
PAPERS

RELATING TO THE

APPOINTMENT & PROCEEDINGS OF THE ROYAL COMMISSION

FOR INSTITUTING ENQUIRIES INTO THE

ACQUISITION OF TEXADA ISLAND.

JOHN ASH,
Provincial Secretary.

*Provincial Secretary's Office,
16th November, 1874.*

Extract from Journals of the Legislative Assembly, 20th February, 1874.

“Mr. Robson moved, seconded by Mr. Smithe,—

“Whereas certain statements have appeared in the public newspapers connecting the names of members of the late Government, and of the present Government, with proceedings of a questionable character in relation to *Texada Island*, in the *Straits of Georgia*; and whereas transactions are alleged to have taken place in respect to said Island of a nature prejudicial to the public interest; be it therefore Resolved,—That a respectful Address be presented to His Honor the Lieutenant-Governor, praying that he will cause a Royal Commission to be appointed, with full power to take evidence under oath, and send for persons and papers, for the purpose of enquiring into the whole matter, and reporting thereon to this House at its next Session.

“The following words of Mr. Robson's were, upon request, taken down in writing by the Clerk:—‘I believe, and have good reason to believe, that there is truth in the charges, or some of them, to which the preamble to the Resolution refers. I believe that those charges, or some of them, can be established.’

“Mr. Booth moved in amendment, seconded by Mr. Semlin,—

“That all the words after ‘Whereas’ be struck out, and the following words inserted instead:—‘this House is of opinion that, before any Resolution calling for an investigation into the conduct of any Member of this House can be entertained, some charge ought to be brought forward by some Member of this House, in his place, upon which such investigation may be founded.’

“The amendment was withdrawn by leave of the House.

“Mr. *Saul* moved in amendment, seconded by Mr. *Todd*,—

“After ‘Whereas’ strike out all words, and insert—‘the Honorable Member
 “for *Nanaimo* has stated, in his place in this House, that certain statements have
 “appeared in the public newspapers, connecting members of the late Govern-
 “ment and of the present Government with proceedings of a questionable nature,
 “in relation to *Texada Island*, in the *Straits of Georgia*; and that certain other
 “transactions are alleged to have taken place, in respect of said Island, of a nature
 “prejudicial to the public interest; and whereas the said Honorable Member for
 “*Nanaimo* has declined to pledge his belief of the truth of the said statements and
 “charges, this House is of opinion that there is no sufficient ground shewn to justify
 “it in moving His Honor the Lieutenant-Governor to issue a Royal Commission to
 “inquire into the truth of the said newspaper statements.’

“Amendment and motion as amended, put and carried.

“The Standing Orders were suspended, and

“The Honorable Mr. *Walkem* moved, seconded by the Honorable Mr. *Beaven*.

“Whereas the Honorable the Member for *Nanaimo* has stated, in his place in
 “this House, that he was credibly informed—That prominent members of the late
 “and present Government were in a ring to acquire possession of *Texada Island*, in
 “a manner prejudicial to the interests of the public; that the late Premier, the
 “Honorable *A. De Cosmos*, had improperly used his political position, while lately
 “in *Canada*, to attempt to extort a large sum of money—\$150,000—from *Sir John*
 “*A. Macdonald’s* administration; be it therefore Resolved,—

“That a respectful Address be presented to His Honor the Lieutenant-Governor,
 “praying that he will cause a Royal Commission to be appointed, with full power
 “to take evidence under oath, and send for persons and papers, for the purpose of
 “enquiring into the whole matter, and reporting thereon to His Honor the Lieuten-
 “Governor for publication.

“By leave of the House, the Motion was amended, by striking out all the words
 “after the word ‘public’ down to and including the word ‘administration’ in the
 “preamble.

“Motion, as amended, put and carried on the following division:—

“Yeas: Messieurs *Walkem, Beaven, Armstrong, Ash, Hunter, Mara, Robson,*
 “*Barnston, Duck, Humphreys, McCreight, Booth, Holbrook, Smithe, Robertson.*—15.

“Nays: Messieurs *Todd, Semlin, Hughes, Saul, Smith, Robinson.*—6.”

Copy of the Appointment of the Royal Commission.

PROVINCIAL SECRETARY'S OFFICE,
13th March, 1874.

His Excellency the Lieutenant-Governor has been pleased to make the following appointments:—

The Honorable MATTHEW BAILLIE BEGBIE, and the Honorable HENRY PERING PELLEW CREASE, and the Honorable JOHN HAMILTON GRAY, to be Commissioners to enquire into and report upon a certain Resolution moved in the House of Assembly by the Honorable the Attorney-General, relating to the allegations of the Honorable Member for Nanaimo as to the acquisition of Texada Island.

[L. S.]

JOSEPH W. TRUTCH.

VICTORIA, by the Grace of God, of the United Kingdom of Great Britain and Ireland, QUEEN, Defender of the Faith, &c., &c., &c.

To the Honorables MATTHEW BAILLIE BEGBIE, HENRY PERING PELLEW CREASE, and JOHN HAMILTON GRAY, of Our Province of British Columbia—GREETING.

GEO. A. WALKEM, } **W**HEREAS by the "Public Inquiries Act, 1872," it is provided that whenever Our Lieutenant-Governor deems it expedient to cause enquiry to be made into and concerning any matter connected with the good Government of this Province, or the conduct of any part of the public business thereof; and such enquiry is not regulated by any special law, Our said Lieutenant-Governor may, by the Commission in the Act, confer upon the Commissioners, or persons by whom such enquiry is to be conducted, the power therein mentioned.

And whereas an humble Address of the Legislative Assembly, has been presented to our said Lieutenant-Governor, praying for the appointment of a Royal Commission to enquire into and report upon the allegations of the Honorable Member for Nanaimo, viz: "that prominent members of the late and present Government were in a ring to acquire possession of Texada Island, in a manner prejudicial to the interests of the public."

NOW KNOW YE, that having every confidence in the ability of you and each of you, WE do hereby in pursuance of the powers contained in the "Public Inquiries Act, 1872," and the "Public Inquiries Aid Amendment Act, 1873," and of all other powers and authorities US in that behalf enabling, constitute and appoint you and each of you, to be Commissioners with power to enquire into the truth of the allegations aforesaid, so far as the same refer to the good Government of this Province or reflect upon the conduct of any part of the public business thereof, and that you report thereon in writing to Our Lieutenant-Governor of Our Province of British Columbia.

IN TESTIMONY We have caused the Public Seal of Our said Province to be hereunto affixed: WITNESS, the Honorable JOSEPH WILLIAM TRUTCH, Lieutenant-Governor of Our said Province of British Columbia, at Victoria, in Our said Province, this Thirteenth day of March, in the year of Our Lord one thousand eight hundred and seventy-four.

By Command.
(Signed) JOHN ASH.

The Royal Commissioners to the Provincial Secretary.

VICTORIA, 8th October, 1874.

SIR,—We have the honor to enclose the Report of the Commissioners relative to the Texada Island Enquiry.

We beg to recommend that the witnesses who attended and were examined before the Commission by reason of a subpoena, or at the instance of the Commissioners, be allowed and paid their expenses, on the same footing as if they had been witnesses subpoenaed and examined in a cause in the Supreme Court; such expenses to be taxed by the proper officer, and to include all proper Sheriff's charges for serving such subpoenas, and also all proper costs and expenses as witnesses both of Mr. DeCosmos and Mr. Robson.

We except from these witnesses Mr. Moody, Mr. Dalby, and Mr. Machar, who, in our opinion, ought not to be allowed for their attendance.

We further recommend that Mr. Pooley, who has most diligently and satisfactorily discharged the duties of Secretary to the Commission and taken down the testimony and engrossed the same to be enclosed herewith, be allowed and paid the sum of \$150 for such services.

We have the honor to be,

Sir,

Your most obedient servants,

(Signed) MATT. B. BEGGIE,
HENRY P. PELLEW CREASE, } Commissioners.
J. HAMILTON GRAY,

MEMORANDUM OF DOCUMENTS ENCLOSED.

- No 1. Report of the Commissioners.
 “ 2. Interrogatories and answers—Dr. Tupper.
 “ 3. Interrogatories and answers—Sir John Macdonald.
 “ 4. Answers—Mr. Sproat.
 “ 5. Letter from Mr. G. M. Sproat—2nd July, 1874.
 “ 6. Letter from Deputy Provincial Secretary dated 14th August, 1874—two telegrams annexed from Mr. DeCosmos to the Hon. John Ash and to the Secretary Royal Commission.
 “ 7. Copy of interrogatories sent to Mr. DeCosmos, but not answered as Mr. DeCosmos subsequently appeared before the Commission in person.
 “ 8. Letter from Mr. John Robson to Secretary Royal Commission, dated 19th August, 1874.
 “ 9. Do. do. dated 26th August, 1874.
 “ 10. Book containing proceedings before Royal Commission, and the evidence of the various witnesses.

(Signed) CHAS. E. POOLEY,
Secretary.

No. 1.

REPORT.

To the Honorable JOSEPH W. TRUTCH, Lieutenant-Governor of the Province of British Columbia.

The undersigned, members of the Royal Commission, appointed by Your Excellency, on the 13th day of March last, to enquire into and report upon the allegations of the Honorable Member for Nanaimo, viz.:—

“That prominent members of the late and present Government were in a ring “to acquire possession of Texada Island, in a manner prejudicial to the interests of “the public:”

Beg, unanimously, to Report—

That, on the 24th March, under and by virtue of such Commission, they held an open Court, at the Supreme Court in the City of Victoria, for that purpose, and continued to hold such open Court, by various sittings, until the 18th day of April, when they adjourned their sittings to New Westminster, for the greater facility of obtaining evidence and continuing the investigation there.

That they held an open Court, at the Court House in New Westminster, by various sittings, until the 27th day of April, when they re-adjourned to the City of Victoria, re-opened the said Court there, and continued the investigations, by various sittings, until the 6th instant.

That, at such sittings, the three Commissioners were all present, except on one occasion, viz. the 20th day of August, at Victoria, when an enquiry was held before the Honorables Messrs. Crease and Gray, as to the mode of examination, by interrogatories, of Mr. DeCosmos, a witness then absent at Ottawa, the Chief Justice on that occasion not being present, owing to his having gone to Cassiar on circuit.

That at these various sittings, of which public notice was always given in the newspapers in Victoria, the Honorable Member for Nanaimo, Mr. Robson, was always present, and was afforded every opportunity, by examination and cross-examination of the witnesses, and by suggestion and argument, to promote the enquiry and establish the charge.

That, in the course of the examination, an inquisitorial latitude was allowed, exceeding the extent of permission ever granted in Courts of Law governed by the rules of legal evidence.

That all persons who were alleged as being able to give information touching the subject of enquiry, or whose names were suggested to the Commissioners, were subpoenaed as witnesses, and examined and cross-examined.

That all books of account, or business of the persons or firms, in which it was asserted that information could be found, were ordered to be produced, were produced and inspected.

That persons who were beyond the jurisdiction of the Province, and who, it was stated, were inculpated in the charge, or were alleged to be capable of giving information, were examined by interrogatories prepared by the Commissioners, of

which copies were, before being sent, read in open Court, or otherwise submitted to the Member for Nanaimo, for any suggestions he might make, points to which he might desire the enquiry to be directed, or any particular question he might wish to put.

That all parties were invited to come forward and submit to the Commissioners any information they could give, that would aid in arriving at the truth.

That Messrs. Walkem, Beaven, DeCosmos, Robson, and the other witnesses in British Columbia were examined and cross-examined on oath; Sir John Macdonald, Dr. Tupper, and Mr. Sproat, witnesses beyond the jurisdiction of the Province, on interrogatories not under oath.

That all sources of enquiry, within their reach or under their control, having been now exhausted, and the evidence produced, duly weighed and considered, they find and report that the truth of the allegations aforesaid, so far as the same refer to the good government of this Province, or reflect upon the conduct of any part of the public business thereof has not been proved; and that no evidence has been produced before them to show "that prominent or any members of the late and present Government were in a 'Ring' to acquire possession of Texada Island, "in a manner prejudicial to the interests of the public."

