

A. & G. W. RAILWAY INQUIRY

(Continued from Page Two)

idea and plan of operation of that country. I told him a railroad would have to be built to the waterways and that the waterways would have to be developed; considerable money would have to be put into the steamboat business in order to make it a leader and properly develop the country and make that end of the road pay, and he suggested to me that he ought to be interested in steamboats. He said he would like to have an interest in the steamboats. I said: "You can go ahead and build the road. I haven't any objection to your being interested with me in the steamboats for I understand it will take a lot of money to properly develop it and I said: "If you will help me out on my steamboat proposition you can have what I have got in the railroad. It isn't very much, but whatever it is you can have it."

Well, then, the consideration for the transfer by you to him of your interest in the railroad was, he was going to help you in the steamboat proposition? Yes. Was there any money involved in it? No, \$25,000; what he should put into it. Was that the agreement between you? That was the verbal agreement, understanding. Was there any written agreement between you and him about the steamboat proposition? No, I wouldn't have any writings to that effect.

Why? I don't know why; it was up to him to instruct his lawyer to do that. No, it was up to you to see that your lawyer got it for you. Well, I think he is entitled to that matter, to that end of it. Cornwallis' Assigns Interest. Well, he seems to have taken very good care to get some assignment of your interest in the railway? Yes. That agreement was drawn down in Calgary? Yes. Is that where the arrangement was arrived at that you have just been speaking of? I discussed the matter with him here in Edmonton. But you didn't complete it here? No, I completed it in Calgary. Did you and he go to Calgary for the purpose of completing it? No. Did you go down to Calgary together? We were there together, at a howe show, or fair of some kind in Calgary. Did you just meet accidentally in Calgary? I was down there attending to my business with the town and I think he happened to be there. We had our discussion concerning this here not down there.

Then, the verbal arrangement was arrived at in Edmonton between you and Clarke respecting this matter? Yes. And you accidentally met in Calgary, and it was there that this agreement was made transferring your rights in the railway company to him was drawn up and executed by you? Yes. Who suggested that? Which? Who suggested that you should put in writing the transfer to him of your interest in the railway company? It was my own suggestion. Was that your own suggestion? Yes. That was for his protection? To show my good faith.

Clarke Looked All Right. Clarke was a stranger to you? Well, he looked like a man to me. I know he looked pretty good to me, but he was a stranger, wasn't he? Yes. You didn't know anything about him except what he had told you himself, I suppose? Well, yes, I did; I believed he was a man of good standing; I believe he was all that he said he was from—well, I didn't have very much sources of information, in fact. He told you that himself? He admitted that to you himself? Yes. And here to show your good faith you suggested that you should give to him a writing which would transfer your interests in the railway company to him? Yes. And didn't it suggest itself that in dealing with a stranger you should require equal evidence of good faith on his part? Well, I afterwards got good evidence; he has carried out his agreement with me. I am not talking about what took place afterwards. Don't let us get ahead of our story. Here you and Clarke are down in Calgary, sitting in a strange land, and you show your good faith by transferring your interest in the railway to him. Now, why didn't you demand the same evidence of good faith on Clarke's part and get something binding him to put money into the development of your road thoughts up on the Athabasca River? Well, he has put money in it. No, no, I don't know what he has done since. I have got you two together down in Calgary. Now, I want to find out what you did and what you didn't. Why didn't you then, when this thing was assuming a practical binding form, get in black and white from Clarke what he was going to give to you in consideration of what you had given him?

Well, I didn't give him that transfer that time? Didn't you? Didn't you? Didn't you? Chamberlain's Stomach and Liver Tablets assist nature in driving all impurities out of the system, insuring a free and regular condition and restoring the organs of the body to health and strength. Sold by all dealers.

have what interest I had. Can you explain how it happened in November, 1928, when you were authorizing some gentlemen in Winnipeg to settle your profits in the syndicate. If you did not claim to be entitled to that? I presume he would have some profit in it. There was a good deal of talk about profit, but I was looking for any profits and never got any. There was apparently \$3,200 paid in that last extension? Apparently. Did you see any part of that? I certainly did not. Did you ever apply for it? Why not? I did not want any. Why not? Because I did not consider I had any interest. I had given my interest to Mr. Clarke. You had given your interest to Mr. Clarke? That was my intention. At that time you had the document of 20th of July amongst your papers and you had not delivered it to Clarke, had you? No, but my intentions were good. You had not delivered it to Clarke, had you? Yes, that was the only reason you did not make any application personally for the \$3,200, which you thought if any one was entitled to the same territory was to be approached by you. He had not come through with the steamboat money. That was the only reason you did not make any application personally for the \$3,200, which you thought if any one was entitled to the same territory was to be approached by you. He had not come through with the steamboat money. That was the only reason you did not make any application personally for the \$3,200, which you thought if any one was entitled to the same territory was to be approached by you.

