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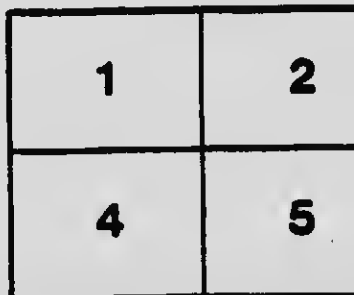
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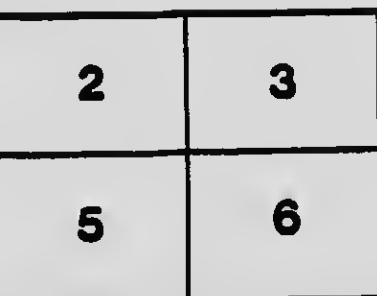
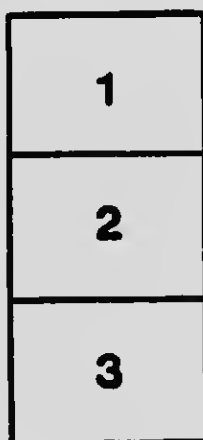
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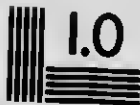
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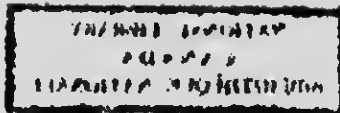
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HALIFAX LAND DEAL.

The land was purchased from Mr. J. R. Henderson, a prominent Conservative and Manufacturer, of Halifax, N.S., who acquired it primarily for his own purposes.

VALUED BY INDEPENDENT MEN

Railway Department selected the land as being best adapted for their requirements. Present value in excess of purchase price.

WHO IS MR. HENDERSON ?

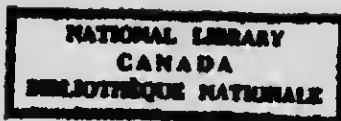
One of the transactions of the Railway Department in respect of which the Opposition claim to have established a "Scandal," relates to the purchase of certain land at Halifax, for the purpose of a Round House. The alleged scandal is in regard to the payment of \$45,500 to Mr. J. R. Henderson, of Halifax, and was for payment of land near the Cotton Mill Siding, Halifax, for I. C. R. extension.

Mr. Henderson is a Paint Manufacturer carrying on business under the firm name of "Henderson & Potts," at Halifax. The property and works of this firm are in the immediate vicinity of the land sold to the Government, for which the said sum of \$45,500 was paid. Mr. Henderson is a gentleman of large means, of excellent reputation, and is a firm adherent and supporter of the Conservative Party. These are significant facts of importance in considering this transaction.

WHY HE BOUGHT THE LAND

With Mr. Henderson, there was associated in the affair Mr. B. F. Pearson, a member of the Nova Scotia Government. The association came about in this wise. Some time in July, 1905, these two gentlemen met at the Windsor Hotel, Montreal, and discussed the advisability of securing a large block of land contiguous to Mr. Henderson's works, for the purpose of establishing a lead corroding industry in conjunction with a well known English firm for whom

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Mr. Henderson had been acting as agent for 14 years. For some time previous to this, these gentlemen, Messrs. Henderson and Pearson, had conferred together on the desirability of forming a syndicate to acquire all the land in the neighborhood of Mr. Henderson's works, as a site for manufacturing purposes, Mr. Pearson stating that he had in view bringing two manufacturing concerns from country towns into Halifax.

Shortly afterward Mr. Henderson went to England to confer with the firm of "Brandon," having in view the establishment of the lead works, as intimated above. Immediately upon his return he commenced negotiations with the view of securing the land not already owned by the firm of Henderson & Potts.

Up to the time of securing these lands, Mr. Henderson had no knowledge whatever of the intention of the Intercolonial authorities to acquire them. His idea in purchasing them was in furtherance of the new enterprise, which he thought, would sooner or later create a demand for the land for manufacturing purposes.

Ultimately it came to the knowledge of Mr. Henderson that the Government were making enquiries with respect to the land. No person at any time up to this, on behalf of the Government, had made overtures to Mr. Henderson with respect to the purchase of the land. Having heard that Government engineers had been examining the land, Mr. Henderson, on joint account with Mr. Pearson, who invested \$10,950 in the enterprise, subsequently acquired all the available property. To use Mr. Henderson's sworn testimony before the Public Accounts Committee:—

"I took a chance because I continued to hear, and felt sure that the Government were seriously inspecting that neighborhood."

