A. & G. W. RAILWAY INQUIRY

(Continued from Page One.)

til his return.

Mr. Woods—I think it would be well, in conjunction with that contract, to read Section 9 of the Act, my lords, a question whether they have any right to make it or not.

Mr. Walsh—No, I haven't seen it, but I assume that the government hasn't done anything unlawful. This section to which my learned friend refers is section No. 9 of the Guarantee Act, (reading). It seems to me that section cannot apply to such a contract as this. I do not think it applies.

Mr. Justice Scott—Under the contract it would appear that the A. & G.W. Co. would own the railway when it was completed. I think that is the effect of the contract. So it cannot be an agreement for the transfer of the railway or an amalgamation or anything of that kind

(From Friday's Daily.)

"I was still at work on the job of gettin gassistance for the railway. I have never given up hope.'"

Mr. Walsh produced a letter, dated Dec. 24, 1908, from Minty's file, to him from W. R. Clarke's brother, B. R. Clarke, with reference to the progress being made to get government assistance and stating that he should keep Mr. Cornwall and Premier Rutherford posted as to the progress of the negotiations from time to time.

Another letter from Mr. Cornwall to Minty, dated May 3, 1909, said that the people from whom W. R. Clarke rented offices in Edmonton were anxious for their rent. This was identified by the witess.

In Winnipeg in December, 1908.

Witness thought he was in Winnipeg in December, 1908. If he was there he might have discussed the Athabasca Railway Company with him.

"Do you remember telling Mr. Minty then that you had an interview with Mr. Rutherford on railway matters?"

"I may have, for I talked to Mr. Rutherford on railways every time I saw him."

"Did you suggest to Mr. Minty that you could give him information from time to time, and that he could pass the information on to Clarke?"

"I would reasonably suppose I did, for I was interested in seeing that the road would be built, ond I was doing what I could to get it built."

A carbon copy of a letter, dated December 12th, 1908, unsigned, to W. R. Clarke, was admitted by the court after consideration. It suggested that Cornwall would act as a medium between Mr. Clarke and Premier Rutherford.

Mr. Cross and He Not Together.

"Did you and Mr. Cross go to New York last fall together?"

"No; de did not, but we had discussed going together. I don't mind telling you why.

"Well, however, you didn't go together?"

"No."

"When did you meet Mr. Cross in New York?"

"We were down about the time of the municipal election there."

"Did you go to get pointers there?"

"Well, we did to some extent."

"Neither you nor Mr. Cross needed many pointers in elections?"

"Well, we don't know how soon we will." (Laughter.)

Mr. Walsh said that this finished his examination of Mr. Cornwall.

He produced what was labelled the minute book of the Alberta and Great Waterways Railway, handed to him by Mr. Minty. This was the minute book copied from the original minute book, which Mr. Minty said he would produce when he returned to Edmonton, but which had not been produced by him.

Mr. Walsh read extracts from the minute book. One was a receipt from A. C. Fraser, manager of the Merchants Bank, for $50,000 deposited in the bank as capital stock. Other extracts showed the withdrawal shortly afterwards of this sum, the fixing of $25,000 per year as the salary of W. R. Clarke, the organization by W. R. Clarke, brother of President Clarke, of the Western Canada Construction Company, and the assigning to the latter of all the proceeds of the bond issue and all its rights and privileges.

Mr. Woods asked that a clause of the charter granted to the A. & G. W. Railway be read in conjunction. The effect of this was that the A. & G. W. Railway ompany might assign their rights by consent of the government.

The Cross-Examination.

The cross-examination was then begun by Mr. Bennett.

The witness first stated in answer to questions that he came to Edmonton in 1898 and was first in partnership with W. Fletcher Bredin. He was not in business as a railway promoter. He was a railway incorporator. He had some hopes of making an honest dollar, but had not much expectation out of railway construction.

In answer to questions as to how the rights of the other incorporators of the Athabasca Railway Company were assigned to him, he said he did not know, that was a matter which was handled by his lawyer, Mr. Biggar, at the time.

