

Sir HENRY DRAYTON: I am so glad to be able in some way to please the hon. member. It makes me feel quite happy now, so much so that I am tempted to go on and stop again just for the purpose of pleasing him when I stop. We will have another start and another stop and some more pleasure for my hon. friend.

Mr. GORDON: I do not want to compel the stop that my hon. friend mentions, but I might point out that before Sir James Lougheed made his report, cruisers were sent out to examine this berth. The members of the syndicate also had their cruisers go to British Columbia, and in the report of Sir James Lougheed it is mentioned that they took several months. Finally he came to the conclusion that this berth should be exchanged for timber of equal value. The city of New Westminster was threatening litigation. As a matter of fact, on the Coquitlam river logging operations have been carried on for a great many years, vast quantities of logs having gone down the river. Whether the timber on this berth was available for ready cutting and placing in the river, I do not know, but at all events the timber was of some value to the persons who bought this berth, and Sir James Lougheed, appreciating the value of the Coquitlam river for the purpose of floating the timber on that side of the berth adjacent to it had this inquiry made. As will be seen by the report, he appreciated the fact, too, that this reserve having been created and an agreement having been entered into with the city of New Westminster which prevented the licensee from cutting this timber, the Department of the Interior was unable to deliver the property which it had agreed to sell to these licensees; that is, they were unable to give the right to cut on this berth.

Sir HENRY DRAYTON: I am going to give the file to my hon. friend and ask him to read what he is saying from the file.

Mr. GORDON: As a result, Sir James Lougheed came to the conclusion that they had a good case; otherwise he would never have recommended that they be given in lieu of this berth timber of equal value.

Sir HENRY DRAYTON: Let the hon. member read it.

Mr. GORDON: I do not need to read it.

Sir HENRY DRAYTON: The hon. member knows it is not there.

Mr. GORDON: The inference is a fair one. It was drawn to the attention of the

minister of that day that the city of New Westminster was threatening proceedings against any persons who might attempt to interfere with their power rights and he had an enquiry made by the officials of his department; and the conclusion he reached was that the licensees should be given timber of equal value because in his opinion they had a good claim. During his tenure of office it was impossible for his officials to come to any agreement with the licensee for another berth and for three or four years cruising took place every summer on other berths. On two occasions at least the suggestion was made that the licensees should accept other limits but no agreement was reached between the department and themselves. They wanted more than the department was prepared to give them and the result has been that these men have allowed, not the \$126,000 which they paid, with interest and so forth, but \$120,000. This means a net loss to half a dozen in the syndicate of some \$22,800.

Sir HENRY DRAYTON: I asked the hon. gentleman to read from the memorandum but he would not do so for the simple reason that he knew it was useless. He afterwards said that he was drawing a deduction. Well, we can all draw deductions.

Mr. GORDON: I said that it was the deduction that Sir James Lougheed drew.

Sir HENRY DRAYTON: The situation really was this: Sir James Lougheed saw the danger of litigation and he made the suggestion that timber should be exchanged. That is all there is to the Lougheed recommendation.

Mr. GORDON: Sir James Lougheed recognized that the licensees had a good claim in law. Their position was that if the power company attempted to interfere with their rights by flooding the land back of berth 507 they would apply for an injunction to prevent the operation of the dam. And the city of New Westminster itself was threatening proceedings if the company attempted logging operations contrary to the regulations. So that the whole question was in a state of threatened litigation and when the matter was drawn by the city of New Westminster to the attention of Sir James Lougheed he adjusted the difficulty, or rather attempted to adjust it, in the comprehensive report he submitted. But the fact is that he recognized that there was a claim strong enough to warrant him in recommending to council that an equal value of timber should be given to the licensees.