And they beg further to report—

That although there were circumstances apparently suspicious attending the pre-emptions in Texada Island in August, 1873, yet, in their opinion, upon a thorough examination of those circumstances, there is no sufficient ground to believe that any member of the late or present Government, either by himself, or in unlawful or dishonorable combination with any other person, has attempted to acquire possession of the whole or of any part of Texada Island, in a manner prejudicial to the interests of the public.

They submit herewith the evidence taken, the correspondence produced and passed between all parties connected with the enquiry, and the interrogatories sent to the persons abroad, with their replies.

Dated at Victoria, B. C., this 8th October, 1874.

MATT. B. BEGBIE,
HENRY P. PELLEW CREASE, } *Commissioners.*
J. HAMILTON GRAY,

No. 2.

Interrogatories and Answers—Dr. Tupper.

MEMORANDUM.

On the 20th February, 1874, in the House of Assembly, in Victoria, Mr. Robson M. P. P., moved a Resolution which was ultimately unsuccessful, but immediately thereafter, on the motion of Mr. G. A. Walkem, (Attorney-General and Premier) on behalf of the Government, a Resolution of a somewhat similar character was carried on a division.

The particulars of the various motions and amendments, and the terms of the Resolution ultimately carried will appear from a copy of the "Votes and Proceedings" annexed hereto.

On the 13th March, 1874, in conformity with the Resolution so actually passed, a Commission was issued under the Public Seal of the Province, appointing the three Judges of the Supreme Court here, to enquire and report as to the truth of the allegations therein mentioned, "that prominent members of the late and present Government were in a ring to acquire possession of Texada Island in a manner "prejudicial to the interests of the public." The expression "prominent members," is intended to designate Amor DeCosmos, M. P. P., (formerly President of the Council and Premier in British Columbia), and the said George A. Walkem, and Robert Beaven, M. P. P., Chief Commissioner of Lands and Works in this Province.

A copy of the said Commission as contained in the *British Columbia Government Gazette*, of the 21st March, 1874, is also hereto annexed.

INTERROGATORIES.

1. Did Amor DeCosmos, M. P., or G. A. Walkem, M. P. P., and Attorney-General of British Columbia, or either of them, and which by name, negotiate or offer, or attempt to enter upon any treaty with you or with any other person, and if so, with whom by name, concerning any sale or disposition, or working of any lands or iron mines or minerals situate in Texada Island, in British Columbia, or of the produce of any such lands, mines or minerals? If yea, state the nature of such treaty or negotiation, or offered or proposed treaty or negotiation, and the names of the persons, if any, named by the said Amor DeCosmos and G. A. Walkem, or either of them, as being interested therein, and the terms mentioned or suggested as being acceptable or probably acceptable, or reasonable; and in particular state the sum of money, if any, which was mentioned, or in any manner indicated as being a proper or fair price for such lands or mines, or other property mentioned in any such negotiation or as being such as might be tendered to the proprietors of any such lands or mines, or of any interest therein, or to the agent of such proprietors, or as being necessary or proper for the due working of the said mines or of any part thereof.

2. Was any conversation ever had between yourself and the said Amor DeCosmos and G. A. Walkem, or either of them, and whom by name, or any agent of them, or either of them, or between them or either of them, or any agent or professed agent of them, or either of them, and any other person or persons in your presence touching any such land or mine as is mentioned in the preceding interrogatory, or touching the produce of any such land or mine, or any interest in such land, mine, or produce respectively, or touching the title thereto, or to any part thereof? If yea, state the time and place at which every such conversation was had, and the witnesses if any, thereof, and between whom every such conversation was held, and the full purport and effect thereof, to the best of your knowledge, remembrance, and belief.

3. Have you received or seen any letters written or received by the said Amor DeCosmos and G. A. Walkem, or either of them, and whom by name, touching any of the matters referred to in either of the foregoing interrogatories, and in particular touching such land or minerals, or the produce thereof, or the title thereto? If yea, set forth the names of the respective writers of every such letter, and the names of the several persons to whom the same letters were respectively addressed, and in whose custody, possession, or power the same respectively last were. Answer the above to the best of your knowledge, remembrance, information, and belief.

4. Do you know of any act, deed, matter or thing, done or neglected or proposed to be done or neglected by any member of the Provincial Government, or by the said Amor DeCosmos at any time, in anywise relating to land or to iron mines in Texada Island, British Columbia, aforesaid, or to any interest therein, or in the produce thereof, or relating to the title thereto? If yea, state the same to the best of your knowledge, remembrance, information, and belief.

ANSWERS.

ST. ANDREWS, NEW BRUNSWICK,
August 25th, 1874.

SIR,—Your letter and the enclosed enquiries from the Texada Royal Commission, unfortunately came during my absence and was mislaid; as I have already telegraphed to you, I know nothing whatever of this matter and now return the questions with my answers in the margin to that effect.

Yours faithfully,
To C. E. Pooley, Esq. (Signed) CHARLES TUPPER.

Answer to 1st.—No. I never heard of this matter before. I never had any communication with either Mr. DeCosmos or Mr. Walkem, directly or indirectly, respecting Texada Island or any mine.

Answer to 2nd.—I never had any conversation with anyone on this subject.

Answer to 3rd.—I have never received or written a line upon this matter.

Answer to 4th.—I know nothing relating to these interrogatories whatever.

No. 3.

Interrogatories and Answers—Sir John A. Macdonald.

MEMORANDUM.

On the 20th February, 1874, in the House of Assembly in Victoria, B. C., Mr. Robson, M.P.P., moved a Resolution, which was ultimately unsuccessful. But, immediately thereafter, on the motion of Mr. G. A. Walkem (Attorney-General and Premier), on behalf of the Government, a Resolution of a somewhat similar character, was carried on a division.

The particulars of the various motions and amendments, and the Resolution actually carried will appear from a copy of the "Votes and Proceedings" annexed hereto.

On the 13th March, 1874, in conformity with such last mentioned Resolution a Commission was issued under the Public Seal of the Province, appointing the three Judges of the Supreme Court here to inquire and report as to the truth of the allegation "that prominent members of the late and present Government were in a "ring to acquire possession of Texada Island in a manner prejudicial to the interests "of the public." The expression "prominent members of the late and present Government" is intended to designate Amor DeCosmos, M.P. (formerly President of the Council and Premier of the Province of British Columbia), and the said George A. Walkem, and Robert Beaven, M.P.P., Chief Commissioner of Lands and Works in this Province.

A copy of the said Commission, as contained in the *Government Gazette* of the 21st March last, is also annexed hereto.

INTERROGATORIES.

1. Did Amor DeCosmos, M.P., or George A. Walkem (Attorney-General in the Province of British Columbia), or either of them, and which by name, negotiate, or offer, or attempt to enter upon any treaty with you, or with any other person, and if so whom by name, concerning any sale, or disposition, or working of any lands,

or iron mines, or minerals situated in Texada Island, or of the produce of any such lands, mines, or minerals in Texada Island aforesaid? If yea, state the nature of such negotiation or treaty, or offered or proposed negotiation or treaty, and the names of the persons, if any, mentioned by the said Amor DeCosmos and George A. Walkem, or either of them, as being interested therein, and the terms mentioned or suggested as being acceptable, or probably acceptable, or reasonable. And, in particular, state the sum of money, if any, which was mentioned, or in any manner indicated as being a proper or fair price for such lands, or mines, or other property mentioned in any such negotiation, or as being such as might be tendered to the proprietors of any such lands or mines, or of any interest therein, or to the agent of such proprietors, or as being necessary or proper for the due working of the said mines, or of any part thereof.

2. Was any conversation ever had between yourself and the said Amor De Cosmos and George A. Walkem, or either of them, and whom by name, or any agent of them, or either of them; or between them, or either of them, or any agent or professed agent of theirs, or his, and any other person or persons in your presence, touching any such mine or lands as is mentioned in the foregoing interrogatory, or touching the produce of any such mine or lands, or touching any interest in any such mine, lands, or produce, or touching the title thereto? If yea, state the time and place at which every such conversation was held, and the witnesses, if any, thereof, and between whom every such conversation was held, and the full purport and effect thereof, to the best of your knowledge, remembrance, information, and belief.

3. Have you received or seen any letter or letters written or received by the said Amor DeCosmos or George A. Walkem, or either of them, and whom by name, touching any of the matters referred to in either of the foregoing interrogatories, and in particular touching any such lands or minerals, or the produce thereof, or the title thereto? If yea, set forth the names of the respective writers of every such letter, and the names of the persons to whom the same letters were respectively addressed, and in whose possession, custody, or power the same was last. Answer the above to the best of your knowledge, remembrance, information, and belief.

4. Do you know of any act, deed, matter or thing done, or neglected, or proposed to be done or neglected, by any member of the Provincial Government of British Columbia, or by the said Amor DeCosmos at any time, in anywise relating to land or to iron mines in Texada Island, British Columbia, aforesaid, or to any interest therein, or in the produce thereof, or relating to the title thereto? If yea, state the same to the best of your knowledge, remembrance, information and belief.

— — —
ANSWERS.

OTTAWA, May 28th, 1874.

SIR,—I enclose my answers to the interrogatories sent me by you. They are written on the margin of the paper enclosed me.

I have the honour to be,

Sir,

Your most obedient servant,

(Signed) JOHN A. MACDONALD.

C. E. Pooley, Esq., Secretary, Victoria.

Answer to 1st.—Neither Mr. DeCosmos nor Mr. Walkem negotiated, or offered to negotiate, or attempted to enter into any treaty with me or, to my knowledge, with any other person, concerning any sale or disposition or working of any lands, or iron mines or minerals, situated on Texada Island, or of the produce of any such lands, mines, or minerals, on Texada Island.

Answer to 2nd.—I never had any conversation with either of the gentlemen named, or with any agent or professed agent of them or either of them, on the matters referred to in these interrogatories, nor was I ever present at any conversation with any persons at any time on such matters.

Answer to 3rd.—I have never received or seen any letter or letters written by Mr. DeCosmos or Mr. Walkem, or by any one else, on the matters referred to in these interrogatories.

Answer to 4th.—I do not know of any act, deed, matter, or thing done or neglected, or proposed to be done or neglected, by any member of the Provincial Government of British Columbia, or by Mr. DeCosmos at any time, in anywise relating to land or to iron mines on Texada Island, British Columbia, or to any interest therein or in the produce thereof, or relating to the title thereto.

No. 4.

Answers to Interrogatories—Mr. Sproat.

LONDON, 4 LIME STREET SQUARE, E. C.,
10th June, 1874.

SIR,—I have received this morning your letter of the 9th of May last, with a Memorandum and Interrogatories in the matter of the Texada Island Royal Commission, and I reply as follows:—

My answer to the first interrogatory is, that neither Amor DeCosmos nor G. A. Walkem, nor any other person, male or female, living or now dead, ever did negotiate or offer, or attempt to enter upon any treaty with me, or with any other person, so far as I know, concerning any sale or disposition, or working of any lands or iron mines or minerals, situate in Texada Island, in British Columbia, or of his produce of any such lands, mines or minerals in Texada Island, aforesaid.

My answer to the second interrogatory is, so far as the said G. A. Walkem is concerned, that I never saw this gentleman in my life, nor had conversation or correspondence with him, or any agent or professed agent of his, with the exception of a short note enclosing a list of law books required by the Government, and expressing his opinion, that my official handbook for emigrants was the best thing of the sort that ever was written. Neither he, nor any agent, nor professed agent of his, ever wrote to me, or spoke, or in any manner communicated with me, or with any other person or persons in my presence, or that I know of, touching any such mines or lands as are mentioned in the first interrogatory, or touching the produce of any such mines or lands, or touching any interest in any such mines, lands or produce, or touching the title thereto.