Never Applied for Stock. Did you apply for any of the \$100,000 worth of stock in the A. & G. W. in July about a government guarantee? No, I had no conversation with him in July about a government guarantee. So that the first suggestion of that came from Mr. Clarke, when he was here some time in the fall of 1928? Yes. Did he discuss that with you? I had some conversation with him about it. What did he say to you about it? He asked me what success I was having and I told him I had not had any success. Did you tell him what you had been after? I just told him that we had interviewed the government. Did you then make that request you made to the government? No, I told him we were trying to get the bonds guaranteed and that was all that I got. Did you tell him the amount? No. Didn't you tell him that all you would ask the government was \$13,000 a mile at 4 per cent? Yes. This man from Kansas City did not come up here and apply to the government himself—I don't know. I don't know who went with him. Did you presume that or do you know it? I don't know. You know of no local influence that was brought to bear in favor of his application? No, not from any knowledge I had, but I presume he had. You know that the A. & G. W. was incorporated in 1907? Yes. Then you know that this option was formerly taken up by Mr. Clarke? I presume it was. I have no knowledge of it. You don't know what Clarke took up that option for? No, not from any knowledge I had, but I presume he had. You know that the A. & G. W. was incorporated in 1907? Yes. Then you know that this option was formerly taken up by Mr. Clarke? I presume it was. I have no knowledge of it. You don't know what Clarke took up that option for? No, not from any knowledge I had, but I presume he had.

When I gave him what constituted completing interest. When did you hand over to him the documents that you signed in Calgary? Oh, last year, I don't just remember exactly when it was, it was some time last year, 1929. What time of the year? I don't know. I think it was last spring, 1929. What took place between you and him when you handed him over that transfer? Well, I gave it to him and I told him where I stood in the matter. I told him I had carried out my arrangement with you. You handed it over to him? Was that after the company was incorporated? Well, I didn't get anything for that transfer. Didn't you get the assistance that you were promised in connection with the steamboat business? Yes, if that is what you mean by that. That is something, is it not? What did you get? Now, as to the date of that, I would have to see my books. Well, where are your books? I don't know. Mr. Biggar can tell you that. Mackenzie: The bank books I can produce them. They are not here at the present time but I will always be glad to give them to you. You got \$2,000 from Clarke? At that time, yes. I am not sure where your books are. The Alberta and Great Waterways? Well, when was it incorporated? Oh, February; it was along about that time I think. I am not just sure about that Mr. Walsh. What did you get for it? I mean what I said. What did you get for that transfer? Didn't Get Anything?—Transfer. If it was in the spring or winter of 1929, but the bank books will tell that. Not a dollar. No, I afterwards got \$12,500 from him. From whom? From the Seaboard National Bank. Who sent the cheque to you? It was wired to the bank; they were wired instructing to pay me that money—December it was 1929. On the 19th day of December, 1929? Yes.

Money Paid in New York. "Were you in New York when this money was paid to you?" I was in New York, my lords, about that 29th day of December; it might have been the 27th, the 28th or the 29th. I called from New York on the 27th. It was somewhere around about that date. Was Mr. Clarke in New York then? No, he was not. When had you seen Mr. Clarke before that? I had seen him a week before that. Under what arrangement was it that this \$12,500 was paid to you in December, 1929? Well, it was to be put into the steamboat. It was of his interest in the steamboat, associating himself with me in the steamboats and putting some money into it. When was it agreed that this amount of \$12,500 should be paid to you for that interest? Well, the amount he agreed to give me at that time he told me a week before. I needed the money for financing my boats, and I told him I would require that much money at that time. In the spring of 1929 you got \$2,000 in cash from Clarke? Yes. What was the arrangement between you and him then about any further advance? He was to put in about \$25,000 into the steamboats. He was to put it in—well, we didn't have any specific time, I outlined to him what my proposition was and he told me what he was prepared to do, and he particularly wanted to be interested in the steamboats, because they are part or would become part of the railroad. He wished to be interested in them, and he wished to be in control, and I was willing to do that providing he could furnish me with sufficient money to carry out the larger project of building and putting on the boats, which would require more knowledge I had, but I presume he had. You know that the A. & G. W. was incorporated in 1907? Yes. Then you know that this option was formerly taken up by Mr. Clarke? I presume it was. I have no knowledge of it. You don't know what Clarke took up that option for? No, not from any knowledge I had, but I presume he had. You know that the A. & G. W. was incorporated in 1907? Yes. Then you know that this option was formerly taken up by Mr. Clarke? I presume it was. I have no knowledge of it. You don't know what Clarke took up that option for? No, not from any knowledge I had, but I presume he had.

