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have paid a bonus to booking agents on emigrants from all the countries embraced in the provisional agreement referred to. There have been conflicts between booking agents as to whose firm was entitled to the bonus upon certain emigrants from time to time, and the decisions of the department have not always been received with good grace by the disappointed claimants for the bonus money, so that all the opportunity has been offered under the plan that has been in vogue for many years, to prompt rival agents setting supposed laws in motion against those whom they might have desired to have punished by the authorities, or to "direct the attention of the European governments to the policy pursued by the Canadian government," as Mr. Knox fears might be done under the agreement considered by him, and yet none of these "lions in the path" have been found.'

Is that correct, that statement he made to Lord Strathcona as to our having a system in vogue for sixteen years prior to 1899 ?

A. There was a system of paying bonuses on the continent prior to 1899.

Q. For a number of years ?

Q. For a great many years.

Q. Now, Mr. Smart, will you tell us when the negotiations for the new arrangement that was practically concluded in 1899, began ?

A. I cannot tell you when they began except that Mr. Preston had a consultation with a number of people on the continent and I was in England that summer and——

*By Mr. Foster :*

Q. What summer ?

A. The summer of 1899 or rather the autumn, the last of the summer.

*By Mr. Barker :*

Q. It would simplify matters if I read from that same letter of October 26, 1899, page 253 : 'Your Lordship will possibly remember that in a former report I presented to you last May, I had the honour to recommend that the policy heretofore in vogue on the continent might be changed with advantage to Canada. And in this connection I suggested that an agreement might possibly be arrived at with persons in the various countries, so that they might work in harmony in promoting emigration to Canada in so far as they are allowed by the laws in operation in the several countries.' That I suppose is substantially correct ?

A. There is no doubt that is practically what he told me.

Q. Then there had been a report in May, 1899, from Mr. Preston recommending——

A. Well, I do not know that I could answer that but I know that when I was there Mr. Preston made practically a similar statement to me with regard to the whole business.

Q. You have no doubt that is true, I suppose ?

A. I have no doubt it is true.

Q. Did you concur in those negotiations and approve them ?

A. Yes. In consultation with Mr. Preston I prepared myself the first form of agreement which was used, I think, so that he could submit it to the people on the continent to see if they were prepared to carry out such an arrangement.

Q. Were those discussions between you and Mr. Preston verbal or in writing ?

A. They were verbal of course.

Q. Here ?

A. In the old country.

Q. What time did you go over in 1899 ?

A. I went over in the latter days of August, or it must have been in September when we were discussing it.

Q. May I ask now what the object of your visit was ?

Mr. JAMES A. SMART.