Mr. Bennett then took up the option in October, 1906, on the charter of the Athabasca Railway Company which was given to Faulkner. All he had in view at the time was the commercial benefits accruing from the development of the north country. On the back of the option was the reservation that Mr. Cornwall might take $2,500 in the new company. This he admitted was that he might show his faith in the venture.

The Athabasca Syndicate.

It was in pursuance of this same desire, the witness said, that he retained 25-140 interest in the Athabasca Syndicate. For this he did not pay cash, but it was as a result of the stipulation in the Faulkner option.

Referring to the atatempt to interest local capital, Mr. Cornwall said he had never told J. A. McDougall that it would require $100,000 to acquire the $11,000 stock in the Athabasca Syndicate. It was Mr. Faulkner who conducted any negotiations.

"What price did you quote to Mr. Gariepy?"

"I quoted him no price. I positively swear to that."

"What price did Faulkner quote?"

"I do not know."

Continuing, Mr. Cornwall said he had introduced Mr. Faulkner to the local capitalists and the latter did the talking. He did not intend to convey any impression yesterday that J. A. McDougall personally wanted more than fift per cent. of the enterprise. What the understanding was was that all the local capitalists together wanted more than fifty per cent. of the stock.

Did Not Know Clarke Had Settled.

The witness stated that he did not know whether Clarke had secured the interests of the other shareholders. He had been told by Clarke that Woodman, the engineer of the Athabasca Syndicate, was making a claim for the syndicate. He did not know that that claim was settled.

In December, 1906, Mr. Bennett quoted from the agreement made for the transfer to the Athabasca Syndicate, to the effect that provision be made for a construction company.

"And you say that you did not know of the Canada West Construction Company till the session of the House this year?" Mr. Bennett asked.

"That is true."

Meet Hawes in New York.

Faulkner and Hawes had come to Edmonton in 1907 to interest the government, and witness told of having been introduced in New York in the spring of 1908 by Mr. Hawes to Judge Day, of the Equitable Life, and Mr. Cromwell. He had placed before them the merits of the north country and Mr. Hawes might have talked the financial end to them.

Hawes later went to England, and it may have been that he wished to secure capital for the railway.

"I was always desirous of having the railway to the north built," said the witness.

"You needn't repeat that so often," said Mr. Bennett.

"Well, it is the truth."

"It sounds suspicious to hear these protestations. 'Me thinks the lady doth protest too much,' quoth Mr. Bennett.

"Well, I am not a lady," replied the witness, amid the smiles of the court.

Never Applied for Bonds.

Mr. Cornwall reiterated that he had never applied to the government for the guarantee of bonds of the Athabasca Syndicate for any particular amount. Neither did he know what his co-syndicators had asked for.

Mr. Bennett quoted from the agreement made between Haws and Cornwall that he should have $544,000 out of $2,000,000 if he secured a guarantee of bonds.

"How," the counsel asked, "can you say you had no interest?"

"I got nothing and I did not expect anything."

"And still you swore yesterday that things were looking up?"

"I referred to the railway, not the financial prospects of myself."

The only time he ever interviewed the government, he continued, was with a number of local men and Faulkner and Hawes, and once when he met Sir Wilfrid Laurier personally. He had time and again spoken to members of the cabinet individuelly on behalf of the railway. He never made specific application to the provincial government for aid. The clauses in the proposed agreement between the Athabasca Syndicate and the government he could not explain. He had left them all in the hands of his solicitor, Mr. Biggar.

Cost of the Road.

"Did you know of any reports that the road could be built for $12,000 a mile?"

"I remember a report from Engineer Woodman to that effect. I can't remember the date. I don't know whether it was before November, 1907."

After further questions along this line the court adjourned at half-past twelve o'clock.

THURSDAY'S SESSSION.

When the commission resumed at two o'clock Thursday afternoon the direct examination of Mr. Cornwall was continued by Mr. Walsh, K. C.

Mr. Cornwall, at the adjournment we were talking about Mr. Hawes and his trip to England. He went there for the purpose of getting money for the syndicate?

I believe so.

And is it so that before he went the plan had been arranged amongst the members of the syndicate that a company should be formed for the purpose of constructing the railroad?

