tions.

Western railway does from the province Dunsmuir-There

Brown-What are they? Dunsmuir-I told you.

Brown-Do you refer

place between Mr. Wells

in Montreal after the

posed to form and in

Dunsmuir-Yes.

with its lands?

rageous.

about some company w

of the cabinet were to tak

Brown-Then you still

the integrity of the comp

its connivance how could

one else other than the

Dunsmuir-No, no; that'

Only the company could

Brown-But yes, yes-and

the slightest doubt in your

score there is only one

and that is a royal comm

me of a conversa

the grounds of an agreement recited to | connive at such an act.

the cancellation of the grants. He had a conversation with Mr. Wells. He expected he protested against the grants form of a suggestion that the railway being cancelled. He supposed Mr. Wells company having been a party to such a expressed the usual excuse that there was trouble in getting it through the they were dealt with sharply. House. He was anxious to get the matsed up. He then had the idea that little speech. I must explain." He prothe province would do its duty to the ceeded to say it should be taken into acensideration of building section 3.

for this land. They had never held that could hardly refuse. The information the lands had passed from them at any which he gave during the time the until the act of repudiation of this grants were in his possession and any session. They were prepared to enter the statements he might make could not

that a bill was introduced to give them had communicated with Mr. Wells about the lands for the building of section 4. these,

the valleys. In the southeastern block stable position at the time?" asked Mr. Mr. Henetta was prospecting for them Duff. the presence of coal.

it afterwards appeared to be.

The principal men who composed the

aker.
"A large subsidy had been paid for the until after the session was over.
When the Spence's Bridge was pro building of that road?" asked Mr. Duff.

of the railway could handle the blocks. years ago of the Pacific Coal Company Coast-Kootenay line subsidized. o go outside of the present lands and

Mr. Duff thought that perhaps this was what he had referred to in speaking to Mr. Wells regarding the Spence's Bridge

ferred to in speaking to Mr. Wells.

pany to work these lands. He had heard patents. a little gossip of some such thing, to which he paid little attention. He might little attention. He might

when he was in Victoria last June.

Asked as to whether Col. Prior had not mentioned it to him, Sir Thomas said he could not remember of it. Col. Prior ness to the references in the report sent circulation that undue influence had been | meant. used in connection with the transaction. Sir Thomas replied that Mr. Wells was punity methods that The gossip did not impress him, and he under no obligation to the railway comnot ask for any. No charge was made; that he was very friendly to the C.

ment cancelling the grants.

of Mr. Creelman and others the company could be formed to operate these.

had come to the conclusion that the lands Asked by Mr. McCaul if another company were vested in their company, and they pany could not have been formed to acintended to stand by it. Mr. Wells said quire these lands and operate coal mines, that if that could be established the Sir Thomas replied that he thought this grant's would be restored. He understood was a legal question which he preferred the Chief Commissioner to mean not an should be answered by Mr. Creelman.

grans would be delivered. Mr. Wells's excuse for taking the grants back with him was that there could do this. Were vacantees—If he reconcert correct six and that he certainly like two—in the cabinet. He said it knew of a company composed altogether might be convenient to be able to say of C. P. R. directors founded in 1899 or that these lands had not passed to the 1900 to operate coal measures.

use or the country.

state. He added in reply to Mr. Duff and oil prospecting. Reading from the that such a statement to the effect that Canada Gazette he showed that the the grants had not passed would not have company was composed of C. P. R. difference that the company was composed of the company was company was composed of the company was company wa been correct. He (Sir Thomas) did not rector

tifle had passed to the company?" asked in Eastern Canada.

I don't know that I gave much atten- this morning. that," replied the witness. He had in view, he said, serving a conveniwith Mr. Wells, for political pur-

tad been entered into.

He was in Victoria in June last, after Wells intended to use it in that Mr.

The witness said: "You have made :

company. He regarded at that time that count that these grants should in the na these lands should go to the company in tural order have been delivered to the cusideration of building section 3.

His impression of bill 87 was that the or Montreal. For reasons which he did company had the right to select lands in not know, the government took the Yale or Kootenay, and that these blocks course of putting these patents in the might be selected provided they were at hands of one of its members to deliver to him. This minister asking to ke The grants were already made to them them for a few days was a courtesy This minister asking to keep

courts at any time and test the validity surely be attributed to his company. of their claim.

He did not know of bill 87. He knew Mr. Duff asked if after thrivy days he

Sir Thomas replied that the matte was intended for any other purpose probably passed out of his memory, and subsidy for sec- he paid little attenton to it. Mr. Brown tion 4 in view of not building section 5. afterwards told him that he was press-He never understood that it was for the ing for them, and Mr. Wells was putting purpose of getting these blocks for sech im off. He presumed that it was probably a question of political The object of acquiring the lands was He had no way of forcing them to act. open coal mines on Lodgepole Creek.