My further answer to the second interrogatory is, so far as the said Amor DeCosmos is concerned, that, having seen notices in the Victoria newspapers of the discovery of iron ore on Texada Island, and having hung up these notices in this office for the information of visitors, I asked the said A. DeCosmos, after he came here if it was a real or a bogus discovery, and whether there was a harbour at the place, and whether he could give me any information beyond that contained in the public newspapers, so that I might use such information in the new edition of the official hand-book. This enquiry was made by me in my office here, but whether before witnesses or not I cannot remember. The said A. DeCosmos replied that there was

no mistake about the mine, he believed a harbour could be made available, the ore, he said, was good, it would be a fine thing for the Province to have a good iron mine, if it could be worked; I was disappointed at the small amount of useful information which he could give about this seemingly important discovery, and endeavoured on another occasion to get something more out of him, but without success. This other occasion was at the Langham Hotel, on the evening of the day before the said A. DeCosmos left London, and no witnesses were present. I cannot remember exactly what passed on this occasion, the conversation was generally as to the possibility of working an iron mine in British Columbia where wages were so high. I remember mentioning the failure of similar attempts in Oregon, and more particularly in New South Wales, in which latter Colony the iron lay close to coal and limestone, and wages were lower than in British Columbia. We did not talk long on the subject, as it was difficult to get the said A. DeCosmos to speak or write much about anything except the Graving Dock, and the best way of getting money from the Imperial Government; he said nothing to me about any iron company, or to show that he was interested as an owner or agent of any mine in Texada Island or elsewhere. He seemed to speak of the matter as if he had no personal interest in it, except as an ordinary member of the public. I further remember asking him to tell the owners of coal or iron or other mineral lands or property in British Columbia that, so far as I knew, the best way to sell such properties here, was to employ a single agent, with ample written powers and elaborate sketches, plans, reports, &c., descriptive of the property, making vague enquiries or hawking about for offers, generally resulted in damaging the prospects of sale; I stated this for the purpose of giving information to property owners in this Province, which experience had shown me was needed, and not entirely without the hope on my part, that it might lead to some legitimate business for myself. I did not, however, ask Mr. DeCosmos to recommend me, nor did he say he would, but ended the conversation in the usual manner, by asking where he could see another Graving Dock. I said, as he was going to Scotland, to see the Leith and Greenock docks, and as the next day was Sunday, we would go from London to York, and attend divine service in the Minster there, and afterwards go on to Newcastle, where, on Monday morning we would inspect the extensive dock of Palmer & Co. This was done, and I mention it, because we found large blast furnaces at Palmer & Co's place, which caused between us, the third and last conversation about iron ore in British Columbia. The conversation was of the same general character as the former conversations. We both thought it would be a fine thing to see such furnaces in British Columbia. To the best of my knowledge, remembrance and belief, the foregoing is the full general purport and effect of every conversation between me and the said A. DeCosmos, touching any such mine or lands as are mentioned in the first interrogatory, or touching the produce of any such mine or lands, or touching any interest in any such mine, lands or produce, or touching the title thereto; and I say further, that no agent or professed agent of the said A. DeCosmos ever wrote to me, or spoke, or communicated with me touching the above matters.

My answer to the third interrogatory is, that I have not received nor seen any letter or letters written or received by the said A. DeCosmos and G. A. Walkem, or either of them, touching any of the matters referred to in the foregoing interrogatories, and in particular touching any such lands or minerals, or the produce thereof, or the title thereto.

My answer to the fourth interrogatory is simply no.

I beg leave to add, that on the 13th March, 1874, when I first saw with astonishment, my name figuring in the newspapers, in connection with this matter. I wrote and sent the following letter to the Editor of the *Colonist*; but I do not know if it reached that gentleman, as I have not seen it published in that newspaper:

(COPY.)

(To the Editor of the Colonist.)

DEAR SIR: It is not often that I have to complain of the unauthorized use of my name by friends in British Columbia, but you will perhaps kindly permit me to state that you have inadvertently, or on wrong information, published what is not the case, in stating that some "stock" connected with an "Island," and originating in a "grab," has been placed in my hands for sale.

I am sorry to say that I have not been employed at any time by any person or association in British Columbia to sell anything for them in this place, but I hope that your notice of me will lead to some paying business.

There is, of course, no reason why I should refuse to undertake any agency whatever, likely to benefit British Columbia. I only now mention the above matter because the paragraph in which my name is mentioned, appears to refer to politics, which you know I eschew as a toilsome and barren pursuit.

Very faithfully yours,
(Signed) GILBERT MALCOLM SPROAT.

London, 4 Lime Street Square,
March 13th, 1874.

In conclusion, as you invite me to elucidate, as far as possible, the objects mentioned in the Commission, I crave reference to the enclosed clipping from the *Colonist* of the report of the evidence of Mr. D. W. Higgins, 4th May last—particularly the statements that the Vancouver Coal Company "had written to "Mr. Bate, their manager at Nanaimo, asking about the Texada mine, which, they "said, Sproat was offering for sale." In reply to this, I say that the Vancouver Coal Company must have written somewhat loosely, if they ever wrote any such thing, for I never brought the subject before the company; nor, as already explained, was I ever employed to sell any mine whatsoever, whether coal or iron, in British Columbia.'

The statements that "Mr. Sproat, the Provincial Agent, had offered the "Texada mine in London;" that "Sproat is offering Texada Island for sale," and all statements to that effect, are entirely without foundation. But, on reading Mr. Higgins' evidence, with the view of finding an explanation (as I am bound, if possible, to do) consistent with an honest desire on his part, as a public journalist, to examine transactions which he believed to be prejudicial to the public interest, I am reminded of a fact which may have led to the mention of my name by the Vancouver Coal Company in connection with the Texada mine, and also to the assumption of some connection on the part of Mr. DeCosmos with it—the latter gentleman happening to be in this country, on the Graving Dock business, at about the same time.

I stick up in this office on a large green board clippings from the newspapers, and placards, calling attention to the productions of the country.

When I heard of Texada I got the words "Iron ore" printed in letters an inch long, and stuck them up among the others on the board.

I talked to everybody about the iron mine, and particularly I remember that I talked about it with Mr. Irwin, Director of an iron mining company in Antrim in Ireland, who is also a director in the Vancouver Coal Company. The want of coal in Ireland has hitherto prevented the working of Irish iron mines; but Mr. Irwin's company had found the coal and iron together.

In talking of Texada, he said it would probably be found better to take the iron to the coal than the coal to the iron, and showed generally the interest in the matter proper to the Director of a Coal Company in the Island, and which it is my official duty to excite in the mind of every one who in time present or to come might help in developing the industries of the Province.

I daresay I talked half a dozen times with Mr. Irwin on this subject, and I may have said, though I do not remember doing so, that Mr. DeCosmos was coming and might be able to give some information on points interesting to an iron and

coal man like Mr. Irwin. As a matter of fact, however, I believe I was unable to bring them together. I have talked to many others in the same way as I talked to Mr. Irwin, both before Mr. DeCosmos' arrival, during his stay here, and after his departure. I am paid to talk and I do talk.

Now it occurs to me, having regard to the general principles affecting the growth of myths and mares'-nests, that Mr. Irwin may have mentioned the purport of these conversations with me to some one connected with the Vancouver Company, and that a letter may have been written by the Company to Mr. Bate at Nanaimo, asking broadly for what they wanted to know about the iron mine, and unintentionally stating loosely or generally what they supposed to be true from hearsay as to merely collateral details. The "black crow" in London became two "black crows" at Nanaimo, and three "black crows" at Victoria. The Vancouver Coal Company is a large concern, and its correspondence carries weight; its manager at Nanaimo occupies an important position, and may fairly be in close relations with the excellent member for that place; and thus a lynx-eyed journalist at Victoria might honestly conclude that he had received information of a character to justify him in examining into transactions which really never took place on this side of the water, but which he believed had taken place, and were of a nature prejudicial to the public interest.

I will give you any further information which the Commission may desire; I return all the documents you sent me.

Yours faithfully,

(Signed) GILBERT MALCOLM SPROAT.

ENCLOSURE.

Extract from British Colonist.

MONDAY, May 4th, 1874.

D. W. Higgins sworn and examined by Mr. Robson.—Will you state the circumstances that led you to publish the article of the 9th of February that appeared in the *Colonist*?

Witness—About the latter end of August, 1873, I met Capt. Devereux at the corner of Yates and Blanchard streets; I said, "I have not seen you since your return from Burrard Inlet." "No," he replied, "The last trip I made in the steamer was to the iron mine;" I said, "I never heard of any iron mine." He said, "Moody & Company have pre-empted a whole Island." Feeling interested I asked other questions; the substance of his replies was that Moody, Dalby, DeCosmos, Walkem, and others had gone to Texada Island; that Moody and DeCosmos had gone ashore there; on their return he overheard a conversation that DeCosmos was going to sell the mine in London; we both agreed that it was a dirty business; Capt. Devereux added that they (the party) seemed to wish to keep the matter from him; he said Walkem and DeCosmos had gone on shore and taken guns and fishing rods as if to fish or get game; but this, he added, was only a blind; other parties went and took mining tools with them; Devereux did not go ashore, having to attend to the steamer; on the return of the steamer to Burrard Inlet there was a great rush for British subjects to allow their names to be used as pre-emptors; Chambers said he was asked for the use of his name but refused it, as it would interfere with another pre-emption; witness told him DeCosmos' paper had suppressed all news about members of the Government going to Texada. "Yes," replied Devereux, "they want to throw people of the track." Had no further communication about Texada until the 3rd or 4th of February last, when I received a letter stating that Mr. Sproat, the Provincial Agent, had offered the Texada Mine in London. The writer advised him (Higgins) to try and find out who placed it in Sproat's hands; the letter was from Mr. Bate of Nanaimo; witness had not that letter, having destroyed it some time since; the day after receiving the letter witness met Mr. Morton and said to him, "Sproat is offering Texada Island for sale; I have no doubt DeCosmos put it into his hands, and that that was the real object of his going to London and not for the Dry Dock matters." Morton replied, "That agrees with what Dalby told me three or four

months since." Morton then told witness what he (Morton) has already testified to; Morton showed me pencil tracings of a map, and witness' suspicions being aroused he took a copy of the names on the tracings; two days after the statement of the "Grab" appeared in the *Colonist*.

The Chief Justice—What was the date of the paper in which the article appeared?

Witness—I think it was the 9th of February—it was the day following the Rebellion. (A laugh).

Judge Gray—The what?

Witness—The Rebellion. (Laughter).

The Attorney-General—The night that a parcel of rowdies—

Witness—The night there was a little difficulty at the House—a little unpleasantness—commonly called "Our Little Rebellion." (Laughter). On the morning following the Rebellion, while in conversation with Dr. Tolmie and others, at the corner of Douglas and Pandora streets, Dalby came up and said, good naturedly, "You did not tell the truth in your paper; you said \$120,000 was the price of the mine; it should have read \$150,000 the mine was to be sold for." Witness thought this a strange admission, but said, "the error can be easily rectified." Dalby then said "it is not true that Sproat is offering the stock in London, for none has been issued." Witness said to Dalby, "I do know Sproat has offered the iron mine for sale in London," and Dalby replied, "that is a different matter." After this I wrote to Mr. Bate; he replied his people in London (that is the Vancouver Coal Company) wrote to him asking about the Texada mine, which they said Sproat was offering for sale. I have not that letter; it is destroyed; after this Mr. G. Norris, now of Nanaimo, then in my employ, told me that, when walking with Dalby he was told by him that DeCosmos was to sell the mine for \$150,000 and would get five per cent. commission on the sale. By referring to files in my possession I find that on July 26th, 1873, appeared in the *Standard* a notice that DeCosmos, in three or four days, would go to the Mainland on "PRIVATE BUSINESS;" on the 30th of July (four days afterwards) Mr. DeCosmos, Mr. Walkem, Mr. Hughes, Mr. Dalby and several others, are mentioned in the same paper as having gone to Burrard Inlet the evening previous; on the 7th of August they are reported in the same paper as having returned the evening previous, after a trip to Jarvis' Inlet. No reference was made to the party having visited Texada. Heard that Dalby chartered the steamer "Isabel" at a cost of \$150 or \$250, and went to New Westminster and actually registered the claims ahead of Dupont's party, who were at work on the Island; witness met Dupont who said he had just been over to the Land Office, where he tried to convince Beaven that he had been guilty of great injustice in allowing the claims to be registered by parties who had never been on the Island; subsequently Dupont told witness he had given up the claims because there was no use fighting against the whole Government.

To Mr. Walkem—Received a letter from Mr. Sproat stating that he had not placed any Texada stock on the London Market.

No. 5

Mr. G. M. Sproat to the Secretary Royal Commission.

LONDON, 4 LIME STREET SQUARE,
July 2nd, 1874.

SIR,—With reference to my letter to you of the 10th June, I have to add that, two days ago, having been at the office of the Vancouver Coal Mining and Land Company (familiarily known in the province as the "Nanaimo Co."), the Secretary took occasion to apologise to me for their having written to the province in a way which, through inadvertence or indiscretion of their Colonial Manager, had caused my name to be mentioned in connection with inquiries now being made by a Royal Commission.