I think there was something like that arranged.

Mr. Walsh—That is a letter you received from Mr. Minty? (Handed him the letter).

Yes.

Said letter dated 12 September 1907. marked Ex. 1.

This refers to a sale which evidently Mr. Hawse had in sight for the charter, for $25,000?

I believe so, yes.

Mr. Cornwall, this paragraph appears in Mr. Minty's letter to you of September 12th, 1907.

"This proposition Mr. Hawes fell within your general instructions, i.e. the second proposal, that a construction company be organized to construct the road, engaging its own sub contractors in Canada, the consideration for so doing being the entire bond issue secured by first mortgage over the undertaking of the company, together with the majority of common stock of the company, for which the present owners of the charter would require cash consideration."

Construction Company Contemplated.

And I take it from that that as early as 1907 you had formed the plan of organizing a construction company which would build this road?

That was part of the undertaking, I believe; that was part of their plan yes.

And it was a part of the consideration for the building of the road by the construction company the entire proceeds of any bond issue there might be?

I believe so.

And I take it from Mr. Minty's reference to you in that letter that you were the father of that idea?

No. I had been probably the father of a good many ideas but not that one. That is something that I didn't know anything about.

But so far as this particular idea was to be applied to this particular road you seem to have been the father of it?

I don't think so.

Well, what did Mr. Minty mean?

To be attributed to me—I am very sorry to say that I am not the father

He is giving you credit for something you are not entitled to?

Quite so. I certainly didn't know anything about that line of work at that time.

You say this proposition of Mr. Hawes fell within your general instructions?

I may have felt it as my instructions, but really it wasn't my instructions as I really didn't know anything about that kind of thing.

You disclaim the credit for that idea?

Yes. I really at the present moment cannot tell how that kind of thing is worked out because I never got around to building any roads yet.

Excet on paper?

That is all.

Do you remember whether or not you answered that letter of Mr. Minty's?

I don't know; I presume I did. I have no recollection. I suppose perhaps I did, Mr. Walsh. Maybe I did or maybe I didn't. I don't know. I couldn't say.

Sale Fell Through.

The proposition referred to in that letter of Hawes, namely the sale of the undertaking outright, fell through?

Yes. He didn't do anything anyway, Mr. Walsh; I know that much.

And at that time you were still interested in the syndicate?

Oh, yes.

And I fancy from a letter here, 26th November, 1907, that you remained interested in it up to that date? This is from Cornwall to Minty.

Yes, trying to find out what they were doing.

"Edmonton, November 28th. 1907. G. T. Minty, Esq., Winnipeg. Dear Mr. Minty: How about the Athabasca Railway company. When may I expect something to come out of this? You were beginning to look for a little money?

No, I don't think that was what I was looking for, Mr. Walsh.

What were you looking for?

Some tangible results. They talked about having people to build the road. It was the road I was after. Mr. Walsh.

You didn't want any money at all.

Oh, I would have taken money if I had got it. I hadn't got very much up to date, only letters, propositions, arguments and ways of doing it, and ways of building the road, but no one had come along with any money prepared to build it that I could see.

And were you still. at the end of 1907, keeping up your efforts with the government of Alberta?

Towards the building of the road?

Yes.

Or towards helping or assisting the road, do you mean?

Yes.

Always Talked Railways.

Oh, I presume every opportunity I ever got I always talked about it, Mr. Walsh.

Always talked about it?

Yes.

Do you remember writting a letter to Mr. Minty—I have a note of it here but I can't find it here in this multitude of documents—do you remember writing a letter to Mr. Minty in January, 1908, advising him that the executive would not assist him in railways now?

I probably did.

As the Canadian Pacific and the Grand Trunk Pacific and the Canadian Northern were all racing for territory there was no necessity for them——

I probably got that notion. I don't know who it was. They were continually standing me off. I presume that was one of the impressions I got; there wasn't much hope.

And that would be an impression, doubtless, that you would convey to Mr. Minty?

I think that was my impression at the time I wrote the letter.

