

right, in law there is no justification for what we are doing.

Mr. STEWART (Argenteuil): My hon. friend is building up an argument against treating with these men at all. All the ministers who preceded me appeared to be quite willing to make an exchange. I never attempted to do anything else. I quite believed that these berth holders were entitled to consideration. We have had the timber valued half a dozen times, and I think my hon. friend will recollect that Mr. Craig made the most recent valuation. We were trying to make an exchange, as we frequently do for various reasons, for instance, that the berth cannot be logged. But what I would point out to my hon. friend is that that was the established policy of the department, and that is what I recognized it to be—to give to these parties an exchange for their property. We still have the timber, which my hon. friend will agree is increasing in value all the time, because it is becoming more difficult every year to secure timber—even the timber over the height of land in berth 507 is becoming more valuable—and we will get our money back. That is what I want to point out to my hon. friend in connection with the whole transaction.

Sir HENRY DRAYTON: I am simply doing the best I can with the file I have before me in the very limited time at my disposal. I wonder if my hon. friend has read the memorandum of the branch of June 6, 1919, when the whole matter is gone into and particularly the policy of making provision for a log chute is discussed. For example, this, as bearing out the difficulty of doing anything with timber on that property:

An explanation on file shows that the consulting engineer took the position that the river was entirely unadapted for logging, and that the omission of the log chute could not affect the position of the timber licensees, and that a railway would have to be built in any case to get the logs out properly.

Of course, if that is true, the building of a dam did not make any difference; the property could not be worked anyway. There is the reason why we have the tremendous delay, and if that memorandum is true the property simply could not be worked.

Engineers of the Waterpower branch state unofficially that Mr. Freeman's view about the unadaptability of the river for logging is correct. They also point out that mechanisms have been incorporated in the dam for the release of large quantities of water into the stream if required below the dam for logging purposes,—

And so it goes on. But I have not been able to find anything which says we are liable.

[Sir Henry Drayton.]

Paragraph eight at page five of the memorandum reads as follows:

On the question being referred to the Department of Justice, the above position was substantiated,—

That is, I presume, as to the absence of liability.

—and upon a second reference to the same department a few months later, the opinion was given that the city would have no claim against the crown for damages for the flotation of logs down Coquitlam lake.

I cannot find anything here as to liability. On the very question of this claim, at page 7, the memorandum proceeds:

The timber berth owners ask for \$125,000 damages this amount being based on the value of the timber in the entire area of the berth. They do not seem to recognize, or perhaps have not the facts at their command, to show that the timber from a large part of timber berth No. 507 can be marketed as easily as before the dam was constructed.

And it goes on in connection with the watershed of the Gold creek, pointing out that so far as at any rate the major part of this property is concerned all this trouble about the Coquitlam watershed has nothing to do with it at all; that it could all be looked after.

Mr. STEWART (Argenteuil): That cannot be so.

Sir HENRY DRAYTON: I do not know; I am simply reading from the report of officials of my hon. friend's department, officials who are supposed to know what they are talking about.

Mr. STEWART (Argenteuil): There is no question that there is a certain portion of the berth that is inaccessible.

Sir HENRY DRAYTON: Yes, and according to Mr. Grunsky, the larger part is. The report I am referring to is the one of June, 1916. Now, the matter goes to the Justice department, and I would like my hon. friend to tell me—I think I asked it before, but we did not get a categorical answer—what the position of the Department of Justice is as to this claim.

Mr. STEWART (Argenteuil): I never discussed it from that point of view at all. The claim when I had anything to do with it was one of exchange—there was an effort to arrange an exchange.

Sir HENRY DRAYTON: The previous government were of the view that before any money could be paid, the question of the country's liability ought to be established. An opinion was obtained from the Department of Justice, dated May 9, 1921. It was given by the then deputy, now Mr. Justice Newcombe