

## APPENDIX No. 3

'In view of our frequent consultations we have the honour to submit the following proposal to the Canadian government.' Yes, it is addressed to Mr. Preston, office of the High Commissioner for Canada, who had charge of that branch?

A. I think I told you I had never seen the documents, but that was my impression of it.

Q. This contains in rough proposition the terms of the contract. That shows that in October, 1899, Mr. Preston was receiving negotiations from these people?

A. As an officer of the High Commissioner, I think—

Q. It was addressed to him individually in the office of the High Commissioner?

A. At that time he was an officer of the High Commissioner.

The CHAIRMAN.—You said the 'Trans-Atlantic Trading Company,' Mr. Barker.

Mr. BARKER.—Yes, they called themselves that at that time, the Trans-Atlantic Company. On October 26, 1899, there is a memorandum dated in the office here?

A. Yes, sir.

Q. 'One of the matters that engaged Mr. Smart's special attention during his visit to the old county was the question of bonuses paid to the booking agents for immigrants, with a view of readjustment so as to meet the competition of other colonies.' Now, I do not intend to read all this through, but that shows that in that year Mr. Smart was in England dealing with that subject?

A. He may have been. I do not know.

Q. You do not recollect if he was?

A. I have no knowledge of where Mr. Smart was in 1899, I was not in the department.

Q. I refer that to you to show how that originated.

A. Yes.

Q. Now, with regard to this matter, here is a letter from Mr. Preston to Mr. Smart, dated October 25, 1899, and it is written from London, and he says: 'As intimated to you in a letter written a week ago, at an interview I had with the High Commissioner on the 17th instant, he expressed anxiety in relation to the suggested legal opinion, about which you will remember I spoke to you, before your departure for Canada. I told him that you were under the impression that this (the contract with this trading company in question), was a question of government policy, and was not one about which there was any occasion for legal advice.'

Lord Strathcona from the correspondence was anxious that negotiations going on might involve Canada in some trouble with continental nations, and was wanting legal advice on that point, and Mr. Preston according to this letter to Mr. Smart, and Mr. Smart, were treating the negotiations as a matter of immigration and government policy, and he says this to explain it?

A. Yes.

Q. I read that to show you that Lord Strathcona was looking after a different branch of the subject?

Then Mr. Preston goes on to show he endeavours to meet the wishes of Lord Strathcona, and he went to Mr. Russell's office, and got the opinion which ultimately removed the legal difficulty?

A. Yes.

Q. Now, here is what Mr. Preston says on the syndicate 'I may say'—This is to Mr. Smart who was at that time in Canada, and Mr. Preston is on the continent—'I may say that the syndicate will have in its membership some of the most experienced booking and immigration agents in Germany, men of responsibility who thoroughly understand all the various phases of continental emigration laws, and who intend to start with a capital of \$200,000 to prosecute this work. I might also add that the financial means of the agents in question really represents a very much larger amount.'

Mr. LEMIEUX.—Who writes that?

Mr. W. W. CORY.