

A very important point indeed, as the government, under the land law, could not for this purpose alienate any land without the consent of the legislature.

—and that the ministers wrongly advised His Honour the Lieutenant Governor and obtained the order in council contrary both to the spirit and to the letter of the law.

That the government took no steps whatever to ascertain whether or not the grant in question was in the public interest; that the ministers had no knowledge upon which to proceed in deciding that question, and beyond making one or two modifications in Mr. Bodwell's original proposal were utterly reckless with the rights of the province.

9. That by reason of the secrecy maintained by the government and Messrs. Larsen and Anderson, the said Larsen and Anderson and their immediate associates were enabled to obtain other lands, including North and South Porpoise islands contiguous to Kaien island and the proposed railway line to the extent of over 3,000 acres.

10. That James Anderson received from his partner Larsen in settlement of their interests in Kaien island and other advantages in the immediate neighbourhood, the sum of \$10,000, besides salary and expenses. He also received one-sixteenth interest in North and South Porpoise islands, and in other lands contiguous to Kaien island, located by him under South African war scrip. And also about five square miles of coal lands some distance down the coast.

This 10,000 acres of land therefore was sold merely to a private company for \$10,000, and immediately transferred to the Grand Trunk Pacific for \$40,000, and the company and some of our local politicians enjoyed the \$30,000 profit. The reservations which my hon. friend attaches much importance to were made by statute.

Mr. FOSTER. May I ask the minister what he was reading from?

Mr. TEMPLEMAN. From the minority report of the commission appointed by the legislature to inquire into the Kaien island scandal. That minority report was presented to the House.

Mr. FOSTER. Has it been printed?

Mr. TEMPLEMAN. I think so; I have it in a newspaper report.

Mr. FOSTER. Perhaps the minister would read the opinion the majority expressed, it would enlighten the House.

Mr. TEMPLEMAN. It would take a long time. I would be pleased to furnish it to my hon. friend. I have said that the reservation of 25 per cent of the land for town lot purposes for the benefit of the government, is under statute. The leader of the opposition attached much importance to the fact that the government had made this reservation. The government could not have done anything else. In all town sites in the province twenty-five per cent of the land is reserved for the benefit of the province. The statute says:

All Crown grants hereafter issued of lands, the right to which was acquired subsequent to the 17th day of April, 1896, shall contain a provision that in the event of any lands thereby granted being divided into town lots, one-fourth of all the blocks of lots shall be re-conveyed to the Crown.

All of the reservations mentioned were made under the law; it was compulsory upon the government to make them; so the provincial government are entitled to no credit whatever in that regard.

Mr. SPROULE. If an individual purchased the lands from the province afterwards and divided them up into town lots?

Mr. TEMPLEMAN. The same thing applies. Now, Mr. Speaker, I have endeavoured to show the character of the sale of the 10,000 acres of land. I am bound to say that if the provincial government had approached the Grand Trunk Pacific and said, we have 10,000 acres of land on Tuck Inlet, which would be an excellent harbour, a splendid terminus for the Grand Trunk Pacific, and we will sell it to you for \$10,000 in cash and keep twenty-five per cent of the land; or even if they had said, we will give it to you for nothing, reserving the 25 per cent of the land, I do not think there would have been much criticism in the province of British Columbia. But that is not what was done. A little ring of speculators and the provincial government are responsible for the scandal. This is a transaction that my hon. friend holds up as eminently in the interest of the province of British Columbia. Now, the proposition made by the Grand Trunk Pacific Company to buy 13,000 acres of the Indian reservation immediately contiguous to the 10,000 acres, is not a new matter. Mr. Bodwell approached the provincial government a year before the order in council was issued to which reference has been made, with a proposition that the local government should sell the Grand Trunk Pacific a portion of this Indian reserve, pointing out that the Dominion government would have to deal with the Indian title. At the time Mr. Bodwell asked Mr. McBride if the province would not have a reversionary interest. Mr. McBride said, No, it is true, but he said:

No disposition of any portion of this reserve can be made unless and until the Dominion government removes the Indians from the reserve, or from that portion thereof with which it is intended to deal. In such case the government is willing, upon your company satisfying the Chief Commissioner of Lands and Works of the necessity of securing additional holdings in that vicinity for the purpose of its railway, that no disposition of any portion of such lands shall be made without first offering your company an opportunity to purchase them.

That was in 1905.

Mr. R. L. BORDEN. What letter is the hon. gentleman reading?