"Do you not know something of British ey intended, however, to dispose of the Columbia politics? Did you not know timber lands and sell the grable lands in that the government was in a very no

that district, and reported to them of the presence of coal.

"I know it is a disease," replied Sir Thomas. He never told Mr. Wells that parted with the land to the rather than embarrass his governme Nest Coal Company because they the grants might be retained. M Grow's Nest Coal Company because they the grants might be retained. Mr. did not regard it as nearly so valuable as Wells's memory must have been faulty

in that regard.

Witness had no intimation that a can company then were Senator Cox, Robt. cellation act was to be passed when he Jaffray, Col. Prior, Mr, Hanson and Col. informed Brown that the matter should not be communicated to the government

'Yes, I wish it had never been given," posed to him he at once refused to entertain it. He told Mr. Wells of the Questioned as to the means of working evil of the government policy in subsidizthese coal mines, Sir Thomas said that there was no need of forming a subsidiary company. The land department posal, and pointed out that if the comthe tailway could handle the blocks. He had proposed the formation some thing they would find would be a Personal; Columbia & Wester

His conversation about patents was on rurchase coal measures to be worked, the afternoon of November 20th. On The company was to be composed of members of the C. P. R.

Mr. Duff thought that perhaps this was

extension, Sir Thomas said that he Sir Thomas said he had never referred would have to accept it if Mr. Wells said to the formation of a coal company which would have meant the alienation of one of the original. He could not remember it, however. He was very acre of the lands in Southeast Koofenay. sure that on the first day of these inter-That could not have been what he re-views there was no mention of the railviews there was no mention of the railroad extension, and on the second day was made to form a com- there was no mention whatever of the

have heard of it in June last, but could was discussed while Mr. Creelman was not remember of any one speaking to present. The latter was very definite in him about it. He did not remember of favor of the government having the right of selection. Mr. Wells said that doubts Messrs. Taylor and Wells in Montreal had been expressed. He did not say that he had doubts himself, but only that such

never brought the matter before him in him by Mr. Brown, in which the mutual Mr. Brown probably in one of his tele- the C. P. R. was alluded to. Mr. Duff grams mentioned that a report was in asked for an explanation of what this

paid no attention to it. He made no expany, and the company under none to planation when he came here, and he did Mr. Wells. Mr. Wells had always said if it have been it would have altered the and witness had been very friendly to Mr. Wells.

Mr. Duff called attention to its being urged as a reason for the govern-

that took place at the meeting.

Thomas replied that there was such an one month, for reasons which he explained company to Mr. Wells in Montreal in the meeting.

Mr. Wells, Sir Thomas explained, took agreement. If the B. C. Southern action me. Very important that there should 1902. He could not see what object the ground that it was a question of ate coal mines. He did not think the hand over the grants. The Chief Commissioner said that he regretted that this agreement have carried on coal mining was necessary. He never at any time, on these lands unless it was established before or after that date, urged that the Crow's Nest Coal Company had any other reason for it. Last fall he infailed to carry out its obligations. He formed Mr. Wells that taking the advice did not think that a subsidiary company

appeal to the courts, but that if they got legal opinion to satisfy them to that effect of a company which was independent of the Crow's Nest Coal Company, and was

were vacancies-if he recollected correct- Sir Thomas said that he certainly

company, and promised that at any rate | Witness could not recollect that he the grands would be returned inside of ever had a conversation with Mr. Wells thirty days. Sir Thomas said he did not in 1901 in which Mr. Creelman was callwish to embarrass the government, and ed in and the agreement with the Crow's

to whom he would make the statement bia & Western; that on the 5th September, 1901, a company known as the Pathe House or the country. cific Coal Company was incorporated for Sir Thomas replied that he did not so the purpose of carrying on coal mining

on sider that the grants had been devered to him. Mr. Wells simply asked this company was formed not for the purpose of working these lands in Southeast Kootenay, but they had in view the development of properties more especially the had passed to the company?" Taked in Factor Canada. livered to him. Mr. Wells simply asked this company was formed not for the purpermission to retain possession of these pose of working these lands in Southeast The committee then adjourned until ernment.

The following are copies of the tele-

grants have been issued.

G. M'L. BROWN. Victoria, Sept. 11th, 1901.

T. G. Shaughnessy, Montreal: In response to my letter of 31st July, asking early settlement Columbia & West ern land subsidy, first and third sections, ceived yesterday from Chief Commissioner copy of order-in-council setting out settlement determined by government Order provides for immediate preparation f grants. Particulars by mail unless you wish them wired.