I replied that they need not apologise to me, for I regarded the matter as of so

little importance that I had not thought fit to go to their office to see them on the subject.

The truth of the matter is just as I supposed, and as I communicated to you in my letter of the 10th June.

I am, &c.,

(Signed) GILBERT MALCOLM SPROAT.

No. 6.

The Deputy Provincial Secretary to the Secretary of the Royal Commission.

PROVINCIAL SECRETARY'S OFFICE,
14th August, 1874.

SIR,—I have the honor to acquaint you that Mr. DeCosmos has requested that the Royal Commission may be informed that if they require his evidence, the necessary interrogations should be sent to Ottawa at once, as he does not expect to return to the Province till next year.

I have the honor to be,

Sir,

Your obedient servant,

(Signed) CHARLES GOOD,
Deputy Provincial Secretary.

TELEGRAM.

HALIFAX, NOVA SCOTIA,
August 11, 1874.

To Hon. John Ash:—

Tell the Royal Commission if they want my evidence, to send their interrogations to Ottawa at once, as I do not expect to return till next year. Send answer here.

(Signed) A. DECOSMOS.

TELEGRAM.

HALIFAX, NOVA SCOTIA,
August 17, 1874.

To Charles E. Pooley, Secretary of Royal Commission:—

Your letter of 30th July received to-day. Forward full interrogatories to the Commission at Ottawa at once. See my telegram to the Provincial Secretary on August 11th. Answer soon by telegraph.

(Signed) A. DECOSMOS.

No. 7.

Interrogatories sent to Mr. DeCosmos, 4th September, 1874.

1. Did you or George A. Walkem (Attorney-General of the Province of British Columbia), or either of you, and which by name, negotiate, or offer, or attempt to

enter upon any treaty with Sir John A. Macdonald, or with any other person, and if so whom by name, concerning any sale, or disposition, or working of any lands, or iron mines, or minerals situated in Texada Island, or of the produce of any such lands, mines, or minerals in Texada Island aforesaid? If yea, state the nature of such negotiation or treaty, or offered or proposed negotiation or treaty, and the names of the persons, if any, mentioned by you, the said Amor DeCosmos and George A. Walkem, or either of you, as being interested therein, and the terms mentioned or suggested as being acceptable or reasonable; and, in particular, state the sum of money, if any, which was mentioned or in any manner indicated as being a proper or fair price for such lands or mines, or other property mentioned in any such negotiation, or as being such as might be tendered to the proprietors of any such lands or mines, or of any interest therein, or to the agent of such proprietors, or as being necessary or proper for the due working of the said mines, or of any part thereof.

2. Was any conversation ever had between yourself, the said Sir John A. Macdonald, and George A. Walkem, or either of them, and whom by name, or any agent of them or either of them, or between them or either of them, or any agent or professed agent of theirs or his, and any other person or persons in your presence, touching any such mine or lands as is mentioned in the foregoing interrogatory, or touching the produce of any such mine or lands, or touching any interest in any such mine, lands, or produce, or touching the title thereto? If yea, state the time and place at which every such conversation was held, and the witnesses, if any, thereof, and between whom every such conversation was held, and the full purport and effect thereof, to the best of your knowledge, remembrance, information, and belief.

3. Have you received or seen any letter or letters, written or received by you, the said Amor DeCosmos or George A. Walkem, or either of you, and whom by name, touching any of the matters referred to in either of the foregoing interrogatories, and in particular touching any such lands or minerals, or the produce thereof, or the title thereto? If yea, set forth the names of the respective writers of every such letter, and the names of the persons to whom the same letters were respectively addressed, and in whose possession, custody, or power, the same was last. Answer the above to the best of your knowledge, information, and belief.

4. Do you know of any act, deed, matter or thing done or neglected, or proposed to be done or neglected, by yourself or any member of the Provincial Government of British Columbia at any time, in anywise relating to the making, pre-empting, securing, confirming, or in anywise relating to, the title to the said lands, or any or either, or part, or any or either thereof, or prevent others from pre-empting? If yea, state the same, and all matters and things having reference thereto, to the best of your knowledge, remembrance, information, and belief.

5. Had you, at any time, or have you now, any personal interest, direct or indirect, in the mineral deposit on Texada Island, or were you engaged or concerned at any time with any other person or persons, parties or firms, in procuring, or attempting to procure, a grant, or the pre-emption, or leasing, or licencing thereof, from the Crown to any such person, firms or parties, from which you were to derive any personal advantage, profit, or gain? If yea, state what such interest was; if indirect, state how it was created or derived, or to be created or derived, and who were the persons, firm, or parties with whom you were so concerned, or from whom you expected to derive such advantage, profit, or gain.

6. In your capacity as a member of the Government, or as a member of the Legislature, did you use any influence, give any promise, or do any act with reference to the said mineral deposits, from which you were, in your individual capacity, to derive any benefit, or for which you received any promise or assurance, either openly or tacitly, of such benefit?

7. Was there any understanding, expressed or implied, on your part or with your assent or concurrence, with Messieurs Moody, Dietz & Nelson, either as a firm or with the individual members thereof, or with Mr. Walkem or Mr. Beaven, or any member of your Government, touching or concerning the said mineral deposits in any way, according to which your influence as a member of the Government was to be used to benefit yourself personally, or the said firm, or the said members of your Government, or any of them?

8. Was there any understanding of any kind, with any person, of a corrupt nature or character, touching the said mineral deposits, or from which you could expect or hope to derive any personal benefit?

9. Read the testimony of Capt. John Devereux, of the "Cariboo-Fly," as taken on oath before the Royal Commissioners, and sent herewith. Did the observations therein referred to as having been made by you, take place; or have you any observations or explanations to make touching the said testimony?

10. Did you accept any interest in Hope silver mines; and if yes, what was the consideration?

11. Read Moody's evidence, herewith sent, and state if he has correctly related conversations with you touching value, etc., of mine; and if not, state what did take place.

12. Did you, in conversation with Mr. Tye and Mr. Robertson, speak of the Texada mine as if you were interested personally in it?

13. Did you, at any time, and if yes, when, express a desire to Moody or to Dalby to be entrusted with the sale of said mine?

14. What value did they, or either of them, place upon the mine?

15. What transpired between you and Sproat relative to said mine?

16. Has Dr. Tupper spoken to you concerning interrogatories sent to him, and has he assigned any reason for not answering them?

No. 8.

Mr. John Robson to the Secretary of the Royal Commtssion.

VICTORIA, August 19, 1874.

SIR,—I have the honor to acknowledge the receipt of your letter of the 18th instant, acquainting me that the Royal Commissioners propose sending interrogatories to Mr. DeCosmos, at Ottawa; and that they will sit to-morrow for the purpose of giving me an opportunity of suggesting the form the interrogatories should take.

In reply I have to say, with every respect to the Royal Commissioners, that I entirely disapprove of such a mode of examining the chief witness in the case.

I need not point out to the Honourable the Commissioners the utter futility of adopting such a course in this instance, for they freely admitted it upon the occasion of the last sitting.

I am the more disinclined to proceed in this way with the present witness, from a conviction that he is purposely absenting himself.

I have, &c.,

(Signed) JNO. ROBSON.

No. 9.

Mr. John Robson to the Secretary of the Royal Commission.

VICTORIA, August 26, 1874.

SIR,—I have the honor to acknowledge receipt of your letter of yesterday, which, however, came too late to hand to render compliance with the request therein conveyed possible. Adverting to the general subject, I understood the arrangement to be that the interrogatories prepared by the Royal Commissioners from their notes, would be handed to me to look over, and make any suggestions that might occur to me. It would now appear that this arrangement has not been carried out; not, I beg to assure the Royal Commissioners, that I think the matter at all important, as I regard the sending of these interrogatories to Mr. DeCosmos, under the circumstances, as no better than a farce.

I have. &c.,

(Signed) JNO. ROBSON.

No. 10.

Proceedings before Royal Commission, and the Evidence of the various Witnesses.

TUESDAY, MARCH 24TH, 1874.—1ST DAY.

Commissioners present—Honourables M. B. Begbie, H. P. P. Crease, J. H. Gray.

C. E. Pooley appointed Secretary to Commissioners.

Secretary read Commission, at 12 m., in the Supreme Court House.

Hon. *G. A. Walkem* appeared as a Member of the Government.

A. Roche Robertson, Esq., on behalf of Messrs. Moody, Dietz, and Nelson.

Mr. *Robson* asked what course would be pursued in regard to evidence, and if the ordinary rules of evidence would be observed.

Commissioners—We shall examine and cross-examine any witnesses as we may think best to elicit the truth.

Commission adjourned to Thursday, 26th March, at 12 m.

Wednesday, 25th March.—At the request of Mr. *Robson*, issued subpoenas for the attendance of Messrs. *S. P. Moody*, *H. Nelson*, and *W. Dalby* before the Commission on Thursday, the 26th instant, at 12 m.; also Mr. *Beaven* for same time, with subpoena *duces tecum*. 4 witnesses.

Thursday, 26th March.—At request of Dr. *Ash*, issued subpoena for the attendance of Mr. *John Robson* before the Commission, at 12 m. this day.

THURSDAY, 26TH MARCH, 1874.—2ND DAY.

Commissioners present—Honourables M. B. Begbie, H. P. P. Crease, J. H. Gray.

The Secretary informed the Commissioners that he had subpoenaed Messrs. *S. P. Moody, Hugh Nelson, William Dalby*, and had served the Hon. Mr. *Beaven* with a subpoena *duces tecum*, at the request of Mr. *Robson*; and that he had subpoenaed Mr. *Robson* at the request of Dr. *Ash*.

Present—Mr. *Mason* (for the Attorney-General), Mr. *Johnson* (for Messrs. *Moody, Dietz, and Nelson*), Mr. *Robson*, Hon. Dr. *Ash*, Hon. Mr. *Armstrong*, Hon. Mr. *Beaven*.

Mr. *Robson*, at the request of the Commissioners, undertook to examine the witnesses.

Mr. *Robson* stated that he had been “credibly informed that certain portions of Texada Island had been taken up in a manner prejudicial to the interests of the public,” and that “certain members of the Government were improperly connected with this transaction.”

Sewell Prescott Moody called and sworn,—

I have not pre-empted any land on Texada Island. I know some people who have. I do not know of any pre-emption on Texada Island in which any prominent member of the late or present Government is in any way interested. I was not the first discoverer of valuable ore on Texada Island. I was not the first person who made known the discovery of valuable ore on Texada Island to the pre-emptors. Mr. Harry Trim, the pre-emptor, was the first person who informed me. He was not in my employ at that time. He has been in our employ since. He first came into our employ last summer, not before. He was not in our employ at the time he made that pre-emption, at least I think not. He is not in our employ now. He was in our employ, exploring. By our employ I mean the employ of *Moody, Dietz, and Nelson*. He was in the employ of *Moody, Dietz, and Nelson*, and paid by the firm. He was simply exploring for what he could find—minerals or timber on the island and Jarvis Inlet. Mr. Trim proposed that I should take an interest. I considered that the firm would be interested if a company were formed to work the iron. I am not a British subject, and could not pre-empt. I did not take legal advice on this point. I was promised an interest in the company when formed, by those parties who have pre-empted it. The parties who pre-empted did so of their own free will. I did act in connection with parties who did pre-empt, viz. with *J. C. Hughes, Harry Trim, Edward Trim, B. Stringer*. It was at my suggestion that *Coote M. Chambers* pre-empted. It was not at my suggestion that *T. J. Mills Bowden* pre-empted. I do not know at whose instance he pre-empted. I don't know whether I suggested to Mr. *Robertson* to pre-empt. I do not know how many pre-emptions there are on Texada Island. I have no list. *J. C. Brown* did not pre-empt at my suggestion. He pre-empted, I think, from suggestions from *J. C. Hughes*. *J. C. Hughes* is our office man. I presume I suggested to *W. Dalby* to pre-empt. *Benjamin H. Wilson* pre-empted at my suggestion. *J. Moffatt* pre-empted at my suggestion. *H. W. Hughes* did not pre-empt at my suggestion. I don't know at whose suggestion he pre-empted. *J. A. Cottrill* pre-empted at my suggestion. *Thomas Carvell* pre-empted at my suggestion. I don't know whether *Charles G. Major* pre-empted at my suggestion or not. I don't remember ever having asked Mr. Major to allow his name to be used in pre-empting Texada Island. I don't know of any one else asking him. I don't know *H. S. Smith*. I don't know *P. Marshall*. I don't know *J. Wilson*. *A. Calder* did not pre-empt at my suggestion. I presume at the suggestion of his son-in-law, *C. M. Chambers*. I don't think *Ebenezer Brown* pre-empted at my suggestion. I do not know at whose suggestion he pre-empted there. The company I spoke of as having formed first, the one suggested by *Trim*,