The memorandum I have on the letter is the 27th January coming, 1908. I suppose you have no recollection of that particular letter?

No, but I think probably that is true, about, Mr. Walsh.

Then at this time had Hawes got back from England?

Oh, I think so. I met Mr. Hawes in New York and I don't just remember when I met him. I think from some of the letters my recollection can be brightened up on that. He told me he had been unsuccessful, that he wasn't able to do anything.

When was that?

That is what I say. I can't just remember the exact——. I think it was along in the spring if I am not mistaken.

Then, I find you had some negotiations looking to the purchase of Davidson's interest in the syndicate?

Yes.

Did you buy his interest?

No, I did not.

The reason I ask is I find among Mr. Minty's papers an assignment from Mr. Davidson to you of four-fifths of his interest in the syndicate.

Never Got Davidson's Interest.

I never carried it out; I am sure I didn't.

You are sure you didn't carry it out?

Yes, I am quite sure of it.

Davidson lived in England?

Yes.

And you had some negotiations loking to the purchase of his interest?

Yes.

And this assignment was sent over so that if you bought the assignment would be there for you?

Yes.

And as a matter of fact you didn't buy?

No, sir, I didn't.

So, to cover that point while we are at it, I understand you never had any but your original $2,500 interest in the Athabasca Railway syndicate?

No.

Do you remember getting a letter from Mr. Hawes from England in reference to the bond guarantee, in May 1908?

Wrote to me?

Yes.

I may have. I don't just remember.

Where would that letter be? It is a letter, Mr. Cornwall, stating that a government bond guarantee of $13,000 a mile was all that was needed to a successful flotation of the company in England; do you remember that letter?

I wouldn't doubt having got a letter of that kind; I don't just remember, but I presume I have got a letter of that kind, maybe.

Well, then, you have a recollection of such a letter as that having been received by you from Hawes?

I am not sure of that, Mr. Walsh I don't know.

Mr. Justice Beck: Have you seen this letter, Mr. Walsh?

Mr. Walsh: No, my lord, I haven't I have been told there was such a letter, but I haven't seen it.

Have you any recollection one way or another about that, Mr. Cornwall?

Didn't Remember Letter From Hawes.

I don't remember having received a letter from Mr. Hawes, but I had a conversation with Mr. Hawes along those lines in New York, in which he said that a government guarantee would be necessary before they could float the bonds, but I don't remember having received a letter, but I remember having conversation.

And was the extent of the bond guarantee mentioned in that conversation?

I don's know about the extent any more than that the government would prve to guarantee the bonds; that is all I remember.

Wasn't $13,000 a mile mentioned?

Oh, I don't remember.

Then, nothing cam eof Hawes' attempts to float the company in England?

No.

And nothing came of your attempts to interest either the Provincial or Dominion governments in its construction?

Nothing.

Nothing came of your attempts to interest private capital in it?

Nothing.

The original charter called for commencement of construction within two years?

Yes.

And as a matter of fact, by statute, Chap. 61 of the Acts of 1907, that period was extended for a further period of two years from that date? Now, you know a man named Bowen?

Yes.

Met Bowen in Edmonton.

Alfred D. Bowen. Where did you meet him?

I met him in Edmonton.

When?

Oh, I think it was the spring of 1908.

And who was Mr. Alfred D. Bowen?

He was a man introduced to me here by J. H. Morris.

One of the gentlemen you were trying to interest in the Athabasca Ry. at an earlier period?

Yes.

Did you learn who Mr. Bowen was?

No, I didn't learn anything about him any more than he was introduced to me and I had conversations with him.

Where did he come from?

He came from Winnipeg here.

Where did he live?

Well, I didn't know where he lived; probably on the Pacific Coast, I would imagine.

Didn't he tell you?

Well, I don't know, he had lived in San Francisco and he had lived in Seattle. I don't know just where.

In Kansas City?

I dont' know, he may have lived there too.

He is a gentleman or many habitations?

Possibly.

And didn't you know what he was doing here?

He came here to see me; Mr. Morris got him to come up.

About what?

About my charter.

About the Athabasca Ry. charter?