Victoria, 11th Sept., 1901. G. Shaughnessy, Montreal:

Received to-day from Chief Cor er copy order-in-council rescinding fromer tlement Br. C. S. land subsidy as determined on by government. It is same as that of order in secretary's office, except acreage, former arrangement gave something in excess. Order provides immediate preparation grant. Will be out of town until to-morrow evening. GEO. M'L. BROWN.

Wancouver, 15th Sent, 1901 G. Shaughnessy, Montreal:

Certified copy orders-in-council and maps of Columbia & Western settlement, deterumbia & Western settlement first section exhausts all the alternate even-numbered blocks from 2 to 24 inclusive, deficiency for that section being made up of two additional blocks, one six by six miles and the other six by sixteen miles. Settlement for third section exhausts balance even-numbered blocks to Penticton, leaving deficiency which government says shall be made up of two blocks, one the southeast corner of province, the other lying west of Elk river, bounded on west by eastern boundary of B. C. Southern, block 2. GEO. M'L. BROWN.

Victoria, March 22nd, 1902.

Personal: Columbia & Western grant to block, East Kootenay, cancelled without notice. Wells and other ministers explain political expediency, and now propose company accept alternate government blocks along line in settlement third section, that grant will issue at company's request, promise introduction of bill to reinstate proval go ahead on these lines.' subsidy fourth section. Wells promises Mast Kootenay block settlement fourth section, Doubt sincerity. Am making formal written protest, and stating disgust on this proposal without prejudice company's right, insist on settlement already reached. Have done so ministers eparately, and meet cabinet Monday, as Premier ill to-day. If any suggestion or nstructions please wire

GEO. M'L BROWN. Montres: 24th March, 1902.

Geo. McL. Brown, Vancouver: Understand from your message that go ernment have cancelled order-in-council granting parcel of land in Southeast Koote. nay as portion of Columbia & Western subisdy, and propose to give land else where. I do not see that we have any means of forcing government to keep faith, and therefore we must accept situation as It is. Apparently politics permit with im punity methods that would destroy char-

T. G. SHAUGHNESSY.

Montreal, 7th May, 1902. Geo. McL. Brown, Vancouver, B. C .: Say nothing until provincial parliament prorogues. Then say to the government Duff. Sir Thomas raughingly and that we are advised the patent for the that it was.

The cross-examination was then continued by Mr. McCaul, and Sir Thomas tinued by Mr. McCaul, and Sir Thomas attached, it could only be restored to the attached, it could only be restored to the the company Sir Thomas said "Mo I do not think it came to me in that way," replied Sir Thomas,
"Mr. Dunsmuri urged it as the reason?" asked Mr. Duff!? "No, not as I understand it," replied witness:

| Thomas | tinued by Mr. McCaul, and Sir Thomas | tinued by Mr. Wells as tatached, it could only be restored to the work of the company | told Mr. Wells that I could not express | told Mr. Wells as having been decompany | told M The copy of the report of Mr. Brown is chief was here produced.

In reply to Mr. Helmcken, Sir Thomas

In reply to Mr. Helmcken, Sir Thomas

Mr. McCaul asked if the B. C. not required, but that if it were, Mr. Southern had not agreed not to open any

Wells made such delivery when here, and

He gave no instructions with respect to the scope of the work.

He again stated that he had, as well

T. G. SHAUGHNESSY.

W. C. WELLS.

Victoria, B.C., 27th Nov., 1902. Sir T. G. Shaughnessy, Montreal: Personal: Referring to my conversation with you when in Montreal regarding settlement of land matters, I am prepared to take this up with you whenever you are ready to do so. I am anxious to have the for many years been warm friends. ervations removed as soon as possible, but do not wish to take any steps before asked Mr. McCaul. making a settlement with your company.

Mr. McPhillips at the opening of the Columbia & Western inquiry Wednes-day took exception to the Colonist's notice of his delaying the proceedings the morning previous. The Colonist in doing so, he said, was but following its policy of dragging its partisanism into its news olumns which was in strange contradiction to the policy of the press of the country. He explained also his reference wish to embarrass the government, and was agreeable to his taking the grants back. He did not think Mr. Wells had the grants in his hands at that time.

Mr. Duff asked whether Mr. Wells said

Mr. McCaul called the attention of Sir Thomas.

Thomas to the fact that on Angust 10th, 1001, these lands passed to the Columbra of the grants what he intended was that the stenographic report should be referred to the morning of the 21st November. Mr. Wells on the cancellation was one of political expenditure of the morning of the 21st November. Mr. Wells unshad with him or day that the morning of the 21st November. Mr. Wells unshad with him or adapting the grants in his hands at that time.