did not include all the names you have mentioned. B. Springer is in our employ. Mr. Springer's pre-emption is not near the iron lead. C. M. Chambers was in our employ. He was book-keeper. I suggested to Chambers to pre-empt the land, as it might become very valuable on account of the proximity of the iron ore. I thought the land would become valuable if the iron ore turned out well. I suggested to Mr. Dalby to pre-empt because the land, in my opinion, would ultimately be valuable. Mr. Dalby was one of the men I proposed to form part of the company. B. H. Wilson was in our employ at the time. I don't know why J. C. Hughes induced others to pre-empt. He was to be one of the members of the company. I can't say positively that I asked J. C. Hughes to get others to pre-empt; I presume I did. I don't know at whose suggestion Edward Trim pre-empted. He was not in our employ at the time. J. A. Cottrill was in our employ at the time. J. Carvell was in our employ at the time. Trim told myself and Hughes, at Moody, Dietz, and Nelson's, Burrard Inlet, of his discovery on Texada Island; it was there that the steps for organization took place. I think this occurred some time in 1873, the last of July or first of August. No steps have since been taken to form a company. I don't recollect that any one else was present at the conversation. Harry Trim and J. C. Hughes pre-empted right off, also Cottrill, and, I think, Moffatt, Ned Trim and H. Hughes—these were the first pre-emptors. There were two sets of applications for pre-emptions; these pre-emptions took place about last of July or first August. I don't think the second lot of pre-emptions was more than ten days or a month after the first lot. These first parties went through the usual course of pre-emption. I don't know whether the six parties named as the first pre-emptors went to the island or not to stake off their claims. If these parties had gone in a steamboat, I should have known it. I think a part of them went in a sloop. J. C. Hughes went in the steamer "Cariboo"—that is our steamer—to Texada Island. I don't know if they staked their claims out. I was not there. Hughes and Harry Trim went up in the "Cariboo-Fly." I think the steamer left Burrard Inlet about 1st August. She went from Burrard Inlet to Jarvis Inlet, and landed some lumbermen, and thence to Texada Island to examine the iron. I went up on the steamer with them this time. I believe both Hughes and Trim had pre-empted before that time. If allowed, I will make a statement from the beginning to the end; I now know what you want. Harry Trim came down to our place at Burrard Inlet sometime last July. He showed Hughes and myself some iron ore that he had got on Texada Island. Trim thought it a valuable iron lead, and proposed to pre-empt. The two Hughes, two Trims, Cottrill and Moffatt, went over the same day or a day or two afterwards to New Westminster, to give notice to pre-empt, and I presume went through the usual form. It was understood between these parties and myself, that as soon as proper titles could be procured, a company should be formed. Harry Trim then went to the Island, I presume to put his notices up. When Trim gave me the information, it was somewhere from the 1st to the middle of July, as near as I can recollect. After Harry Trim returned, the steamer went up to Jarvis Inlet and then to Texada Island, and returned. Hughes, Nelson, Harry Trim, Adam Watson and myself went up in the steamer. This was about the middle of July. We landed, stopped a short time, examined the island, and then came home again. We stopped at the island about a couple of hours. We made a hole in the iron-rock, and put a blast of giant powder in. We did not examine for the posts of the pre-emptions. We blasted off some rock. This was the first trip. I staked out nothing myself. We did not take any possession of land, we merely took some pieces of ore, and came home again. I don't know whether Trim was authorized to act for any one in staking off claims. I believe he was.

Before Mr. *Moody's* evidence was finished, Commission adjourned to 11:30 A. M. to-morrow.

FRIDAY, 29TH MARCH, 1874.—3RD DAY.

Commission met at 11.30.

Commissioners present—Honourables M. B. Begbie, H. P. P. Crease, J. H. Gray.

The Secretary read letter and certificate from Dr. Helmcken stating that Mr. *Moody* was very unwell and unable to attend to any business.

Present—Mr. *Robertson*, Q.C. (for *Moody*, *Dietz*, and *Nelson*), Mr. *Mason* (for Attorney-General), Mr. *Robson*, Hon. Dr. *Ash*, Hon. Mr. *Armstrong*.

On account of Mr. *Moody's* illness, Commission adjourned to Monday, the 30th instant, at 11.30 A.M., to give Mr. *Moody* time to attend.

MONDAY, 30TH MARCH, 1874.—4TH DAY.

Commission met at 11.30.

Commissioners present—Honourables M. B. Begbie, H. P. P. Crease, J. H. Gray.

Present—Mr. *Robertson*, Q.C. (for *Moody*, *Dietz* and *Nelson*), Mr. *Robson*, Mr. *Mason* (for Attorney-General).

The examination of Mr. *S. P. Moody* was continued,—

I was unwell the day I was here giving evidence. I did not recollect. I was very incorrect in my evidence in consequence. With leave of the Commissioners, I will make an entirely new statement.

Last May, Harry Trim came to Burrard Inlet with iron ore, which he showed to Mr. Hughes and myself, and expressed a wish to take some steps to secure it, and wished me to visit the island with some of my friends as soon as convenient. He then returned to his place on the island; he lived on the island at that time. On the 10th June I came to Victoria on the steamer "Cariboo," to meet Mr. Nelson. We left here on the 11th, and went to Burrard Inlet, and stayed there one or two days, and then Mr. Watson, Mr. Nelson, and myself went to the head of Texada Island to Trim's place—to the head of "Blubber Bay." We went ashore there, and examined the land for nearly half a day. We took Trim on board, and went down opposite to the iron deposit, and Nelson, Watson, Trim and myself landed in a small boat. We went on to the iron ore and examined it; drilled a hole in it and blasted out some ore. We came down to the steamer and brought some iron specimens with us. We then returned to Trim's place and stopped over night. Next day we examined another small island, called "Harward Island," about two miles from the north end of Texada Island. From there we went to Pender Harbour, on the Mainland; we did not land. From thence we went to Burrard Inlet. Trim we landed opposite Jarvis Inlet, and he went back home to Texada Island in a small boat. Trim was instructed by us to go and get four or five tons of iron ore, and bring it to Burrard Inlet—which he did in about two weeks. The applications to pre-empt were made when we returned in the steamer to Burrard Inlet. Instructions were given to Trim, also, to put up stakes and notices. J. C. Hughes and H. Trim were pre-emptors, and others I do not recollect. I think there were three others besides these two—that is, five in all. The application to pre-empt was made at New Westminster. Immediately after Trim brought the four or five tons of ore to the Inlet, he returned to Texada Island to explore, and see if he could find any more iron ore; he went back in his own boat. About the last of July or first of August, I came down to Victoria in the "Cariboo-Fly," and invited Messrs. DeCosmos, Walkem, and Dalby to go up to the Inlet, and then up the coast. I think Capt. Raymur was on board from Victoria to the Inlet. We stopped at the Inlet about a day, and then started up the coast with Messrs. DeCosmos, Walkem,

Dalby, and Watson on board. We went from Burrard Inlet to Harry Trim's place, at the northerly end of Texada Island, and stopped half a day and examined the formation of the country, picked up a few rocks, and went aboard again. Watson is not a professional geologist; he knows a little more about it than I do. I took H. Trim on board next day, and went to the iron deposit; the iron deposit is eight miles from Trim's place. We went ashore at the iron mine, and stayed there three or four hours, and examined the iron deposit, and returned to the steamer. We picked up some specimens of iron, and took them with us, and we returned to Trim's place and stopped all night. Next morning we started, and went to Jarvis Inlet, to a place called Thunder Bay; stopped there two hours. From thence we returned to Burrard Inlet. We arrived at Burrard Inlet some time during the night. Next morning, Mr. Walkem visited the Hastings Mills. Messrs. DeCosmos and Dalby went across to New Westminster in the morning. About 15th of August Trim came down in his sloop from Texada Island, and reported that Richardson, the geologist, had been there to examine the island, and Trim proposed locating some more claims; and quite a number more claims were located. About that same time Mr. Dalby came up to the Inlet in the steamer "Isabel," and proposed making some more locations. Trim was there at the time Dalby arrived. A number more locations were made around in the harbour of Gillis Bay, about the middle of Texada Island; and about two miles from where we found the iron. The day after Dalby arrived, he and Hughes went to New Westminster, and made the applications to pre-empt some other claims. Trim returned to the island with notices. I engaged the "Isabel"—which was going to Nanaimo—to tow his sloop opposite to Gillis Bay; Gillis Bay faces right opposite to Comox. He was to go right to the island to post notices on the pre-emptions it was proposed to make application for; I mean the applications then being made at New Westminster. I do not recollect the number of pre-emptions referred to. B. Springer, C. M. Chambers, J. C. Hughes, J. Moffatt, J. A. Cottrill, T. Carvell, B. H. Wilson were all in my employ, and pre-empted at my suggestion, except J. C. Hughes. Trim was not in our pay and employ at the time he made the pre-emptions. I do not recollect what I said to induce these people to pre-empt. Messrs. Moody, Dietz & Nelson paid the expenses of the trips of the steamer to the island—that is, made the advances, and charged them to the iron mine. I cannot say that we paid any of the expenses for recording the pre-emptions. I don't know who paid the fees upon the pre-emptions; we might have paid them, but I cannot be sure. Anything that we advanced we charged to this account. Mr. Nelson, Mr. Dietz, and myself were to be three in any company that might be formed. By the "iron mine," I mean a company that was proposed hereafter to be formed. The company was to consist of William Dalby, J. C. Hughes, T. G. Moody, P. W. Swett, B. H. Wilson, Harry Trim, Edward Trim, Adam Watson, H. Nelson, George Dietz, R. P. Rithet, Joshua A. Moody, James VanBremmer, S. P. Moody—fourteen in all. The company was to hold the whole of the land covered by these pre-emptions. Some of the pre-emptors, who pre-empted at my suggestion, were left out, and some, not pre-emptors, are included in the list. The ground to be the property of the company, was to be the land the iron ore was in. Three pre-emptions covered all the iron, viz., J. C. Hughes', Harry Trim's, and H. W. Hughes'. I am not positive of iron existing in any pre-emption except H. Trim's. These three persons pre-empted to get a title to form the company. Dalby pre-empted for the benefit of the company. I think B. H. Wilson and Edward Trim pre-empted on the same understanding. J. A. Cottrill, also. I don't think Mr. Calder's land was of any value to the company; I don't know that Mr. Calder's land is valuable for bringing water. I believe Moffatt's pre-emption was to go to the company. When we found the iron ore, I showed some specimens to Mr. DeCosmos and told him that any time it was convenient to him I would take him up the coast and show him the iron mine. I also said the same to Mr. Walkem. I told Mr. DeCosmos I wanted to show him the iron. I did not say anything about the iron to Mr. Walkem.