PLACED A PRICE ON LAND

Shortly after this, Mr. Henderson, being about to leave for England on the lead business, consulted with Mr. Pearson, and told him that, should the Intercolonial people seek to acquire the land, that they should be asked 3c. per foot for it. Up to this time neither Mr. Henderson nor Mr. Pearson had made any overtures to the Government as to selling the land.

Mr. Henderson fixed the value of the land at 3c. a foot, after consulting with Samuel T. Brookfield, a large contractor of Halifax, and a recognized authority on the value of land.

Mr. Henderson left for England, and heard nothing more of the matter until his return, some months later, when he was informed that

the Government had purchased the land at the price placed upon it by him before he left, and, having signed the deeds, he was handed the cheque for \$45,500 in payment, and the transaction was concluded.

ACTED IN GOOD FAITH

Mr. Henderson acted in perfectly good faith throughout. He entered upon the purchase of these lands for purposes of his own, as agreed between Mr. Pearson and himself, and the purchase originally was without reference to the possibility of the Government wanting the lands. It was only after he discovered that agents of the Government were inspecting the lands that he acquired one or two properties. Mr. Henderson also swore that his relations with Mr. Pearson had no political significance, they were purely of a business character.

ALL FACTS SWORN TO

The above is an epitome of the sworn testimony before the Public Accounts Committee, of Mr. Henderson, and explains how he and Mr. Pearson acquired the property afterward purchased by the Government. This testimony demonstrates that neither Mr. Henderson nor Mr. Pearson had any intention of selling to the Government, or any knowledge that the Government intended to buy, when they started to secure land adjacent to that already owned by Henderson & Potts.

GOVERNMENT SIDE OF IT

A glance at what took place on the Government side, with relation to this land, will corroborate the testimony of Mr. Henderson, and set at rest any allegation of collusion between the parties.

In August, 1905, Mr. M. J. Butler, Deputy Minister and Chief Engineer of Railways and Canals, proceeded to Halifax on a trip of inspection. He swore that a cursory examination of the old round house disclosed that it was in a very bad condition—that the site was thoroughly congested, and the location improper.

INSPECTED THE LAND

It must be remembered that this visit of inspection occurred in August, 1905, after the interview between Messrs. Henderson and Pearson, and, in fact, he was devoting his attention to other properties.

Upon a later occasion he visited the site in question, and was so impressed with its desirability that he wrote the Minister, under date March 9th, 1906, advising its purchase, the letter concluding with these words:—

"It is not advisable that it should be known that the Railway is desirous of securing this property until the purchase is closed, and I therefore recommend that immediate steps be taken to secure firm options and to complete the purchase of the property.

(Sgd.) M. J. BUTLER.

THE LAND VALUED

The next step taken was to get a valuation of the property, after that the purchase passes into the hands of the Justice Department.

After March 16th, '06, Mr. Butler instructed Mr. Pottinger, General Manager of the Intercolonial, to instruct Mr. MacIlreith to go ahead and close the matter, and have Mr. Henry Read value the property. Mr. Butler himself placed a value of \$40,000 on the property.

In due course Mr. Read, who had long filled the position of Valuator for the Intercolonial, handed in his valuation, and for the land in question, it came to \$45,350. On May 11th, '06, instructing Mr. Pottinger to close the matter, Mr. Butler expressed the opinion that the valuation had been carefully made, and that it was desirable to secure the property at once.

NO COLLUSION POSSIBLE

It therefore has been established that the Deputy Minister of Railways arrived at the conclusion that the Henderson land was desirable for the purposes of the Intercolonial, apart from any other consideration and influence. Mr. Butler says that at the time he visited the property in January 18th, '06, he was accompanied only by officials of the Intercolonial, and that no other person had any knowledge whatever of his intentions.

The following is from Mr. Butler's testimony before the Public Accounts Committee in answer to Mr. Barker.

"Q. I suppose you carefully concealed from the public you intended taking the property?"

"A. I never discuss with the public any affairs I have under my jurisdiction, that is absolutely the case."

"Q. Did you in this case absolutely conceal any intention?"

"A. Yes."

"Q. The public were not allowed to know anything of your intentions?"

"A. No."

Up to January 18th, '06, Mr. Butler swore that everything had been kept secret, nothing had leaked out, at this same date Mr. Henderson was interested with Mr. Pearson in the property.

The position at this date was that Henderson owned the property and the Government was anxious to buy it.

WHAT VALUATOR SWORE

Mr. Read the valuator swore that he was amazed to find such a property in Halifax that was available, as sites for manufacturing were scarce, this property was level, and was on Railway communication.