Mr. McCaul called the attention of Sir Thomas.

Thomas to the fact that on Angust 10th, 1001, these lands passed to the Columbra of the morning of the 21st November. Mr. Wells unshad with him or day the morning of the 21st November. Mr. Wells unshad with him or day one of political expenditure of the morning of the 21st November. Mr. Wells unshad with him or day of the 21st November. Mr. Wells unshad with him or day of the 21st November. Mr. Wells unshad with him or day of the 21st November. Mr. Wells unshad with him or day of the 21st November. Mr. Wells unshad with him or day of the 21st November. Mr. Wells unshad with him or day of the 21st November. Mr. Wells unshad with him or day of the 21st November. Mr. Wells unshad with him or day of the 21st November. Mr. Wells unshad with him or day of the 21st November. Mr. Wells unshad with him or day of the 21st November. Mr. Wells unshad with him or day of the 21st November. Mr. Wells unshad with him or day of the 21st November. Mr. Wells unshad with him or day of the 21st November. Mr. Wells unshad with him or day of the 21st November. Mr. Wells and the did not think Mr. McCaul called the attention of Sir Thomas.

The day of the 21st November of the 21st November of the 21st November. Mr. Wells with him or day of the 21st November of the 21st November of the 21st November of the 21st N in getting at what took place. He had not intended any disrespect to the press | could not recall what day.

representatives. to wait almost every mornning for him opposed him as a supporter of the gov-

Mr. McCaul, continuing his examination of Sir Thomas Shaughnessy, called the railroad company, and had been hald over on the attention to the notice of the 30th November, 1900, in the Canada Gazette of the state of the continuing his examination of Sir Thomas Shaughnessy, called the railroad company, and had been hald over on the repudiation," Sir Thomas said he apologized for such an expression.

Mr. McCaul, continuing his examination of the railroad company, and had been halded over on the repudiation," Sir Thomas said he apologized for such an expression.

Mr. McCaul, continuing his examination of the railroad company, and had been halded over on the repudiation," Sir Thomas said he apologized for such an expression.

Mr. McCaul, continuing his examination of the railroad company, and had been halded over on the repudiation, sir Thomas said he apologized for such an expression.

Mr. McCaul, continuing his examination of the railroad company, and had been hald been hald over on the repudiation, sir Thomas said he apologized for such an expression.

Mr. McCaul, continuing his examination of the railroad company, and had been hald been ha The following are copies of the telegrams referred to in Sir Thomas's state the incorporation of the Pacific Coal Company. On 19th December, 1900, in the Canada Gazette of the incorporation of the Pacific Coal Company. On 19th December, 1900, these lands in question were alloted to the B. Sir Thomas called attention to the fact lands in question were alloted to the B. Sir Thomas called attention to the fact lands in question were alloted to the B. Sir Thomas called attention to the fact lands in question were alloted to the B. Sir Thomas called attention to the legislature acted upon that.

Am not yet officially advised about or A telegram dated Victoria, December

ders in council providing immediate pre- 18th, from G. McL. Brown to Sir questions referred to by Mr. Wells in the an ex parte proceeding. In the House, Mr. Wells's statement that political exparation B. C. Southern grants and Col- Thomas was read as follows: "Private; memorandum. He could not remember when the matter was dealt with, it was pediency, and that alone,

two." going to the B. C. Southern. He did not pany for 24 hours." know whether the suggestion to transfer from the B. C. Southern to the Columbia & Western came from the government or from some one else.

Mr. McCaul stated that apparently some one was acting in the interests of the Columbia & Western in having the transfer made unknown to himself.

Mr. Creelman's opinion, Sir Thomas said was that the Crow's Nest Coal Co. could not have a claim upon the lands if it went to the Columbia & Western, ess on account of the B.C. Southern and Columbia & Western being parts of the C. P. R., that there might be a moral obligation in the matter.

Sir Thomas went into the matter fully. dersin-council and setting out final set. He explained that whether for political reasons or otherwise, the government proposed to transfer the lands from the B. C. Southern to the Columbia & Westhat most northerly deficiency blockemade tern; it did not matter a twopenny piece smaller. This settlement provides full to either the C. P. R. or the people of

If the object of the committee was to protect the Crow's Nest Coal Company, that inoffensive corporation, against the encroachments of the C. P. R., then he would have brought along other docuto deal with that. Sir Thomas said that a great deal of

stress had been laid upon this point. He would not have tolerated an arrangement' by which the Crow's Nest Coal nined by the government will be delayed Company would not get its 10,000 acres, is I am making copies for file here. Col. even if the lands went to the Columbia

Mr. McCaul pressed that the door was open for a fraud except for the honor of the railroad company. Sir Thomas supposed such a construcion might be out upon it.