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the same as all the other country. I was very much interested in that kind of thing. You were particularly interested? Oh, I wanted to see that particular road. Do you mean to tell me that you know nothing more about that than the general public? Well, I was in charge of that it would receive their favorable consideration. Didn't you have any more information about the passing of that legislation incorporating the company and guaranteeing their bonds than the general public had? Only General Information. Oh, I had information, but any information I got was from general talk with Mr. Clarke. He discussed the matter with me and I asked him how he was getting on, and he said that he would probably get it alright. I wished him all kinds of luck, but I did not enter into the getting of that at all. I had done all I could, I had been at it for years, and I knew where I stood in the matter. I had told the government my story, so far as I was concerned, and there was no special effort I could make. Then, when was it that you completed this arrangement that you had with Mr. Clarke, that you entered into in July 1928 with Clarke for the transfer to him of your interest in the Athabasca charter? When I gave him what constituted completing interest. When did you hand over to him the documents that you signed in Calgary? Oh, last year, I don't just remember exactly when it was, it was some time last year, 1929. What time of the year? I don't know. I think it was last spring, 1929. What took place between you and him when you handed him over that transfer? Well, I gave it to him and I told him where I stood in the matter. I told him I had carried out my arrangement with you. You handed it over to him? Was that after the company was incorporated? Well, I didn't get anything for that transfer. Didn't you get the assistance that you were promised in connection with the steamboat business? Yes, if that is what you mean by that. That is something, is it not? What did you get? Now, as to the date of that, I would have to see my books. Well, where are your books? I don't know. Mr. Biggar can tell you that. Mackenzie: The bank books I can produce them. They are not here at the present time but I will always be glad to give them to you. You got \$2,000 from Clarke? At that time, yes. I am not sure where your books are. The Alberta and Great Waterways? Well, when was it incorporated? Oh, February; it was along about that time I think. I am not just sure about that Mr. Walsh. What did you get for it? I mean what I said. What did you get for that transfer? Didn't Get Anything?—Transfer. If it was in the spring or winter of 1929, but the bank books will tell that. Not a dollar. No, I afterwards got \$12,500 from him. From whom? From the Seaboard National Bank. Who sent the cheque to you? It was wired to the bank; they were wired instructing to pay me that money—December it was 1929. On the 19th day of December, 1929? Yes.

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was accused of it, but I didn't think you were wrongly accused of that? I had a good many crimes attributed to me, but I didn't ride on that train. You were in New York on the 1st of November, 1929? Yes. And that is the time Mr. Clarke was there? I met Mr. Woods there. And Mr. McLeod? I met him there. And Mr. Minty? I didn't see Mr. Minty. Are you sure? Absolutely. And Mr. Cross? I met Mr. Cross there. It was on the 1st of November, 1929, that Clarke and the others of them reached New York? First day of what? November. I don't know. I was not there in November. Yes, you were. Not on the first. You were on the 1st of November, 1929? I may have been. No doubt about it. Met Bond Party in New York. I don't just remember the date. I don't know when Mr. Woods and these gentlemen were there. I met them there one day. I had been there a couple of weeks. And that was the occasion on which the bonds of the A. & G. W. Railway Company were delivered in New York to J. P. Morgan & Co? Mr. Walsh, you are asking me something I don't know anything about. I don't know anything about the bonds or bond issues. Did you know that Mr. Clarke left New York for London a few days after that? I don't know anything about that. I didn't discuss the railroad with him. I was steamboating with Mr. Clarke. Is it news to you to hear now that Clarke went from New York to London in the early days of November, 1929? Well, I had no knowledge of his movements. It is news to me. I don't know anything about it. I don't know where he was. When did you next see him after you saw him in New York on the first of November? I saw him here. I saw him here some time in December. Some time in December? Did you learn from him that he had been to London? No, I didn't have that honor.

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