Yes.

Who was he representing, do you know?

I presume he was acting for Mr. Clarke.

Do you only presume that, or do you know it?

Brought Clarke Here.

I think he acted for Mr. Clarke; he afterward brought Mr. Clarke here.

Mr. Justice Scott—What Clarke is that?

Yes, Mr. W. R. Clarke.

Of Kansas City?

Yes.

The gentleman who is now the president of what is left of the Alberta & Great Waterways company?

Yes, that is the gentleman, I presume

And do I understand that Mr. Bowen's visit here in May, 1908, was with a view of discussing the Athabasca Ry. proposition with you?

No; he came here with a view, Mr. Morris thought I still owned the charter or had something to do with it and he came here to discuss it with me. I told him that the charter had passed out of my hands, and I sent him back to Winnipeg.

Did you have any discussion with him about the charter?

I told him he would have to go down there and consult the syndicate.

Did you send a letter of introduction to Mr. Minty?

I gave him a letter of introduction to Mr. Minty.

And that is the letter (handing witness paper)?

That is the letter.

"May 5, 1908. This will introduce to you Mr. A. D. Bowen. I wish you to give Mr. Bowen all and every information that you can re the Athabasca railroad. He is desirous of learning all he can of the position of the Athabasca Railroad Co. with a view of interesting himself if it appeals to him. It will be necessary for you to explain the position of the different men that are connected with the company; in fact, give him all the information that he will require to satisfy himself as to the real situation. We have not up to date had any result from our present organization, and I personally desire to find other connections that we may get results from. Mr. Bowen may be or may not be that connection. It might not strike him. If it does and he wishes to secure the charter I am willing, and desire you to allow him to take up the Davidson option that is confirmed by your letter to me of a recent date. You will have to discuss with Mr. Bowen re the others. I am not in a position to do that."

Said letter marked Ex. 33.

Bowen's Introduction.

Then, that was Mr. Bowen's introduction to the Athabasca Syndicate?

That was his introduction.

Before he went to Winnipeg did you learn from him that he was representing Mr. W. R. Clarke?

No.

When did you first learn that?

I think he brought Mr. Clarke here.

When, after the option was given?

Sometime later, afterwards, I think. I think he came back himself first. Let me see, he got that letter and he went away and then I think he came back himself again alone.

Do you know when he came back first?

It might have been June. I don't know. Mr. Walsh; I think it was probably in June.

June of 1908?

Something like that, maybe. I am not just sure.

What took place between you and Bowen when he was here before he went to Winnipeg with that letter of introduction?

He asked me if I owned this charter, and I told him I didn't. I said: "I have a little interest in it, but it is controlled in Winnipeg where all the arrangements and the business of the company had been conducted." He would have to go down there and consult with th se men down there about it.

Then you wrote this letter afterwards to Mr. Minty? (handing letter.)

I wrote that letter to him.

Said letter marked Ex. 34.

Cornwall Letter to Minty.

"May 10, 1909. Dear Mr. Minty: Did that man Bowen take any interest in the railway proposition? Money is hard to get just now and he was the only possible chance in sight for that Davidson option. I find it impossible at the present time to get the money myself. You might write Davidson when that option runs out to tell him that I have been unable to get the money as yet, but that I am still hustling around, and when I do I'd like to take it up. Let me hear from you how the land lays and also let me know how you and Metcalf makes out on that Faulds will case. I have never been able to find out how it went."

Did you get any reply to that letter from Mr. Minty?

I don't know whether I did or not; perhaps I did, I don't remember.

Mr. Walsh—I have a copy of a letter here, Mr. Mackenzie from Minty to Cornwall, dated 26th of May; I don't think the original is here.

Mr. Mackenzie—If Mr. Cornwall looks it over, Mr. Walsh. (handing witness copy of letter).

That is a letter I got from him.

Said letter marked Ex. 35.