A telegram on 23rd July, 1901, was read from Mr. Brown to Sir Thomas as follows: "Feel now that with prompt deision southeast corner, and probably section lying between B. C. Southern block 2 and Elk river, might be secured as lieu land third section Columbia & Western, and at same finally close B. C. Southern matters. Provided make extremely cesion acreage Columbia & Western would full acreage first section, which would largely absorb available area contiguous. This would preclude obtaining full area third section. In any event, view advantage establishing lieu land precedent very necessary in fourth sec-tion settlement, and in view land comnissioner opinion land contiguous to line no value any way, would like your ap-

In answer a telegram of July 24th was sent as follows to Mr. Brown from Sir Thomas: "First and second sections cover land between Rossland and Robson. You understand nature of agreement between Heinze and company with reference to lands earned by construction of these two sections. We can make no bargain that will interfere with delivery full quantity of land without giving Heinze ground for claim, and he will have undivided half interest in any land received tion with these two sections. that the arrangement will be confined to third and fourth sections. Do not understand your message, and

would like further information after you have read this message." Coming to the question of the proposed acorporation of the Pacific Coal Company, Sir Thomas stated that it was undertaken as explained at the time, upon he ground that the company might be relieved from depending alone upon the the Crow's Nest Coal Company in the The Dominion government, re-Breton did not prove successful.

with incorporation

and that he understood that it was present by Mr. Brown from memory of coal mines for a period of ten year. Sir it was only placed in his possession for as he could remember, mentioned such a

Mr. McCaul suggested that Mr. Brown in his official capacity in this province was really a lobbyist.
Sir Thomas said that that was not the ferm to use. The C. P. R. needed some executive agent in this province, the head fices being so far removed from nere. Mr. McCaul said he did not mean it in

any offensive sense. Mr. Brown had no power of attorney for the company. He and Mr. Wells had "Based on mutual respect and esteem?"

"I hope so," replied Sir Thomas. Referring to Mr. Wells having ween given the right to take back these grants, Mr. McCaul asked if he regarded Mr. Wells as a man to go into the box and leclare what was not true.

"At that time?" asked Sir Thomas.
"Yes at that time," replied Mr. McCaul.
"No I would not," replied Sir Thomas.
"It M. W. W. "Replied Sir Thomas." to protect the Crow's Nest Coal Com-"If Mr. Wells gave that promise in pany. Montreal he had a good deal of nerve, had

Wells lunched with him one day. He pediency alone. It had not been made "Did you remember that previous to tion was on the ground of the non-co

Sir Thomas could not remember that trated. No opportunity was given until t took place at that time. Mr. Wells came in on the morning of 21st to get receipt for patents, "I did not learn until quite recently that all the patents had been handed over on the 20th at the patents had been handed over on the condition." Sir Thomas said he apolo-

Sir Thomas called attention to the fact had not taken place of the patents. The

paration B. C. Southern grants and columns was read as follows: "Private; memorandum, He count not remember again an exparte proceeding, inasmuch third section approved by government yesterday. Instructions (informers) prospect will leave for East probably in a day or which I have now delivery was effected, inasmuch as the sat before action was taken. It should the company's position in this matter. Sir Thomas did not know of the lands patents were in the hands of the com- have been upon the results of this in-

The request that Mr. Wells made for the privilege of retaining these grants was one which he could not very well in the House of 8th April and 2nd May, tlement. I wish here and now to rewas one which he could not very well in the House of Stil April and End Star, thement. I wish here and now to be refuse. The patents were not in his (Sir 1902, Sir Thomas admitted that he did gister a formal protest on behalf of the company, and to insist should the company, and to insist should the com-He thought Mr. Wells had said that

he had these patents in a sealed envelope swers did not fit in with the facts. addressed to him (Sir Thomas). Mr. Wells would have to ask his permission questions asked during the session that remarking on the unusual course you to retain them therefore. to retain them therefore. the le "Did it not strike you as a kind of facts.

"Did it not strike you as a kind of idiotic action on the part of Mr. Wells?"

asked Mr. McCaul. Might he not just apparent.

Mr. McPhillips said that the responsition of the part of Mr. McPhillips said that the responsition of the part of the pa Sir Thomas said: "Mr. Wells explained to me his reasons for wishing to re- with the government.

in them."
"Yes, that was a matter of political responsibility."
Sir Thomas called the attention to the tain them." expediency," said Mr. McCaul. "Yes,

cediency, said Mr. McCaul asked if the did not think fact that after being apprised of the facts the legislature should do its duty.

