

**Railway Construction—
Contract No. 14.**

3639. Look at the agreement, Exhibit No. 85, and say whether that was the agreement made between you and Sifton, Ward & Co.?—Yes; I think that is it.

Agreement with Sifton & Co.

3640. That is dated September, 1878. Did you commence the work upon the filling soon after that?—Yes; there were two or three places this side in the embankment that had shrunk, and we had to fill them up before we got to this bay. Their agreement was upon an old specification. My agreement is, that where there is a haul of 1,200 feet and over up to 2,500 feet, I get a cent a yard per 100 feet for it; but his specification was from 1,200 feet and had no limit.

Sifton & Co., had not machinery for putting work forward.

3641. This arrangement, you say, was brought about at your request?—No; they came to me because Mr. Marcus Smith proposed to take it out of their hands. They were notified different times to push the work forward, but there was no progress made; in fact they had no plant or material to do it. I had three engines and sixty flat cars to put into it. It took about \$70,000 worth of stock to work at it.

3642. Was Mr. Smith a party to this arrangement between you?—No; but he threatened to take the work out of their hands, and they came to me to do it because I had the plant for the purpose.

3643. And when they were pressed by Mr. Smith they came to you?—Yes.

3644. The former negotiations which you had attempted had failed, and had been given up?—Yes; that was when I started in September and offered them \$50,000 but they wanted \$70,000. I knew that they could not make half of it, but I would have to remain idle for a year until they got through, or haul my stuff down by the Dawson route. It was in September, 1878, that Mr. Smith threatened to take the contract away from them.

Contract No. 15.

Conversation with Rowan and others as to earth work fillings.

3645. Is there anything further about section 15 which you would like to explain to the Commission?—I do not know of anything further, except about that earth work when Mr. Rowan came down. Mr. Rowan was on the line with my son and Mr. Ruttan, and they had this thing talked over, and they came off the line and told me what they had been talking about. They asked me what I thought about it, I said I would let him know to-morrow. After thinking it over I told him I would undertake to fill all the places where there was to be trestle work, with the engines if I had to draw it four or five miles. He said if I would do that without extra haulage he would recommend it to the Government with all his might.

To make earth fillings without extra haulage.

3646. About what time was that?—I do not know. There is a letter in the Blue Book will tell you.

3647. Was Mr. Marcus Smith present?—No; I do not think Mr. Smith came until September, 1878. Then I told Mr. Rowan I would fill all the places where the trestles were going in, with earth, without extra haulage. He asked me if I would give him a letter to that effect, and I told him that I would. Shortly after that he told Mr. Carre to set out the retaining walls in the water stretches that were to form the foot of the bank.

3648. Is there any other matter connected with section 15, either as to the manner in which you got the contract or the manner in which the work has been done, or any negotiations between you and the

Government which you have not fully explained?—No; I do not know anything else except the amount that has been kept off me. That is in the hands of the Government, and they have agreed to let it stand until the contract is finished. It is an open account to be settled.

Tendering—
Contract No. 15.

3649. Was there any agreement between you and Mr. McDonald as to how he should be secured for the advances that he had made for you?—I gave him a chattel mortgage on the plant that I bought with it. I produce an agreement dated 10th January, 1877. (Exhibit No. 93.)

Gave Senator McDonald chattel mortgage on plant to secure advances. Agreement with Senator McDonald.

3650. This does not appear to be executed, but appears to be a copy of another document?—Yes.

3651. From whom did you get this copy?—From Hon. Mr. McDonald.

3652. This document alludes to a previous letter or instrument which had passed between you. It recites the fact that there was a letter or instrument in which you made certain promises, and that that letter or instrument should be constituted a part of this document; do you know where that letter is?—I do not know, unless Mr. Ruttan has it.

3653. Perhaps Mr. McDonald is the only man who had that letter?—I could not tell you.

3654. There is nothing here about Mitchell having a share in the profits?—No; that is another document. I think Mr. Ruttan has it in the safe.

Stipulation that Mitchell McDonald was to have half the contract mentioned in a second agreement.

3655. Did you ever see it?—Yes.

3656. Perhaps you will be able to find it?—I will try. I think Mr. Ruttan has it, as he had charge of all the papers connected with the railroad in the safe in his office.

3657. Do you remember what the item was that he charged in the account against you for moneys advanced?—No; I do not. I got a statement which I now produce (Exhibit No. 94) about the 4th of April, 1878. That is the first statement I got of the moneys he was giving me. He used to give me five, ten, fifteen, twenty, thirty, and sometimes as much as forty thousand dollars.

Statement of account between Senator McDonald and witness.

3658. Do you remember if this money which he paid for you to Charlton, and also to Sutton, was part of the first item of \$35,000 in the account produced?—Probably it is in that item.

3659. Can you produce any other statement of advances made by Mr. McDonald to you?—Yes; I produce his own now, in his own handwriting. (Exhibit No. 95.)

Further statement of account.