They went right up to the iron mine on the steamer. The steamer did not leave them at the Inlet and make a trip to the iron mine in the meantime. My main object in taking Mr. DeCosmos up was to show him the iron mine. I told Mr. DeCosmos that as soon as the titles were secured I proposed making a Company, and that if he wished an interest in the Company he could have one. I did not tell Mr. DeCosmos the mode in which I proposed getting a title to the land. I did not talk with him about titles. I offered Mr. DeCosmos an interest in the Company when formed and he declined—saying labour was too dear to make an iron mine pay in this country. I made the same proposition to Mr. Walkem, and he declined on account of the position he held in the Government. The names of Messrs. DeCosmos, Walkem and Beaven were not put up on the Island as pre-emptors to my knowledge. I was told by one party they were up there. I do not recollect being told by Mr. Spratt that those names were up. I was walking with Mr. Robson up Pandora Street. Mr. Robson stated that he had heard from good authority that the names of Messrs. Walkem, Beaven and DeCosmos were up on Texada Island. I said that Joe Spratt had told me that Captain Clarke had told him that the names were there; but I saw Captain Clarke and he told me he had never told Joe Spratt so—he was here on the Island. Mr. Robson also asked me if somebody had not put up their names for mischief. You stated in the first instance to me that you had heard from good authority that those three names were up. I do not remember asking H. Nelson to become a pre-emptor. I do not recollect asking him, and his declining to have anything to do with the matter. No steps to my knowledge have been taken towards placing the stock on the Canadian or English markets, or both. I never commissioned or employed Mr. DeCosmos to sell the mine or negotiate the matter in any way. I don't know the size of those pre-emptions on Texada Island. I presume they are 160 acres each. Messrs. DeCosmos and Walkem after their return from Texada Island to Burrard Inlet went over to New Westminster; that was the last I saw of them. On the way up to Texada Island I cannot say that I had any conversation with Mr. DeCosmos as to the prospect of floating the stock of the iron mine. I don't recollect having any such conversation. I never heard that Mr. DeCosmos entered into any treaty with Sir John A. Macdonald for the sale of the mine. I never have been informed outside of the papers that Mr. DeCosmos had placed the matter in the hands of Mr. Sproat. I do not remember having said to Captain Devereux that I knew what I was about; I did not take those fellows about feeding and wining them for nothing, or words to that effect. I do not recollect speaking in that style to any one. I will not swear that I did not say so to Captain Devereux. I would not be surprised at responsible parties coming forward and saying that I did so. When Trim first made known the valuable discovery to me J. C. Hughes was the only other person present. C. M. Chambers was book-keeper at the time the charges and entries were made against the iron mine.

Mr. *Moody's* examination being finished about 4 p. m., the Commission adjourned to Tuesday, the 31st March, at 11.30 a. m.

At request of Mr. *Robson*, issued subpoena for Capt. *John Devereux*.

TUESDAY, 31ST MARCH, 1874.—5TH DAY.

Commission met at 11.30.

Commissioners present—Honourables M. B. Begbie, H. P. P. Crease, J. H. Gray.

Secretary stated that he had, on the previous day, at the request of Mr. *John Robson*, issued a Subpoena to Capt. *John Devereux*.

Present—Mr. *Robertson*, Q. C. (for Messrs. *Moody*, *Dietz* and *Nelson*), Mr. *Mason* (for Attorney-General), Mr. *Robson*,

Hon. Attorney-General *Walkem* appeared in person during the afternoon.

Witnesses sworn and examined—Mr. *William Dalby*, Capt. *John Devereux*.

William Dalby sworn,—

I am one of the pre-emptors on Texada Island, and I am to be a member of the company for working the iron mine, when formed. I hold one hundred and sixty acres. I pre-empted at suggestion of S. P. Moody. I know the names of some of the other pre-emptors. I believe B. Springer, C. M. Chambers, T. J. Mills, Wm. Robertson, B. H. Wilson, J. C. Hughes, Edward Trim, Harry Trim, J. Moffatt, H. W. Hughes, J. A. Cottrill, Charles G. Major, A. Calder, and E. Brown are pre-emptors. I do not know any persons who go under the names of J. C. Brown, H. T. Smith, P. Marshall, and T. Carvell, nor do I know that their names have been used for the purposes of pre-emption. I am sure that H. T. Smith, as far as I know, is not meant for Mr. DeCosmos. There were pre-emptions made there without my knowledge, and I do not know the names of the parties who made them. I left Victoria for Burrard Inlet in steamer "Cariboo-Fly," on the 29th July, 1873, at 8.30 p. m. Messrs. DeCosmos, Walkem, Hughes, and Watson were with me. I believe Capt. Raymur, also. The steamer stayed at the Inlet about a day before going to Texada Island. All these parties went up in the steamer next day to the island. The steamer did not go up while these gentlemen remained at the Inlet. I don't think there was at that time any arrangement spoken of with Mr. Walkem and Mr. DeCosmos, about putting the stock on the market; there may have been. Mr. DeCosmos has spoken to me on the matter since. He said that when the company was formed, and felt inclined to sell the land, he would like to act as agent. I told him we had no title, but when we had a title and felt so disposed, I should have no objection to placing it in his hands. I told him he had better see Mr. Moody. The conversation took place some time before Mr. DeCosmos went away to Ottawa, last year. I think this occurred sometime the last of September. He came and told me that he was off shortly, and if the company felt disposed to sell the mine, he would like to act as agent. He was not subsequently appointed agent to my knowledge. I asked him, whilst he was away, to make enquiries about the value of these mines, as it would confer a favour upon me. The first time I saw the statement of his having tried to dispose of the mine, was in the *Colonist* paper. After seeing this in the paper, I spoke to Mr. DeCosmos about it; I said: "I see by the paper that you are about "to sell the iron mine," or "have sold it," or words to that effect. He stated to me that while in England, he took the opportunity to speak to Mr. Sproat about the mine, and that, having to hurry back, and not having time to attend to it, he asked Mr. Sproat to find out whether the mine was worth anything, and let him know. I do not know that any attempt was made by DeCosmos to sell the mine at Ottawa. He had no authority to sell it, to my knowledge. There was no rate of commission named as compensation for his services. There was no price put upon the mine that I know of, by the parties who instructed him to sell. Mr. Moody and I have often talked over the value of the mine; and I told parties I thought it would be worth from \$150,000 to \$250,000. I do not remember stating to any parties in Victoria that Mr. DeCosmos was entrusted with the sale of the mine; that the price of the mine was put at \$150,000; and that Mr. DeCosmos was to have five per cent. commission. I once spoke about the mine in the Council Chamber, and among the Councillors were Councillors Hayward and Morton. I stated that I thought the mine was very rich, and would sell for a good deal of money, and especially if the Government built the railroad, it would be worth while for the Government to use it. I may have stated \$150,000 to \$250,000 as the price. I do not recollect stating that Mr. DeCosmos was entrusted with the sale of the mine; I might have done so; I was a little excited; I had just received a telegram from Mr. DeCosmos, which had revived the matter in my mind. I lost the original telegram, but I have a

copy: "Ottawa, 29th October, 1873.—Received, Victoria, October 29th, 7 p. m. Received no answer from Moody yet. Enquire and answer. A. DeCosmos." I understood this to mean he had not heard from Moody respecting the mine. I connected this with the mine, because I had no other transactions with Mr. DeCosmos and Mr. Moody. I know he was not entrusted with the sale of the mine. I understood from this telegram, that Mr. DeCosmos had not had an answer to the letter he had addressed to Mr. Moody, and which I had recommended him to write. I took the copy of the telegram myself; I swear it is a correct copy. I swear positively that I did not say that DeCosmos was to have five per cent. commission. I might have said that evening, that I thought the mine might be sold for \$150,000. I may have possibly stated the price of the mine at \$150,000. I may have possibly stated that Mr. DeCosmos had authority to sell the mine, and that he would receive a commission. If I did state so, I had no authority for so doing, and the statements were incorrect. Mr. Moody told me that he had never given Mr. DeCosmos authority to sell the mine, or fixed rate of commission. I may possibly have made these statements to some one else, but I do not recollect. I may possibly have made such a statement to Mr. Morton, when walking down Government street with him, about the beginning of November, but I do not recollect doing so. I do not remember walking down to the bridge with Mr. Morton. I do not recollect within the last two months having stated to George Norris that Mr. DeCosmos was entrusted with the sale of the mine; that the price was to be \$150,000, and that DeCosmos was to receive five per cent. commission. Mr. DeCosmos is not, to my knowledge, now acting as agent for the sale of this mine. I believe Mr. Moody has given some ore to Mr. DeCosmos from the mine, to take with him; I am not certain; I cannot tell. I don't remember any rock having been sent to Mr. DeCosmos upon any other occasion. I am not aware of any arrangement or understanding between Mr. DeCosmos and the company to sell the mine. The company, I believe, is not formed yet. I do not know that any one has undertaken to enter into any negotiations with Mr. DeCosmos as to the sale of the mine, other than I have stated. After returning to Burrard Inlet from Texada Island, Mr. DeCosmos and I went over to New Westminster that evening, and Mr. Walkem came over next morning. We all came to Victoria next day. I don't know whether Mr. Walkem has any interest in the Eureka mine, or not. I was not an original shareholder of the Eureka Company. I have bought some shares since. I don't believe I am a director. I don't know how the shares are transferred. As far as I know, neither Mr. Walkem or Mr. DeCosmos were offered anything in compensation, or to bribe them. I do not know that Mr. Walkem has taken up ground that was originally supposed to belong to the Eureka mine, in the neighborhood of the mine. I don't know who the Secretary of the company is.

By Mr. Robertson—

Quite a number of people have spoken to me about the mine—to get what information they could. I took it they were trying to pump me. I used to give them, I think, a sort of evasive answer. I wished to keep my information to myself. Mr. Moody is my brother-in-law. I have trusted to him a good deal to look after the mine, and have not, therefore, taken much interest in the management of the mine. The reason I took so little interest in the mine was, that Moody was looking after the mine. There was no person at Ottawa that would be likely to know the value of the mine, that I could tell. When I spoke to Mr. DeCosmos, I thought he was going to England; I wanted him to find out if any person was willing to purchase. I thought his position as leader of the Government would give him special opportunities of bringing the matter before the public. They were not pumping me at the Council Chamber, at the conversation on the telegram.

Captain *John Devereux* sworn,—

I was master of the "Cariboo-Fly" last Summer. I recollect taking her twice up to Burrard Inlet and Texada Island. The first trip was, I should think, about the second week in July. The little log I kept was left behind in the steamer. Mr. Moody, Adam Watson, and VanBremer; I don't think there was any one else on board, besides Douglas Indians. We went up to the island, direct to the Northwest end, and stayed in that bay part of two days, I think, and one night; this bay has since been named "Blubber Bay." We then went around to the iron deposit, on the South side of the island. The island is thirty-seven miles long. It is about seven or eight miles to the iron deposit from the bay. Gillis' Bay is about two or three miles on this side of the iron; there is anchorage there. There are two or three distinct deposits of iron. We were at the island the greater part of three days, and then returned to Burrard Inlet, calling at Pender Harbour. The next trip was two or three weeks later. We left Victoria for the Inlet; we had on board, Moody, Dalby, DeCosmos, Walkem, Watson, and Captain Raymur. We stayed at the Inlet on that occasion just long enough to get wood and water, about one night, I think. We burnt wood alone. All the party, except Captain Raymur, went up to Texada Island next day. We took on board, at the Inlet, H. Trim. We first went to an arm of Jarvis Inlet, and landed a lot of lumbermen, and then went to Texada Island. We arrived at the island about midnight. Next morning, landed the parties at the iron deposit, and anchored that night at Gillis' Bay. We returned next day by the north end of the island, and left H. Trim on the island; the others all came back to Burrard Inlet. I heard Mr. DeCosmos exclaiming that the title to the land, under a pre-emption claim, was not worth a snap of the finger to float the stock in an English market. I did not hear him make any suggestions as to how to get the titles good. As a general thing, when they came back to the mill, they were searching up British subjects, to get them to take up pre-emptions, and get the use of their names; this was after the first trip. I did not hear any direct conversation on the subject. Mr. DeCosmos made the remark on the steamer, about the small value of the stock, to Mr. Moody. I do not know what Mr. Moody answered. Mr. Chambers told me he had been asked to give his pre-emption to Mr. Nelson. On his ascertaining that he could not take up an agricultural claim at the same time; he refused to give his name on this ground. It was a general thing at the mill at the time to get names of British subjects, to get the ground covered. Moody volunteered a statement to me, that he had asked Nelson to accompany the party on the second trip to the island, but he had refused, because he thought it dishonorable—or words to that effect. He said he "would be damned if he would have any such scruples about it." It was something to do with the iron mine, and with the Ministers—but I have no evidence to this effect. I was impressed with the idea that Mr. Moody was trying to use the Ministers in some way with the transactions. Mr. Nelson did not go to Texada Island. I think Mr. Nelson was down here. I never heard anything about the manner in which the good title was to be obtained. I was not confidential with them; they never told me anything.

By Mr. *Johnson*,—

I have left the employment of Moody, Dietz and Nelson. Chambers' conversation took place on the return of the first trip. With regard to the dates, I spoke entirely from memory. The trip did not take place in June, unless on the last day. I ceased to command the "Cariboo-Fly" on 3rd August.

