

I suggest that my clients form a company to acquire these lands, say 10,000 acres, including foreshores and water front, in blocks of not less than one-half mile square. A grant of the lands to be made by the Crown to the company and the latter undertaking to negotiate with the Grand Trunk Pacific for the establishment of their western terminus, subject to the following conditions:—

One condition being that they were to pay \$1 per acre for the land. Then he says:

The company—

That is the local company of land speculators:

The company will not bind itself to procure the establishment of the terminus on the site selected but will guarantee to use its very best efforts in that behalf, and will pledge itself not to dispose of the lands or any part of them for any other purpose whatever.

This was the original contract between the little land company and the McBride government. The understanding was that it was a land speculation on the part of a local syndicate in the city of Victoria in which, we have good and sufficient reasons to believe, some members of the McBride government were participants.

Mr. SPROULE. Might I ask the hon. gentleman (Mr. Templeman) right here—if Mr. Bodwell and his associates did not intend the land for the Grand Trunk Pacific why did they agree to sell it for no other purpose. What could they do with it?

Mr. TEMPLEMAN. It would be useless for any other purpose.

Mr. SPROULE. That is their agreement and therefore the purchase must have been for the Grand Trunk Pacific.

Mr. TEMPLEMAN. Let us see what they did. Having obtained this contract with the local government, the representatives of the land company interviewed the Grand Trunk Pacific Company and after negotiations they succeeded in selling to the Grand Trunk Pacific Company these 10,000 acres for \$40,000 and for which they were to pay \$10,000. The Grand Trunk Pacific never received that land from the provincial government for \$10,000. It is true it was conveyed direct from the provincial government to the Grand Trunk Pacific, but the consideration was \$40,000 to this land company, as was proven in the investigation which took place before the legislature.

Some hon. MEMBERS. Hear, hear.

Mr. TEMPLEMAN. The House must understand that this Kaien island scandal, because it was a scandal, created a great sensation in the province of British Columbia and especially in the city of Victoria.

Mr. TEMPLEMAN.

There was an investigation by the legislature; full evidence was taken and the facts I have stated and many others equally as damaging to the government were brought to light. I might mention here, that the commissioner of lands and works, Mr. Greene, who was the person who carried on the negotiations with the local company, has been compelled to retire from political life in consequence of his connection with this scandal. The fact was that the friends of the government having information of this secret contract—because it was kept secret for a long time—secured three or four thousand acres immediately contiguous to these 10,000 acres at the price at which the province sells its lands, and Mr. Robert Greene late commissioner of lands and works, and the man in the government who possibly more than any other was responsible for this contract with the local syndicate is understood to be not altogether a disinterested party. In the face of the storm of public indignation aroused in the province of British Columbia, Mr. Greene has had to retire from the field on the eve of a general election. Now, as I have said before and as the point in this discussion seems largely to be to make a comparison between the selling of this 10,000 acres of land by the province and the sale of the Indian title in certain lands by the Dominion government, it is well for me to explain fully all that has taken place in relation to the sale of these 10,000 acres.

An investigation was held into this transaction; a mass of evidence was taken and a majority and a minority report were presented to the legislature. The majority report whitewashed the government it is true, but the minority report contained some very plain statements some of which I shall read to the House. The report is made to the House on March 9 last, and clause 3 of the minority report says:

That the government did not deal directly with the Grand Trunk Pacific Railway Company, but on the contrary, with a band of adventurers (male and female) who applied for the said land for purely speculative purposes to the knowledge of the government. That the government had no communication either verbal or written, with any representative of the Grand Trunk Pacific prior to the passing of the order in council of May, 1904, and that the telegram of the 29th of April was a mere move in the game to enable the speculators to contend that they could carry out their original intention of procuring the establishment of the Grand Trunk Pacific terminus upon these lands, and to give the government a pretense, a very specious one at that, that they had heard in an indirect way if not a direct way from the Grand Trunk Pacific Company.

6. We find that the government had no power to make this grant either to Messrs. Anderson and Larsen or to the Grand Trunk Pacific without the consent of the legislature,—