

this matter, to say that these two gentlemen shall have \$120,000. I am not in a position to say whether the whole of this is wrong or not, but I do point out that it does seem absurd that against the reports of the officers of the department, against the reports that the timber cannot be removed, against the fact that an eighty-foot dam is built over which we have no control, and for which we are not liable, giving absolutely no chance of logging operations going on, against the fact that the reports of the department show that unless the railway be built this timber is valueless—

Mr. STEWART (Argenteuil): My hon. friend is confusing his explanation because the railway, referred to is the railway built into the southern block, and which when built allows logging to be done quite acceptably, but my hon. friend is referring to a railway being built into the area which the Coquitlam river formerly served before the dam was erected. There is no provision made there for logging, but even if there was provision made for logging, the reservation placed upon the reserve was where the difficulty started in the first place.

Sir HENRY DRAYTON: Which reserve?

Mr. STEWART (Argenteuil): The reserve to preserve the portion of the accessible area.

Sir HENRY DRAYTON: Is my hon. friend referring to the order in council of 1910?

Mr. STEWART (Argenteuil): There is no doubt that so far as the legality of the scheme is concerned you could say to the licensees: Keep your timber. But you have stepped in and deprived them of the privilege of logging, made it very expensive, and the logical thing to do was to exchange that timber for timber of equal value, just as we are doing at Banff national park to-day, because we do not want the licensee to cut the timber and destroy the scenic value of the park. I am trying to substitute for that timber other timber of equal value. But in this particular case we did not seem to be able to come to an agreement about it. Always there was a difference of opinion as to the value. My hon. friend is keeping away from the question of the value of the berths altogether.

Mr. FORKE: How was this value reached?

Mr. STEWART (Argenteuil): Upon the estimates of trained cruisers.

Mr. FORKE: On the part of the government?

[Sir Henry Drayton.]

Mr. STEWART (Argenteuil): Yes, and on behalf of the licensees.

Sir HENRY DRAYTON: The chairman has called my attention to a later report to council by Sir James Lougheed. There was no action taken by council except that the matter was referred to the Department of Justice. This will show the view of Sir James Lougheed:

The city of New Westminster takes its water supply from Coquitlam lake, and the Vancouver Power Company have constructed a power dam on Coquitlam river at the outlet of the lake, using the lake as a reservoir. With a view to preserving the waters of the lake from contamination and to regulate the supply for both the city and the power company, an order in council was passed in 1920 establishing the Coquitlam Conservation reserve, which covered the watershed of the lake; and in this connection an agreement was entered into in 1913 between the city of New Westminster, the Power Company and the Crown. Through an inadvertence, the northern portion of timber berth No. 507, comprising approximately 4,256 acres, was included in this reserve, and Messrs. Hall and Irwin now make application to be granted other timber in lieu of that contained in their berth, and advance the following in support of their application:

My hon. friend will find on the file, in the first instance, a legal opinion that the original order in council of 1910 did not control the situation, and in the second instance, that in so far as the city was concerned, the regulations which were then drawn as to the manner in which logging operations were to be carried on would enable logging to be done without any danger to the city's water supply. The report goes on:

That they were advised by the mayor of New Westminster that if any attempt were made to remove timber from their berth into Coquitlam lake, he would apply for an injunction restraining them from doing so:

That the mayor took the ground that the city had the right to preserve the purity of the water of the lake, and had also the right to preserve the timber upon the lands within the reserve:

That the Vancouver Power Company had erected a dam across the Coquitlam river, at the outlet of the lake, without a sluiceway for the passage of logs, and had diverted some of the waters from the Coquitlam river, thus preventing them from bringing their logs down the river:

With a view to removing the possibility of litigation arising among the parties interested, as a result of a portion of berth No. 507 having been included in the conservation reserve, the undersigned recommends that the licensees of berth No. 507 be allowed to select, in lieu thereof, other available timber on Dominion lands of equal value.

I see that the action that was taken by the Privy Council was to refer the report back to Sir James Lougheed on November 24, 1920, and in April, 1921, it was referred to the Department of Justice. I am not going to detain the committee any further, Mr. Chairman.

An hon. MEMBER: Hear, hear.