Court adjourned to Wednesday, at 11.30 A. M.

At request of Mr. *John Robson*, issued subpoena to *R. P. Rithet* and *Charles Morton*.

WEDNESDAY, 1ST APRIL, 1874.—6TH DAY.

Commission met at 11.30 A. M.

Commissioners present,—Honourables M. B. Begbie, H. P. P. Crease, J. H. Gray.

Secretary stated that on previous day, at request of Mr. *Robson*, he had issued subpoenas to Messrs. *R. P. Rithet* and *Charles Morton*.

Present,—Hon. Attorney-General *Walkem*, Mr. *Mason*, Mr. *Johnson* (for *Moody*, *Dietz* and *Nelson*), Mr. *Robson*.

Witnesses sworn and examined,—*Charles Morton*, *R. P. Rithet*, Hon. *R. Beaven*.

Chas. Morton sworn,—

I never heard Mr. Dalby say anything in the Council Chamber with regard to the Texada iron mine—out of the Council Chamber I have. On the 1st November, 1873, Mayor Dalby called upon me by appointment in order to proceed to where a new sidewalk was being laid in Menzies street—our object was to give the contractor slight alterations in laying the sidewalk. When near James' Bay, Dalby said, "I think I am in a fair way of doing well." I said, "I am very glad to hear it. I am doing a good business; I hold a number of shares in the Eureka silver lead; I am also interested in the Texada iron mine." I said, "Oh, indeed! are you in that? It may be good property, but it has no money value; you cannot work it." Mr. Dalby stated, "Oh, yes it has. Mr. DeCosmos is entrusted with the sale of the mine to the Dominion Government for \$150,000, and he is to receive five per cent. commission if he succeeds in selling it." I said, "Is Mr. DeCosmos interested in the mine?" He said, "Yes; but his name does not appear, of course." I said, "Then he will get five per cent. commission beyond his share?" He said, "Certainly." I then said, "Is Captain Clarke in the company?" Dalby stated, "No. Captain Clarke did not do the right thing—he took other parties up there; but I am not sure Captain Clarke will not be taken into our company." Dalby said that if the mine sold for \$150,000, his share would be about \$15,000. That was the whole of the conversation. My reason for taking particular notice of this conversation was, that I had had several discussions with parties as to whether there was any money value attached to this mine, that is, in its unworked state. There were some parties staying with me, who talked of going up there to pre-empt, and I had advised them not to, previous to my conversation with Dalby. Mr. Dalby did not restrain me from mentioning this conversation. After the conversation, I informed these parties that the land that contained the iron had really some cash value. I said I had received information that day that convinced me that the mine had a cash value. I did not state to the parties who had told me; I said I had it from a shareholder, and that I considered the information trustworthy. If the weather had not been too bad, the parties would have gone up with McLaughlin, who had been with Mr. Richardson, the geologist. I did not know that anything was wrong, nor do I know it now. I thought it in the public interest to mention this to these men, as I understood from the assistant geologist there was plenty of ground there. To assist these men, I went to the Land Office, and got a sketch of the north end of the island, so that they might not encroach on the pre-emptions already made. Mr. Dalby was not at all excited when he spoke to me; it was about 8 A. M. It came up as an ordinary conversation. I never mentioned any names in this matter until I saw a contradiction to the statement that Mr. DeCosmos had been entrusted with the sale of the mine. I did then state it, and tell the truth as it had been told to me. I did not hear at that time of any other member of the Government being mixed up in this mine. I did not hear the conversation in the Council Chamber, when Mr. Dalby received the telegram. I am certain I was not present. I read a statement in the *Colonist* this morning, which must be a mistake. No such conversation, as stated by Mr. Dalby, ever

took place before me in the Council Chamber. My conversation with Dalby, on the way to James Bay bridge, was the first intimation I had that Mr. Dalby was interested in the mine. I have not the sketch I got from the Land Office, of Texada Island, in Court; it is in my safe.

By Mr. Dalby,—

I confirm my memory by a reference to Mr. Clarke, to whom we went to give orders for the alterations. I am quite sure the conversation occurred on the 1st November. You never mentioned the telegram to me. You never spoke to me on the subject in the Council Chamber. I most positively swear that I never said to any one that I had seen the telegram—from DeCosmos, in the Council Chamber, to you—and I never heard of it till this morning. Everything was fresh to me when this conversation occurred, when Mr. Dalby and I were walking to Menzies street. Mr. Dalby often showed me telegrams from Mr. DeCosmos and others, about municipal matters; anything connected with city matters he always used to show me. The impression I had from the conversation was, that the arrangement had been made with Mr. DeCosmos before his departure for Ottawa.

Robert Patterson Riethel, sworn,—

Mr. Moody has always told me that I was to be one of the Texada company, when formed. That is the only interest I have. I am not a pre-emptor on the island. My name may have been used, but not with my authority. I was never asked to become a pre-emptor. I have heard the names of some of the pre-emptors from Mr. Moody. C. M. Chambers, B. H. Wilson, J. C. Hughes, and William Dalby are the pre-emptors, as far as I can recollect, that Moody told me. Mr. Moody never told me how the title to the land was to be acquired. I do not know H. J. Smith or P. Marshall, or J. Wilson, as pre-emptors. I was never told by Mr. Moody what arrangement had been made for disposing of the property, nor do I know that any has been made. There was a box of ore taken from our store by Mr. DeCosmos, and a map of the mine, I believe. I asked, and was told the box contained iron ore. I saw a map of the island, but cannot say it was the one DeCosmos took. I had no knowledge or information of the reason why Mr. DeCosmos took the ore. I know nothing of the proceedings with the American Consul here. I am not Secretary for the Eureka silver mine, nor do I know who is.

Hon. Robert Beaven, sworn,—

I am Chief Commissioner of Lands and Works. The pre-emptions on Texada Island were recorded at New Westminster. The returns from that office give full particulars. The first application was made by H. W. Hughes, on 19th June, 1873, and received at New Westminster same day; 2nd, H. Trim, same date in both cases; 3rd, John Moffatt, same date both applications; 4th, J. A. Cottrill, same date both applications; 5th, J. C. Hughes, application dated 2nd July 1873, and received at New Westminster 3rd July; 6th, J. A. Cottrill, application dated 16th August, 1873, and received 18th August, 1873.; (7) Edward Trim, same dates; (8) B. H. Wilson, same dates; (9) William Dalby, same dates; (10) J. C. Brown, application made and received on 18th August; (11) William Robertson, 18th August both cases; (12) T. J. Mills, 18th August both cases; (13) C. M. Chambers, 18th August both cases; (14) B. Springer, 18th August both cases; (15) Charles G. Major, 19th August both cases; (16) Thomas Carvell, application dated the 18th, received on 19th August; (17) Ebenezer Brown, 19th August both cases; (18) Alexander Calder, same dates; (19) Thomas Wilson, application dated 18th, received 19th August; (20) Henry Smith, same dates; (21) application dated 20th, and received 26th August, to pre-empt as a firm, from Captain Clarke, Captain Cooper, T. G. Burnes, and Robert Ker; (22) C. T. Dupont, same dates; (23) Thomas A. Bulkley, same dates. These are all the applications made to pre-empt on Texada Island up to this date, as far as I know. My last returns are up to 16th March,

1874, and cover all applications made up to that date at New Westminster. Leave was granted in all these cases. Of these applicants, the following persons recorded, that is to say, received certificates of pre-emption record: (1) H. W. Hughes, 20th June, 1873; (2) H. Trim, 20th June; (3) John Moffatt, 20th June; (4) J. A. Cottrill, 20th June; (5) J. C. Hughes, 3rd July; (6) J. A. Cottrill, 28th August; (7) Edward Trim, 28th August; (8) B. H. Wilson, 28th August; (9) William Dalby, 28th August; (10) J. C. Brown, 28th August; (11) W. Robertson, 28th August; (12) T. J. Mills, 28th August; (13) C. M. Chambers, 28th August; (14) B. Springer; (15) C. G. Major, 28th August; (16) Thomas Carvell, 29th August; (17) E. Brown, 29th August; (18) Alexander Calder, 29th August; (19) Thomas Wilson, 29th August; (20) Henry Smith, 29th August. This is the end of the pre-emption records; no pre-emption record certificates were ever issued to the remaining applicants. I do not know that they applied for pre-emption records. No reason is assigned for refusing to give a pre-emption record to Captain Clarke and his company, C. T. Dupont and Thomas A. Bulkley. Nos. 2 and 3, on the map of Texada Island, now produced, are mining licences; No. 2 is the Malaspina Company; No. 3 the Texada Company. The Malaspina Company's licence was granted on 1st October, 1873, to Edward Trim, J. H. Van Bremer, James Trim, H. Trim, J. G. Moody, T. J. Mills, Joshua Moody, J. C. Hughes, B. H. Wilson, H. Nelson, W. Dalby, P. W. Swett, T. L. Briggs, S. P. Moody, J. L. Crimp. The application for this licence was made and received on 18th August, 1873. No. 3, Texada Company; licence granted on the 1st October to S. P. Moody, J. H. Van Bremer, George Dietz, H. Nelson, H. Trim, W. Dalby, J. C. Hughes, J. J. Cowley, P. H. Swett, B. H. Wilson, F. Pagden, A. Watson, Senior. The application for this licence was made and received on 18th August. Malaspina Company mineral licence was not to exceed in the whole five hundred statute acres, under Mineral Ordinance, 1869; Texada Company, the same. No. 4, Gulf of Georgia Company; mining licence issued, of same dimensions, on 24th October, to C. M. Chambers, J. J. Cowley, S. Duck, J. L. Crimp, T. G. Moody, W. Robertson, C. G. Major, E. Brown, J. A. R. Homer, A. Calder, H. V. Edmunds, J. A. Calbraith, H. W. Hughes. No. 5, Madeline Mining Company; application made on 19th August, and licence granted on 27th October, to J. A. Webster, H. V. Edmonds, George C. Webster, A. Watson, Junior, P. McQuade, George J. Findlay, J. H. Brodie, E. Marvin, J. Cowper, T. S. Milligan. No. 6, Dominion Mining Company; application 18th August, and a mining licence issued on 27th October, to J. A. Webster, G. C. Webster, H. V. Edmonds, A. Watson, Senior, J. Cowper, G. J. Findlay, J. H. Brodie, G. Buck, J. McMurphy, C. N. Trew. These are all the mining licences issued on Texada Island. An application for a mining licence was made on the 21st August, and received on 26th August, on same island, and was refused by H. V. Edmonds the same day, because the land was already taken up. This is the only application refused.

The Commissioners rose at 4 p. m., and adjourned further examination of Hon. Mr. *Beaven* to Thursday, at 11.30 a. m.

THURSDAY, 2ND APRIL, 1874,—7TH DAY.

Commission met at 11.30.

Commissioners present—Honourables M. B. Begbie, H. P. P. Crease, J. H. Gray.

Present—Mr. *Mason* (for Hon. Attorney-General), Mr. *Robson*.

With regard to witnesses, the Chief Justice stated: We propose to hear, in the first instance, all witnesses Mr. Robson chooses to call, whom we shall call witnesses for prosecution; then, any witnesses Mr. Robertson may choose to call,

witnesses for defence. Then, any person who considers his character implicated, would be entitled to call witnesses; and when that is done, we shall call any witnesses that we may think able to throw any light upon the matter; and then there will be a general reply upon all the circumstances, and the matter will be closed.

Witnesses examined,—*Robert Beaven*, partially: *Hugh Nelson*.