In answer to Mr. MacDonald, Mr. Read said:

"Q. Do you regard the valuation that you made of this property, as being a conservative one, or one which was on the side of liberality?"

"A. It was conservative."

"Q. Do you consider that the Government, in paying for this property along the valuation you have paid anything more than you consider was the absolute worth?"

"A. I consider it is the greatest bargain that they got of any one that I had anything to do with, in value."

Mr. W. B. MacKenzie, Chief Engineer of the Intercolonial Railroad, and an appointee of the late Conservative Government, swore to the following facts before the Public Accounts Committee.—

"Q. What have you to say in regard to the question of the propriety of locating this round house upon the site upon which it is being built?"

"A. My opinion is, it is the only proper place."

"Q. Do you know of any influence operating in the minds of the gentlemen of the Intercolonial Railway who were responsible for this recommendation, other than they had a desire to do what was in the public interest in locating this round house where it was?"

"A. No."

"Q. Have you observed at any time any suspicion of influence, any improper or other influence upon Mr. Butler, Mr. Pottinger or yourself, in coming to that conclusion."

"A. Not the slightest."

"Q. Now, naturally you, having to do with the construction part of the road, the buildings and other matters of that kind, you would, I assume, be able to give us some information as to what you think as to the price paid for this land, having regard to its situation, the locality and everything connected with it. Can you tell us whether you regard the amount as being right and just which has been paid by the Government, or as being an excessive payment?"

"A. No. I do not consider it an excessive payment. I know the prices paid for other pieces of land that have been purchased by the Intercolonial Railway for the last thirty years, and I feel quite safe in saying that the price was a very reasonable one."

This should dispose of the question of value, it having been alleged that an exorbitant price was charged the Government.

NO COMMUNICATION WITH OWNERS

Mr. Pottinger, General Manager of the Intercolonial, swore that he never had any communication either with Mr. Henderson or Mr. Pearson, but that the property was selected and purchased entirely upon its merits, Mr. Butler, the Deputy Minister, gives similar testimony.

Mr. Henderson purchased the land primarily for a site for the lead corroding works he was about to establish, but finding that the Government wanted the land, and might proceed to expropriate whether he wished to sell or not, wisely decided to take his new works to Montreal, and place a price on this land.

The Government, finding that the price asked was a fair one according to their own valuator, agreed to buy it, and it was purchased accordingly and to-day is of greater value than when the transaction was concluded.

SOME SALIENT POINTS

Mr. Henderson is a wealthy man of good reputation and a Conservative.

He and Mr. Pearson acquired the land before the Government decided to purchase it, therefore, there could be no collusion.

The land was bought by Henderson and Pearson for a specific purpose not connected with the Government.

Neither Henderson or Pearson had any dealings with the Government at the time the purchase had been decided upon.

Mr. Henderson placed a price upon the property and left instructions with his solicitors accordingly, before going to Europe.

On his return he was informed that the Government had agreed to buy the land.

The valuator says the Government did not pay an excessive price, and it seemed a good bargain.

Mr. W. B. MacKenzie, Chief Engineer, Intercolonial Railway, an appointee of the late Conservative Government, corroborates the valuation of Mr. Reed, and says the price paid was a very reasonable one.

MONCTON LAND PURCHASE

A short time previous to 1905 the Intercolonial purchased a strip of land at Moncton. In order to turn the railway tracks into that land it became desirable to purchase a triangular strip.

INSTRUCTIONS TO GENERAL MANAGER

With this object in view Hon. Mr. Emmerson, then Minister of Railways and Canals, instructed the General Manager, Mr. Pottinger, in 24th October, 1905, to secure the land if the price was reasonable and right. Mr. Emmerson expressed the opinion that now was the time to buy, that they never could be secured cheaper.

Mr. Pottinger swore that the land was necessary for the purposes of the Government, and it could be purchased cheaper than at any time in the future.

LAND VALUED

The land was purchased from R. W. Hewson for \$10,500 and when giving evidence before the Public Accounts Committee Mr. Hewson swore he acted for Matthew Lodge, and that the purchase

money, less his charges and commission, was paid to Mr. Lodge. Having secured the land at reasonable figures for Mr. Lodge, it was forthwith transferred to the Government at a reasonable profit, but at a price that the valuator said was a fair one.

RECAPITULATION

The Government required the land.

Officials were instructed to purchase it at a reasonable and right price.

A valuation was made by a competent valuator.

The land was purchased at the price fixed by the valuator.

It was a business affair of routine carried out in a business-like way.



