia and Western Railway Subsidy Act Amendment Bill. Mr. Martin opposed the Bill. The Company had forfeited their land grant. Why restore it, especially as Mr. Shaughnessy had succeeded in cutting out his competitor at Ottawa by stating that he did not want a bonus, knowing they had this up their sleeve. The road had never earned the subsidy. They had received the subsidy under their incorporation in British Columbia, while they had afterwards secured incorporation in the Dominion, thus avoiding being subject to the conditions of the Provincial Railway Act. It was proposed to give away two millions of acres to a Company which had no claim either equitable or legal. The Company would be non-suited in such a claim. The Bill passed its second reading. Messrs. Martin, Curtis, McInnes, Gilmour, Stables, Smith and Oliver voting nay." I was surprised, on the debate on this Bill 87, to find Mr. Martin getting up and becoming, as he did, the champion of that Bill, and in my opinion delivering practically the Government's speech in its behalf, in view of the attitude that he had taken in the Session of 1900, where he had opposed, not a right to land for the fourth section, but any right to land for the first and third sections. And the second reason I have for recollecting so distinctly what I said was this: that I had come to the Session of 1902 with information which led me to believe that these coal and oil lands in that south-east corner of the Province had actually been granted to the Columbia and Western Railway Company, and I had asked questions in the House with a view of eliciting whether that was true or not; and I had made up my mind, if the lands had been granted to the Railway Company, to make an attack upon the Government and ask for an investigation, because I considered they could not, under the Columbia and Western Railway Subsidy Act, properly give those lands to the Company. So that I had strong opinions with regard to those coal and oil lands. And so, when this Bill 87 came in, I saw at once that, under its provisions, they could take those identical lands, and in addition all the other unappropriated coal lands, or other good lands, in Yale and Kootenay. And for those two reasons it was strongly impressed upon me with regard to Bill 87 what could be done under it, and with regard to my remarks upon it at the time. I have not forgotten them; it is as clear to my mind as if it were yesterday.

Another point I would like to mention is this; I have a fairly good knowledge of Yale and Kootenay Districts, and, in my opinion, to have the right to select lands as provided by Bill 87, under which the Company would be entitled to take 900,000 acres, would be as valuable as if the Province should cede a solid block of our unappropriated lands in those districts of four or five million acres. In other words, to have the right to take the land in that way would be five times as valuable as to have to take them in one solid block. That is due to the conformation of the country, and its being mountainous, and so on.

Witness stands aside.

The Committee here closed the taking of evidence.

Mr. McCaul, K. C., then proceeded to address the Committee on behalf of Hon. Mr. Wells, and had concluded his address when the Committee rose at 5 p. m., to meet again at 8 p. m.

At 8.30 p. m., the Committee met; all present.

Mr. Duff, K. C., proceeded with his address. The Committee adjourned till 10 a. m. to-morrow.

On Saturday, May 23rd, 1903, the Committee met; all present. Mr. Duff continued his argument. At 12.30 p. m. an adjournment was taken till 2.30 p. m., when Mr. Duff resumed his argument, concluding at 5 p. m., at which time the Committee adjourned to meet at 10 a. m., on Tuesday, May 26th.

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On Tuesday, the 26th May, 1903, the Committee met; all present. They considered certain draft reports prepared by the various members, and at 12.15 p. m. adjourned till 2.30 p. m., at which time the Committee met and continued the consideration of their report, rising at 7 p. m. to meet to-morrow, the 27th, at 10 a. m.

On Wednesday, 27th May, 1903, the Committee met; all present. The Committee considered their report and finally completed same, rising at 1.45 p. m.

The report was duly presented to the House by the Chairman.

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