Sir Thomas, in reply to Mr. McPhilbrand of the facts the legislature should do its duty.

Sir Thomas, in reply to Mr. McPhilbrand of the facts the legislature should do its duty.

Sir Thomas, in reply to Mr. McPhilbrand of the facts the legislature should do its duty.

Sir Thomas, in reply to Mr. McPhilbrand of right, and in such case the petition of right, and in such case the facts the legislature should do its duty. that some reference was made at the first Spence's Bridge.

Spence's Bridge.

by Mr. McCaul to the effect that Mr. company is without recourse, the Satisfied that none of your gentlem template the repudiation of your Sir Thomas admitted that there might have been such a reference.

Wells had shown nerve, exonerated the template the repudiation of your obligation. I have telegraphed Sir Thomas that time. His "nerve" was shown Shaughnessy as nearly as I recollect as

have made any difference if the patents later.
in a sealed envelope had been deposited. Whe in the company's office in Montreal or in the company's office in Montreal or with the Bank of Montreal just as well as "carting" them back to Victoria.

"Columbia & Western blocks East Kootenay cancelled without notice. Wells and other ministers explain political exsenting witness. Sir Thomas said he did not know what purpose Mr. Wells intended putting them | the House met. to in retaining them. He had told Mr. Brown that Mr. Wells had promised to The following is the report made by grants will issue at company's request. return the patents inside of 30 days, be Geo. McL. Brown to Sir Thomas fore the cancellation order. He had himself probably forgotten it.

last year. He saw Col. Prior, he

the assistance of Mr. Greenshields on the ernment's reasons for wishing to grant them. Mr. Wells suggested get- of Finance, Acting Provincial Secretary, ting the opinion of Mr. Greenshields. | Minister of Mines and Geo. McL. After the cancellation order he did not Brown: keep in touch with Mr. Brown as to land Brown-I opened the meeting by

The ejectment actions were taken not so much to trouble the parties located the government's new proposal for the on these blocks as to enter an action before the legislature took any action debarring them from their rights.

Asked as to whether any application had been made to the Dominion government for disallowance of the act of this year, Sir Thomas said he did not know that anything had been done

E. P. Davis objected that this had nothing to do with the investigation. Sir Thomas later stated that he had no doubt when the proper time came that some such action would be taken if in the meantime the province of British Columbia did not see its duty and right matters.

In answer to Mr. McPhillips, Sir Thomas said that W. J. Taylor, to his knowledge, had not acted for the C. P. R. or for the Columbia & Western or the B. C. Southern. He positively knew that Mr. Taylor had no connection with these companies. Mr. Taylor had no more influence with him in any such matter than any other person would have. The knowledge that the patents had

been in the vault over night he learned relieved from depending alone upon the only a week ago Monday, when making Dominion Coal Company in the East and inquiry for papers. His knowledge of it came from Mr. Oswald, who said that cabinet that having had no advice whaton the 20th November Mr. Wells had quired a deposit of \$50,000. The investigation for coal in the West and in Cape
Breton did not prove successful.

Mr. Wells came and sought to get these It was not until 1901 that it was de- two particular ones back. Either beded to deposit the \$50,000 and proceed cause Mr. Oswald could not get into the that political expediency necessitated vault or because he did not wish to neturn them without authority, they were the government's action—that so many questions having been raised in the least intention at any time of incorporating a company to work coal in these

Sir Thomas said when Mr. Wells first right to the two blocks. went to him about these patents there was no condition of any kind, either the members of the cabinet and myself: building of a line to Spence's Bridge or any other line. The only reason he advaguely, that my integrity and that of

to this before the grants were delivered? the contrary. was not made.

Mr. McPhillips said that as an hypoth- have I yours? etical proposition was it conveyed that ning colleagues were to be the inc to accept responsibility for the delivery of the grants? "Well, I'm so inno all things political," replied Sir Thomas Sir Thomas said he did not think that met Mr. Taylor upon that occasion.