3660. In this last document which you produce in Mr. McDonald's own handwriting, the first item is on December 20, 1876: "Advances, \$30,000." That is about the time that the money was paid at Cornwall, is it not?—I do not remember what year it was.

3661. Do you remember if that advance was just before Charlton withdrew his tender from the Government?—Yes; it was.

\$30,000 advance for the purpose of paying Charlton & Sutton.

3662. A letter appears here in the Blue Book, dated 21st of that same month in which Charlton withdrew his tender. Now looking at the date of this letter and the date of that charge, are you able to say

**Tendering—
Contract No. 15.**

whether that was for the advances to Charlton and to Sutton?—Very likely it is.

Letter from
Marcus Smith.

3663. Have you any letter from Mr. Marcus Smith upon the subject of those works?—Yes; I produce it. (Exhibit No. 96.)

Senator
McDonald
charged 10 per
cent. on advances
and on security
given to Govern-
ment.

3664. You said that Mr. McDonald charged you 10 per cent. interest upon his advances?—Yes.

3665. Did he charge you that same rate upon the amount of security which he furnished to the Government?—Yes.

3666. What was the amount of that security?—\$80,000. I did not bargain for that at all; but when he made the statement I found it there.

Nature of
security.

3667. Are you aware that the security as was finally accepted by the Government was upon lands and not money?—It was, in the first instance, a cheque marked "good" by the Consolidated Bank; but after that he got property transferred for the cheque, and got his cheque back

After Senator
McDonald got his
money security
back continued to
charge interest.

3668. Did he continue to charge you interest upon the security after he got his cheque back?—Yes; from the beginning.

3669. So that while he was getting the use of the lands, he was also drawing interest from you for the amount of the security?—Yes; he is doing that yet. I have a balance sheet here that I got from Mitchell McDonald, when we settled up a few months ago, as to the balance I was to pay still.

3670. Was Mitchell acting for his father's estate?—Yes; and he is now.

3671. This statement does not take any notice of the note which you gave?—No.

3672. This is beside the note?—Yes, it is all paid; unless this \$3,000 for the next year for interest on the security is put up.

**Helping News-
papers.**

3673. Have you at any time had any negotiations with the Government, or with any of the Departments of the Government, in which you paid other persons for their influence or assistance?—No; I do not know that I had. I assisted Mackintosh in the paper. He was my security in one instance or two in making tenders, and getting my other tenders along with myself, and I assisted him with his paper or he would have gone down. That is all the influence I paid for in Ottawa, or in the Government, or to anybody else.

Mackintosh
security for wit-
ness who assisted
him in his paper.
Paid no one for
influence.

3674. Do you mean that you assisted him with money?—Yes.

3675. In supporting the newspaper do you mean?—Yes; he was in very difficult circumstances, and he was likely to burst up. He had been very kind to me, and got me assistance once or twice in securities in making up tenders; and I was a stranger there, and did not know any person, and he got them for me, and that is the way I assisted him.

Never understood
that Mackintosh
had any influence
with the Govern-
ment for which
this money was
given.

3676. Was it ever understood between you and him that you were to compensate him for any influence that he had used with any member of the Government?—No; not at all. Whenever I was wanting anything he used to see after it for me in Ottawa.

**Influencing
Clerks.**

3677. Did you ever make any gifts or payments of money to any one connected with the Departments of the Government?—No; not one

Influencing
Clerks—
Contract No. 15.

that I know of in any shape. Mackintosh is the only one that I ever assisted in Ottawa that I know of.

3678. Is your recollection good about officers in the Departments? Are you quite sure you never made gifts of any kind to them?—No.

3679. Do you mean no, you are not sure, or what?—No; I never did.

Pemb. Branch—
Contract 5 A.

3680. Were you interested in any other work on account of the Government after section 15?—No; excepting that and 14—Sifton & Ward's contract—and the Pembina Branch.

3681. You have already spoken about the Pembina Branch going south from St. Boniface. Now as to the Pembina Branch going north, was that work let by public tender?—No; I did not tender for it. It was given by Order-in-Council. I was to do the grading of it for the same price that I had done the section from here to Pembina, and all other works that were to be done were to be at the same prices that I had for section 15.

Did not tender for this contract; authorized by Order-in-Council (11th May, 1877), to proceed with work as part of contract 5, the grading to be paid for at contract 5 prices, and the rest of the work at section 15 prices.

3682. You spoke of having helped Mackintosh in the support of his newspaper as you have described: have you helped any person else in the support of any other newspaper?—Yes; I had one here.

Helping News-
papers.

Helped a news-
paper man in
Winnipeg.

3683. For what reason did you help him?—We had no other paper here at that time, and I had reason to know that the *Free Press* was working against me, and I was bound to have another paper to support me. They used to get things into the *Free Press* paper. For instance, the last thing I noticed we had two men killed; and they had it in their paper two or three days running, as though it were an accident every day. Then when another accident happened they would have it: "Another melancholy accident on Section 15!!" It went on so that I thought I would get another paper.

Reason why.