"Your letter of the 18th inst., reached me today. Mr. Bowen called upon me and we had a most satisfactory interview. if he really means business. I also introduced him to Mr. Woodman, and they had a long talk on business matters, and made plans as to what they should do if Mr. Bowen's associates take up the proposition. I am also just now in receipt of a letter from Mr. Bowen, dated the 21st, May, stating that he was leaving that night by way of San Francisco for Winnipeg, and shall upon his arrival, take up the matter of the Athabasca Ry charter with him. He asked me to expedite the matter if I can. This looks like business. Meanwhile I have been getting in touch with the different members of the syndicate and think they will all sell out at par. I understand that you are willing to do so. Possibly it would be well for you to confirm this by letter. I have written to Davidson as to the remaining interest he holds, and have asked him to cable so I expect to have everyone rounded up by the time Bowen gets back, I sincerely trust that the matter will go through as it seems regrettable if the charter were allowed to lapse and the syndicate were to forfeit what has been put into it.

I assume that there will be benefits coming to you incidentally in the future, so that though you may sell out at par now you will reap the profits that you deserve for your energy in securing the charter in the first place. I shall let you know as soon as anything further develops."

Still Had a $2,500 Interest.

We have a statement here, Mr. Cornwall, on the 26th May, 1908, prepared by Mr. Faulkner, showing that you at that date still had a $2,500 interest in the syndicate. Is that right?

$2,500.

$2,500?

I just had what I always had.

That is ,on the 26th May, 1908? That was before the option was given to Bowen?

Yes.

So that statement of Faulkner's there is no use putting it in if you admit its correctness.

I was in the same postion as I was, whatever it was. My position was exactly the same.

Here, Mr. Cornwall, is an option given by the syndicate to Bowen, dated on the 5th June, 1908, but which is not signed by you. (handing witness paper).

I think I signed something to Mr. Bowen.

But later on? You didn't sign that option? I suppose you were fully familiar with its terms?

Well, I never read it over any more than he was to get an option if it was satisfactory to me. I believe I signed something for Mr. Bowen.

Said letter marked Exhibit 36.

Syndicate Option to Bowen.

Mr. Walsh—This is an option from the syndicate to bowen. It is good until the first day of September, 1908, for the sum of $6,500 in cash, and the transfer to the syndicate of $100,000 of par value of fully paid up capital stock, in the said company which Bowen agreed to buy from the holders at not less than 25c on the dollar par value at any time after two and one-half years and before three years from the first of June, 1909, or the commencement of the construction of the railway. Then there is a provision for the pooling of the majority stock. Then, Mr. Cornwall, that option during three years is the option out of which the Alberta & Great Waterways Ry. Co. has since developed?

That is the option.

And you are the man who found Mr. Bowen?

Or he found you?

He found me, I think; he came looking for me. I was quite happy to meet him though.

I notice that that option is signed by a man named Emerson who doesn't appear as one of the members of the original syndicate. Do you know anything about him?

He was a partner with Mr. Falconberg, I think.

The agreement is signed by W. A. Faulkner & Co., which would take in Emerson's interests if he were a member of that company, and also F. A. Emerson individually?

Well, I don't know, Emerson was not a shareholder, was he?

I don't know. He signed as a member of the syndicate. Did you ever meet Emerson?

Oh, yes, I have met him.

Well, who is he?

Emerson Partner of Faulkner's.

He was a partner of Mr. Faulkner's. That is all I know about him. I didn't know him very well; I met him casually.

Was he secretary of the syndicate at one time?

As far as that part of it is concerned I don't know very much about that, Mr. Walsh; I only attended one or two meetings; I think, probably, he was; he might have been. Yes. I have seen him present.

But what interest he had in the syndicate you have no knowledge of?

I have no knowledge of what interest he had in the syndicate.

As a matter of fact the syndicate was a Winnipeg concern?

Yes.

And the books and papers of the concern were kept in Winnipeg?

Yes.

I guess they are up there yet. You have never seen them here?

I have never seen them.

Now, at the time that option was entered into on the 5th June, 1908, you still had your $2,500 interest in the syndicate?

Yes.

There was no cash paid at the time for that option?

Not to me.

Apparently not to anybody?

I don't know anything about that; I never did get any cash out of it.

Out of the syndicate?

No.

