

tion with continental work, and see some difficulties in the successful working out of the policy I have outlined, yet I believe with care they can be overcome. I respectfully submit for your Lordship's consideration that a proposal of this kind might be inquired into in all its bearings, the result of which might have an important effect on the future work in continental Europe. The view should not be overlooked that if a syndicate of this kind can be successfully worked out the responsibility of the government at Ottawa will not be increased and much greater control could be had of the personnel of immigration generally than exists at present.

Mr. Preston was at this time charged by the High Commissioner to make certain investigations on continental work, and this was his first suggestion to the High Commissioner and I submit it does not indicate any secrecy on his part, any secrecy between Mr. Preston and Mr. Smart, but shows openness and frankness on his part in disclosing to the Canadian High Commissioner his views upon the subject.

I wish to read an extract from a letter from Lord Strathcona to the Hon. Clifford Sifton, Minister of the Interior, under date June 26, 1899. He was discussing the subject of continental immigration and after having made some remarks about Canadian railway rates he says :

Another alternative would be, to endeavour to make special arrangements with the two large steamship companies, by which, either in addition to, or in substitution of the bonus, we might make them a payment of so much per annum on a sliding scale according to the number of emigrants from the continent—

And by the way this was practically the first contract and Lord Strathcona so far as I can see, was practically the first man to suggest that which afterwards became the essence of the first contract with the North Atlantic Trading Company.

—according to the number of emigrants from the continent which they might be instrumental in directing to the Canadian Northwest, in fact, make them practically, if not nominally, our immigration agents.

Really what in the end was done, because the first contract constituted the North Atlantic Trading Company the sole immigration agent of the government, instead of numerous appointments of booking agents. He goes on to say :

Such a payment would be in the nature of a subsidy, and it would probably encourage them to give greater publicity to Canada in their advertisements and in their propaganda, and they can certainly make arrangements for the distribution of our literature on the continent that can be done through no other channel.

In this same letter, he refers to Mr. Preston, and I mention Mr. Preston only for the purpose of indicating to this House that, so far as he was concerned, there was no secrecy in the negotiating of this contract with the North Atlantic Trading Company

and that he always disclosed to the High Commissioner every step he took. Lord Strathcona said :

Mr. Preston's suggestion with regard to some central organization in the different countries may be worthy of consideration later on. Probably he will develop his proposals and then we can see how far they are practicable.

That, I submit, does not indicate any secrecy on the part of Mr. Preston or any attempt to negotiate any contract behind the back of the High Commissioner.

I wish now to read an extract from the letter dated October 26, 1899, from Mr. Preston to the High Commissioner. Mr. Preston writes as follows :

Your Lordship will possibly remember that in a former report made to you last May, I had the honour to recommend that the policy hitherto in vogue on the continent might be changed with advantage to Canada, and in this connection suggested that an agreement might possibly be arrived at with persons in the various countries so that we might work in harmony in promoting immigration to Canada. The suggested outline of policy appeared to meet with the approval of the department at Ottawa, and after a somewhat extended discussion of the question between Mr. Smart, Mr. Colmer and myself, the next phase presented was the consideration of this subject between your Lordship, Mr. Smart and myself on the occasion of a visit to Glencoe. The outcome of this discussion was that I was charged by your Lordship and Mr. Smart to draft a memo. of the proposed arrangement with regard to immigration work on the continent.

This clearly indicates that whatever steps Mr. Preston took in this connection were taken with the knowledge and at the instance of the High Commissioner, and consequently, any insinuation or innuendo that Mr. Preston, in conjunction with Mr. Smart, negotiated and finally concluded the contract with the North Atlantic Trading Company, is unwarrantable and unfair. In this letter Mr. Preston presents what he considered should be the basis of the contract, and which practically did become the contract or agreement No. 1. And in the same letter he makes reference to a syndicate in continental Europe with whom he discussed this matter. Eventually this contract was concluded and approved of by the Department of the Interior. The hon. member for East Hastings (Mr. Northrup) last night made the statement that this first contract was confirmed by Mr. Smart, but that nobody else knew anything about it. Well, as soon as this contract was confirmed, Lord Strathcona was advised of it by the Department of the Interior. In a letter addressed to Mr. Sifton on the 15th November, 1899, Lord Strathcona thus referred to the contract :

I duly received your telegram dated 16th ultimo, informing me that the proposed memo of agreement on continental work had been approved.