He had no business transactions with He had never heard of the Crow's Nest Coal Company taking any action to protect itself against the C. P. R. He had never known that the British Columbia

"The relations between your company and the Crow's Nest Coal Company are

that you had been handed the memor- pliance to build to Spence's Bridge. This andum which you had asked Mr. Wells was never urged and the company never o prepare and that you arranged to meet given a chance to accede to it. aim and discuss the matter?" asked Mr. never heard that the cancellation took place because of any fraud being perpethe present time to answer such, if it

no title had passed and that delivery

quiry that action was taken by the leg- 3rd section has already been islature.

made had he been a politician. The an-

Mr. McPhillips said, judging by the fiat for a petition of right. I cannot help

Sir Thomas admitted that that was aside the company's settlement.

bility rested not with the legislature, advised you? which was not apprised of the facts, but

When Mr. Oswald received the crown follows: The

Shaughnessy of his famous interview stating discussion on this proposal without prejudice company's right to insist He thought he remonstrated with Mr. with the executive on March 24th, 1902, on settlement already reached. Wells with respect to the cancelling of the purpose of discussing the governthe grants, when he was in this city ment's new proposal for the settlement me to assure you that the company have of the subsidy in respect to the 3rd sec- no desire to embarrass the government He remembered Mr. Wells suggested for the purpose of ascertaining the govtion of the Columbia & Western and You have had too many practical demonfirst evening of their interview. Mr. aside the settlement already made. There not take issue with it for wishing Wells said that some doubt had been expressed as to the government's right to

matters. He considered it was then a question for decision in the courts. ity of placing before the cabinet the company's position in connection with settlement c. the subsidy for the 3rd section, Columia & Western railway, as

conveyed to me verbally on 19th inst. by Mr. Wells, and in writing from him under date of March 21st, in reply to my letter of inquiry of 19th inst. I then explained to the cabinet how on the 19th inst. on my return to Victoria I had called on Mr. Wells, had seen him for a moment in his outer office, when he informed me that Mr. Gore. Deputy Chief Commissioner of Lands and Works, wished to see me, that

I immediately called on Mr. Gore, who informed me that on the prewho informed me that on the previous day the government had cannot want the grants.

celled the grants for the two Dunsmutt No, no, Brown; we made a mistake, and should in the interest of the proposed to the company in lieu of them, act to give the lands. government alternate blocks along Gore also advised me of the government's intention to carry out the Pre mier's pledge to introduce a bill at this session granting to the company lands earned by the construction of the 4th section. I then pointed out to the soever of this change I was hardly able statement, and thereupon called on Mr. Wells, who confirmed the statement; that I asked Mr. Wells for the reasons and he explained House that the carrying through of the original arrangement would mean the settlement left a deficiency of some 300,000 acres unprovided for. It was ex-

vanced for wishing to retain them was my chief was in some way impugned sidered as one of policy, submitted its pro-Mr. McPhillips asked if Mr. Wells conveyed the impression that the incoming colleagues would have to be agreeable given me their emphatic assurances to in a recent meeting of the cabinet over Before going further I Sir Thomas said that such a proposal desire a similar assurance from the pediency, Mr. Prentice, is one in which I other gentlemen present. Col. Prior,

Col Prior-Most certainly Brown-Yours, Mr. Prentice? Prentice-Yes. Your names had not en mentioned in such connection. Brown-Yours, Mr. Eberts?

is silly. Brown-I thank you gentlemen for your ready replies to my somewhat bald question. I understand from them then home to you more clearly. The E. & N. that you confirm Mr. Dunsmuir's and

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A settlement of the subsidy for the and partially carried out. This you prooriginal settlement, and I shall apply for pany beforehand of your intention to set

Mr. Wells-What difference, Brown, would it have made if we had

Brown-This difference, Mr. Wells. that if the government was seeking only its own safety and not the spoilation of the company, a discussion before the act

committee adjourned until after pediency, and now propose cept alternate government blocks along line in settlement third section that

look upon it as an enemy, and you should maintain its rights

Dunsmuir-I know. I know, Brown, but new complications have arisen Brown-What complications?

Dunsmuir-(No reply). Brown-My chief replied to my telegram as follows. "Understand from your nessage that government have cance order-in-council granting parcel of land Southeast Kootenay as portion of Columbia & Western subsidy, and propose to give land elsewhere. I do not see that we have any means of forcing government to keep faith and therefore we must accept situation as it is. Apparently politics permit with methods that would destroy character

in private life." contemplate depriving the company of what has already been given-only one word being applicable to such a case-

government was to be defeated he did not want the grants.

Dunsmutr No, no, Brown; we made a

Brown-Surely, there is no reason Mr. the line of railway. How that Mr. Dunsmuir, for discussing now details of a settlement deliberated over by your government for many months, right and just and carried out.