I find amongst the papers which have been produced to us this agreement between you and W. R. Clarke, dated July 20th, 1908, (handing witness paper).

That is correct.

Said paper marked Exhibit 37.

Cornwall-Clarke Agreement.

"Witnesseth that the vendor sells to the purchaser and the purchaser buys from the vendor all those shares of common stock of the par value of one hundred (100) dollars each fully paid up, numbered to inclusive, in the capital stock of the Athabasca Railway Company, Limited, at and for the sum of Dollars payable upon the execution and delivery of this agreement.

And the vendor hereby covenants and agrees with the purchaser that upon payment as aforesaid he will forthwith transfer or cause to be transferred to the purchaser the said shares in the books of the said company and do such other acts and things and give such other assurances as may be necessary for the effectual transferring of the said shares to the said purchaser.

This agreement and everything herein contained shall ensure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators and assigns respectively."

What is that agreement, Mr. Cornwall?

Well, I wanted Mr. Clarke to have everything I had in interest in that company.

Why?

What did I want him to have it for?

Yes.

Well, I wanted to help him as much as I could.

Who was Mr. Clarke?

He was the man who was going to undertake to build the road.

The option was to A. B. Bowen?

Mr. Bowen, I guess, was acting for Mr. Clarke; I would presume, that was my understanding.

With whom did you make the arrangements which resulted in the execution by you of this agreement?

Mr. Clarke.

Personally?

Personally.

Where?

Well, I made it—I had a talk with him here about it; I met him here.

Was that the occasion of your first meeting with Mr. Clarke?

I think it was, yes. That is the first time I discussed it with him.

How long before this agreement of the 20th July was it that you first met Clarke?

I don't know; I think I met him in June or July.

After the option was given to Bowen?

No; I met Mr. Bowen first.

I know, but was it after the option was given to Bowen that you first met Clarke?

Mr. Bowen had got the option before I met Clarke.

You didn't meet Clarke until after Mr. Bowen had got the option?

Met Clarke in Edmonton.

Where did you meet him first?

I met him here in Edmonton.

Do you know what he came here for?

I presume he was the man Mr. Bowen was acting for.

Bowen was simply a nominee of Clarke's.

I presume so.

Well, did you learn that from these men?

He was an agent of his.

Did you learn that from these men?

That was my impression, yes. Mr. Clarke told me that this man, I think, Mr. Bowen, was working for him and acting for him and Mr. Clarke was the man behind him.

What did Clarke come here for after Bowen got the option?

He came here to get some information about the country.

And naturally got in touch with you?

Oh, yes, got in touch with me.

And what took place between you and him on the occasion of your first coming together?

Well, we had several long conversations regarding. I went thoroughly into the whole feature of the country and explained the whole proposition of what a railroad meant to that country, and what ought to be done in the event of getting a railroad down there to develop the country and make it a paying proposition, and I said I was very eager to have it and would do everything in my power to assist him to get it.

Gave Information on Country.

The information you gave him was relative to the country through which the railroad would pass?

And the country that it would tap.

And then was the financial side of the matter touched upon between you?

What do you mean by the "financial"?

If he took over this charter, I suppose it was with a view of building the road?

Oh, yes.

And where was the company to get the money?

Well, he said he had financial interests; he represented himself as having financial connection.

Well, then, you understood from that that he was going to build the road himself?

That was my impression.

He was going to build the road himself without help of any kind from anybody?

Oh, I guess, as far as I know.

That is the impression you got?

Yes, that is the impression I got.

That he was a man of sufficient wealth or sufficient financial connections to enable him to build that road without assistance of any kind from any person else?

That is the impression I got.

And in this your first interview I would assume from what you say that there was no talk of government assistance of any kind?

I never had any talk with him about it; not at that time, not the first time.

At this time of your first interview with Clarke you still retained your $2.500 interest in the syndicate?

Yes.

What was the arrangement between you and Clarke which resulted in the execution of that agreement by you?

What arrangement I had with him?

Yes?

Arrangement With Clarke.

Well, I told him, in outlining my

(Contiued from Page Three.)

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