The examination of Hon. Mr. *Beaven* was continued,—

An application for a Mining Licence was made on 21st and received on 26th August, and refused the same day, by Messrs. C. T. Dupont, R. Ker, I. W. Powell, W. R. Clarke, James Cooper, B. Madigan, T. A. Bulkley, B. W. Pearse, W. C. Ward, and H. P. P. Crease. No other applications have been made for Mining Licence on Texada Island up to the 16th March. There were two applications made to me personally to purchase land on Texada Island under Clause 16 of the "Land Ordinance Amendment Act, 1873." The clause came into effect on 21st July last. Mr. S. P. Moody wanted to purchase some land at \$1 per acre. I told him I could not sell as the machinery was not complete. Mr. C. T. Dupont, on behalf of James Cooper, Robert Ker, W. R. Clarke, Benjamin Madigan, and T. A. Bulkley, made a similar application on 23rd August, 1873. Mr. Moody's was simply a verbal application for information. Mr. Dupont's was a written application to purchase 480 acres of land, and I replied in writing that the clause was under consideration of the Government, and his application was not granted. The Government came to a decision about the end of August. The Order in Council fixing price of mineral land at \$10 per acre is dated 20th Sept. ; the Order also limited the quantity to 640 acres. There is an Order in Council fixing the price of unsurveyed land at \$2 50 per acre—reserving all the precious and baser metals and minerals to the Government. These regulations were in force in the latter part of September last; all these have been rescinded by Order in Council within a month past. Henry W. Hughes is the first applicant to pre-empt on Texada Island. Leave was granted—he applied one day and recorded the next. The practice in the Land Office here is frequently to record on the same day that permission to pre-empt is granted, although the applicant has entered previous to getting the permission. When I give a man permission to pre-empt I never refuse to record his land on the ground that he has entered before he has received the permission. I have never given any special instructions upon that point to any of my agents. If they received any instructions they would receive them from me. Since the pre-emptions on Texada Island a certificate of improvement on Pre-emption Record No. 100 has been granted to H. W. Hughes, dated 23rd February, 1874. Also to Harry Trim (Pre-emption Record No. 1,091), dated 23rd February, 1874. Also to J. C. Hughes, 12th March, 1874, on Pre-emption Record No. 1,102. No leaves of absence have been granted to my knowledge. So far as I know no favoritism has been shown to either of these parties, but the usual course has been pursued. I am told the whole iron deposit is contained in a very few acres. I am not aware yet that these are valuable mineral lands. I am not aware that there is anything in the Acts to prevent anyone pre-empting valuable mineral lands. It is not the practice of the Government to withdraw all valuable mineral land from the operation of the pre-emption laws. The Mineral Districts have been established since 1869. I am not aware that I have in any way declined or refused or delayed any person taking up land under the pre-emption law, on the ground that it was mineral land and should be treated differently, nor am I aware of any instance of the kind. I am not aware of any persons having made applications to pre-empt land on Vancouver Island and having been refused, on the ground that the land was mineral land and must be treated differently. I think Mr. W. A. Robertson and others obtained leave to pre-empt in Cowichan District, and recorded. The length of Texada Island is twenty-seven nautical miles.

Hugh Nelson, sworn,—

I am a member of the firm of Moody, Dietz & Nelson. I believe I was to be a member of the Iron Company to be formed. I am not a pre-emptor on Texada Island. I have no interest in any pre-emptions on Texada Island, except as mentioned. I have an interest in one, if not two, of the "Mining Licence Companies," I think the Texada and Malaspina Companies. I think the Company looked upon five of the pre-emption claims as being valuable on account of iron. I cannot say in what particular pre-emption the iron was contained. A number of the pre-emptions were taken up on Gillis' Bay, partly because they were good land, and also because Gillis' Bay is the only port of shipment. I think H. Trim's, J. C. Hughes', H. W. Hughes' and J. A. Cottrill's pre-emptions covered the iron deposit. The reason I did not take much interest in the matter was, because I did not believe in the value of the iron. I think I could be tempted to sell out my prospective interest for a very reasonable sum. I only received the information of the sale for \$150,000 from the *Colonist*. I only wish it was true. I think Dalby was what is commonly called "gassing." I arrived here on steamer "Prince Alfred," on my return from Ottawa, on or about 10th June. I found Mr. Moody here with steamer "Cariboo-Fly." He wanted me to start off that evening for Burrard Inlet, for the purpose of proceeding to Texada, to examine what he considered the valuable deposit of iron. I told him no, I would not go; but I would probably be prepared to accompany him next day. We left on or about the 11th, in the evening. We proceeded to Burrard Inlet, remained there one and a half or two days, and then started for Texada Island. We went to Blubber Bay; it was blowing pretty fresh, and it was the opinion that we could not land a small boat opposite the iron deposit. We laid off about one day. We then went round the head of the island, and got into a small boat of H. Trim's and lauded, the steamer being in the meantime kept in the offing under slow steam. We explored the iron; put in two or three blasts, and blew out some iron ore. I think I wrote out two notices for mining companies, under the Mineral Ordinance. I think the intention at the time was to form two companies. The tree we chose to put them on was about opposite the centre of the iron deposit; this was before any pre-emptions were made. I don't think any action was ever taken on those notices; I do not recollect if any name was signed to them or not. After staying on the island three or four hours, we embarked and put off to the steamer. On our return to Burrard Inlet, I believe certain men were asked to make application to pre-empt, for the purpose of securing land on Texada Island—some by Mr. Moody; I don't recollect hearing him ask any one. I asked Mr. Chambers myself; in asking Mr. Chambers, I believe I told him that by pre-empting he would become one of the company to be formed. At first he agreed to pre-empt; afterwards he refused, stating that there was an agreement between him and his brother to pre-empt together for farms. I believe he afterwards became a pre-emptor. He told me he pre-empted at suggestion of Mr. Moody. I asked him to pre-empt with a view of forming a company. He said his idea was, he should be a member of the company. Chambers was the only party I spoke to. I am aware others were spoken to, and did pre-empt. I know nothing about the accounts opened in the books of the firm. I believe there was no understanding at all as regards the expenses of the trips. Moody's idea was, that the expenses were to be charged to "Iron Mine," to be defrayed by any company that was to be formed. A second set pre-empted, I believe with the view of the same ultimate end. Some have pre-empted who have no connection with the company. I do not know Henry Smith. I do not know that any fictitious names were employed in any way. In fact, I am sure there were not. I do not think the parties would be guilty or so foolish as to use fictitious names. It is very possible that Henry Smith pre-empted on his own account. I do not know who asked Charles G. Major to pre-empt. I do not know who asked J. C. Brown to pre-empt. This was the only time I was on Texada Island. Harry Trim has been an occupant of the island for some time. J. C. Hughes was for some time down here, and H. W. Hughes

lived at the Inlet: they must, therefore, have occupied by agent. J. A. Cottrill did not reside there, to my knowledge. The Trim's were the only pre-emptors who resided there. Some people who were working on the island, I understood, represented the pre-emptors. I do not know how long they were on the island. The expense of improvement and occupation, I presume, would be paid by the iron mine. I have not the slightest idea of the expenses incurred from first to last. I can't tell what pre-emptions were to form common stock of company. I did not know all the parties who were to constitute company; S. P. Moody, J. C. Hughes, Joshua Moody, Thomas Moody, A. Watson, James Van Bremer, and Swett are some of them. The titles were to be obtained in the usual manner. Moody was the principal manager. A great portion of the time I was away. The idea was, that money could eventually be made out of the mine. As far as the Canadian market was concerned, I am not aware of any steps being taken for a sale. I was in Ottawa. No offer was ever made, to my knowledge, by Mr. DeCosmos to Sir John A. Macdonald, or any negotiations at all. Mr. DeCosmos, during my stay in Ottawa, never mentioned the Texada mine. I should think it very odd, being at Ottawa, if such negotiations were made without my knowledge, as I was an interested party. I swear this to the best of my knowledge, remembrance, information, and belief. One day, at Ottawa, passing through the library, some time during the session of October, 1873, I saw a large block of iron ore from the Haycock mine lying on the table, and on the block of iron ore was a cold chisel, supposed to have been made from the iron at a single melting, and supposed to be as good as steel. I think I remarked to DeCosmos, that I hoped the Texada Island would turn out as good: this was a few days before the fall of the Ministry. That is all that passed between us at Ottawa, about Texada Island, until immediately prior to Mr. DeCosmos' departure (and after the fall). I was in his room at the Russell House; I said to him, "DeCosmos, when you are in England, will you see if anything can be done with the Texada Island iron mine?" I think he told me he had written Moody, and received no reply. I told him that was very like Moody, and not at all to be wondered at. He said, "You must give me some authority." I told him I had no power to give him any authority. He said, "Write me a note, or something to show," or words to that effect. I wrote him a note to this effect, "Will you, while in England, enquire what can be done with the Texada iron mine, and inform me or the parties connected with it?" I had no right to give any authority. This note was signed "Hugh Nelson, on behalf of shareholders." Mr. DeCosmos said he would see what he could do in the matter. Nothing from that time up to-day has ever passed between him and me on the subject. I have not had the curiosity to mention the matter to him, and ask him what he had done. I have not heard of any arrangement with Mr. DeCosmos about the sale of the mine, up to the present time. I heard, the other day, that DeCosmos had taken a plan of Texada Island and a box of ore. I saw a copy of the plan that he took; the copy of the plan was given to Mr. DeCosmos on the 11th March, 1874; this is only what I have heard. Mr. S. P. Moody told me that Mr. DeCosmos had taken a plan; he told me this since his examination here. I am satisfied there was no employment, any further than I gave Mr. DeCosmos, when he went to England. Mr. Moody told me that he had merely given DeCosmos the ore and plan, and had not employed DeCosmos in any way. I believe this was last Monday, after his examination. I have not taken much interest in the matter. I have taken much more interest since these slanders have been published in the public press. I have never heard from any person other than Mr. Robson, that Mr. DeCosmos has been employed, that is, from any person who could be presumed to have any authority or know anything about it, to make such a statement. Some one may have said to me, in a joking manner, that DeCosmos was going to sell the mine.

By Mr. *Walkem*,—

I never refused to go on the second trip of the steamer "Cariboo-Fly" to

Texada Island, because, as stated by Captain Devereux, I considered it dishonorable; nor did I ever use that word at all. There was no lurking suspicion or idea in my mind that Mr. DeCosmos and Mr. Walkem were being asked up for improper purposes. DeCosmos, after his return from Ottawa, and hearing that this iron had been struck, told Moody that he had had conversations with parties in Ottawa about iron, and said, that if iron could be discovered out here, it would be very valuable. Moody, on hearing this, asked him to come up. You were merely asked to come up for a trip. I think you had told me that you would like to go up and see the Inlet. I think Mr. Walkem's trip was merely a matter of pleasure. My idea of Mr. DeCosmos' and Mr. Walkem's trip that time was rather a matter of pleasure. I recollect your leaving the wharf with DeCosmos and Dalby. The reason I did not go was, that if I went with Messrs. DeCosmos and Walkem, Moody would have had particular business, and left me to do the honors. I did not pre-empt, because I expected to be away a good deal, and could not give the matter my attention; beyond this, I had no particular reason.

Commission adjourned to Wednesday, at 11.30 A. M.

WEDNESDAY, 8TH APRIL, 1874.—8TH DAY.

Commission met at 11.30 A. M.

Commissioners present—Honourables M. B. Begbie, H. P. P. Crease, J. H. Gray.

Present—Mr. *Mason* (for Hon. Attorney-General), Mr. *Robson*.

Following parties subpoenaed at request of Mr. *Robson*,—*Adam Watson, C. T. Dupont, William A. Robertson, Frank Pagden, Coote M. Chambers, George Hargreaves.*

Witnesses examined,—*Hugh Nelson, Robert Beaven, C. T. Dupont, Frank Pagden.*

Hugh Nelson, examination continued,—

Deponent stated he wished to make a correction in his evidence, with regard to a conversation he had had with Mr. DeCosmos in Victoria, with regard to Texada mine.

“In my evidence I stated that I had had no conversation with Mr. DeCosmos “on the subject of the Texada mine except in Ottawa.”

I wish to state:—About five or six weeks ago, I was going to Burrard Inlet and Mr. DeCosmos spoke to me about the Texada iron; and said now that he was going to Ottawa and out of the Government here and untrammelled with regard to the matter, that if we wished him to take any action with respect to it he would like to hear from us on the subject. I told him I was going to the Mill and would speak to Moody; but I could not see how, under the circumstances, we could give him any definite authority in the matter. My reason for not having thought of this was, I think, having mentioned the conversation at Ottawa. I told him we could not possibly give him any authority, and I did not see what could be done until everything had gone through the regular course of law and we had got a proper title.

By Mr. *Robson*,—

I cannot inform you who were most active in forming the Company at Victoria. I took some small part in getting the pre-emptions covered by mining licence. I thought this course would render the ground more secure, in the event of there being anything in the law to prevent our taking up land of that nature by pre-emption. The batch of the pre-emptions made at New Westminster on the