Brown-But before doing that you asked and obtained the opinion of the new Chief was that the government had full power. tained by the government corroborated it. the company had to accept the lands in

to the effect that the government had power, but the question of policy should Brown-Yes, exactly-a matter of policy.

your own position and that of the com-

This settlement the government duly con position to the company, which accepted the House to decide? Brown-This discussion of political exbe taken in the courts unti ise prorogued. cannot enter. My duty begins and ends in placing before you in plain language

pany. It has been hinted, Mr. Dunsmuir that it is because these two blocks in East Kootenay are valuable that the present situation has arisen. They may be valu-Eberts-Most certainly. Such a thing able or they may not. What has that to do with it? If they are, which no one knows, is that a reason for the company being deprived of them? Let me bring it Railway Company enjoys from the Dominion a very large tract of land. The crown grants have not issued for the whole of it, but they will issue from time to time until every foot of the area granted Sir Thomas. has been conveyed, is beyond question You hold your land then under the pledge of one of the governments of the eighties-1883, I think. You would never think of oubting that pledge. You know that with each succeeding government your grants issue as applied for, and so it will be to the end. Supposing a portion of your lands still unconveyed to you turned out to be, or rather were rumored to be, anusually valuable, would you lose any sleep over it? I think not. You would have no fear of the Dominion government telling you that it intended to keep that

> that is precisely the course you propose to take in the case of the Columbia & Western railway. If such treatment were meted out to you by the Deminion in connection with your lands you would call i repudiation, and you would be quite right Prior-Pretty straight talk, Brown.

portion of your lands which had turned

out valuable, and forcing you to accept in

ieu the tops of a range of mountains: vet

Brown-Don't you think the situation stifies it, Col. Prior? Dunsmuir-No, no, Brown. The cases are not the same. The E. & N. gets its lands from the Domini

Brown-Exactly so, and the Columbia &

Prior-Sit down, McL., a nothing of the sort is sugge

Brown-Keep cool; it m hot. I beg your pardor this alleged conversation comes from you and Mr understand, a day or so a Wells stated to me that t dishonorable in Mr. Tay But what had Mr. Taylor mie conveyance of these la dany? Not he, but only the the shareholders could deal and the deeds go direct to whole situation is absurd, conceive its object, except may work on you and bl ment. Who, besides Mr. W Taylor supposed to have spo

Prentice-No. never. No. usual or exceptional in the I Brown-Did he speak to you, Eberts-No: I have alrea

Brown-Did he speak to you Dunsmuir-By dang, no. Brown-Then what does it to?-absolutely nothing. Prior-Who would have po with the company's lands? Brown-Only the president a

tors of the company.

Eberts—Of course. It is for Prentice—Yes.
Brown—There is nothing mon I have done my duty, and it is in the company's right to for ernment should it see fit to settlement. Dunsmuir—Yes, that's right;

force the government.

Brown-Thank you, Mr. Du understand you to mean that pany's application for a flat for of right, if made, will be gra Prior-I have only heard of within a day or two, and can Dunsmuir-I dunno; I dunno

Brown-Well, gentlemen, it for me to thank you for this shall apply for a flat if so inst fidently expecting that it will Good morning. (From Thursday's Da Yesterday afternoon comple

amination of the officials of th

who came from Montreal to dence before the committee ing the Columbia & Western sub Upon resuming the inquiry S Shaughnessy's cross-examin continued by Mr. Helmcken. dent of the C. P. R. said that know that the railway comp have put its contention for b and 4,594 in the shape of a cl question of whether the gov e right to go outside the lar ous to the line of railway for was a legal matter into wh not care to go. The compla the government was that a ing been made, and having I seal attached, the governme parte proceeding cancelled the legislature, on the advice

ernment, took a similar cou sed legislation depriving the c a right to these lands Mr. Helmcken called atten copy of a bill practically th which was apparently witness on May 15th. He v know why, with that in his he sent a message to Brown not to say anything about th

Sir Thomas replied that he the bill as intended to simp subsidy for section 4 with being built. He had not idea who drafted the bill. Mr. Creelman generally drabills. He did not know who for Mr. Brown, in fact Brown such experience in this proving might possibly have undertak himself. He took no inter detail, but left it entirely to Br Thomas said: "I put the ship of a captain and left it to him "Well, the ship ran on the re turned Mr. Helmcken. "Yes,

sisted his questioner. might be, or it might be the f rocks," returned witness.
In the fall of 1902, when he Wells, witness protested non-delivery of the grants. He from the remarks of the Chief siner that the ministers legal advice, and if he found pany had the right to them t be handed over.

"That was the fault of the

Mr. Helmcken asked what h in his letter in reply to the me submitted by Wells, when he to the crying need of British not being additional railway i the expense of the gover more energetic work in the f and mine, and which was ap every person familiar with tions that prevailed in the pro had not been unduly influence methods of railway speculator

Witness said that in doing so moved by the fact that from session the time of the legisla