3684. Was your object in helping him entirely to advance your own interest?—Yes.

The man he
helped without
any influence
with the Govern-
ment.

3685. Was it on account of any influence he had with the Government?—No; he has no influence with the Government.

3686. Were you promised in any way that he would be of any assistance to you with any of the Departments as a compensation for helping his paper?—No.

3687. Were you led to expect anything of that kind?—No; I did not think of such a thing.

Contract 5 A.

3688. Now, returning to this north section of the Pembina Branch, you say it was let, as you understand, by Order-in-Council; how was that fact communicated to you?—I think I have a document from Mr. Braan. I cannot lay my hands on it; but I think I got the information either from Mr. Braan or Mr. Rowan, I am not sure which. I do not recollect how I got it. The reason was: I was track laying on section 14, and the iron was all here; and it was considered to be the cheapest and best way to lay the track down to Selkirk and take iron to 15, as the water was getting low in the river, and they could not take it down over the rapids. It was the cheapest and easiest way.

How he came to
get the building
of this portion of
the Pacific Rail-
way by private
contract.

**Railway Con-
struction—
Contract 5 A.**

Building a line considered easiest and cheapest way of getting iron to section 14.

Witness offered to do grading at same rate as original contract, and to lay track at rate for sections 14 and 15.

Cannot explain how he came to get section 15 prices for all the work other than grading.

Character of country.

Things the prices were established by an offer from the Government.

3689. Before it was decided that you should do the work, did you communicate your proposition as to the terms to any one connected with the Government?—I am sure I cannot remember at the present moment. It is very likely that Mr. Rowan and I had some talk about it, but I do not recollect it. It was considered to be the easiest and cheapest way of getting iron down to section 14.

3690. In a memorandum dated 19th of April, 1877, signed by Mr. Fleming, the Chief Engineer, he states that an offer had come from you to do the grading of the extension at the same rate as your original contract, and to lay the track at the same rate as the present contract for sections 14 and 15. Do you remember whether you made that offer by writing or by word of mouth?—I do not recollect it.

3691. Does that agree with your understanding as to the substance of the offer?—Yes.

3692. Do you remember whether your offer included any other item except those two—that is, the grading and laying of the track?—Yes; I think they notified me that they would accept the offer for doing the grading, and pay me the prices I had for section 15 for doing all the other works.

3693. How did it come to be arranged that you were to get the prices of section 15 for all the other works, unless there had been some discussion between you and the engineer, or some one on the part of the Government, as to these particulars?—I really could not answer the question. I do not remember. That is the way it was settled and gone on with. I do not recollect any more than I have told you.

3694. What sort of country is it from St Boniface to Selkirk over which this part of the work was done?—It is a very wet country, and it was a very wet season, and we made the road up to our knees in water a great part of the way. The men had to cut three or four feet of brush to put under their tents to keep them out of the water. That was in the spring of 1878, I think.

3695. The Order-in-Council was in May, 1877?—Then it must have been in 1877. I had to get the iron down and start the contract on 14, and that was the easiest and cheapest way for the Government.

3696. You made an offer yourself about two items, the grading and the track laying, but there are a great many other items?—I do not remember making the offer about the track laying, but I made the offer about the excavation, at 22 cts. a yard, and it was understood that I was to have the same prices I got on 15 for whatever extra work I did.

3697. I am trying to find out how it came to be so arranged. Were the prices for all the other items, beside the grading and track laying, established by an offer from the Government to you?—I think it must be so, because I got notified to that effect by Mr. Braun. I do not know whether I have the letter unless Mr. Ruttan has it.

3698. In one of the Blue Books a telegram is stated to have been sent from Mr. Braun authorizing you to do all those works in the way you have described—that is, upon the basis of stated prices as to two items, and all the other work upon section 15 prices?—Yes.

**Railway Construction—
Contract 5 A.**

3699. Is it your recollection that that was the only authority given to you to proceed upon that basis?—I think so. I do not remember of anything else. The price is the same on 15 for track laying.

3700. In some of those prices to which section 15 rates were attached, the work was paid for at a very much higher rate than on the lower part of the same branch?—It was all the same prices except the earth work—the same as section 15 prices.

3701. But they are not the same as the lower part of the Pembina Branch prices?—I graded from here, and laid the track and ballasted, and put in the cattle guards and trestle work.

3702. In doing all this work you did some of it at very much higher prices than you did the same work on the lower part of the branch?—No.

Did most of work at very much higher prices than on lower part of Pembina Branch.

3703. What did you get for off-take ditches for the south end of the branch?—I think it was 33 cts., but I am not sure.

33 cts. for off-take ditches on south branch.

3704. What was your price for the northern section?—45 cts.

45 cts. on northern.

3705. Why were you paid so much higher for the northern section?—That was Sutton & Thompson's tender price for 15.

3706. Is not that a higher price than the same work on the Pembina Branch could have been done for by other persons?—I could have done it for less than that myself.

Could have done it for less.

3707. If those off-take ditches had been let by public tender, what do you believe the work would have been done for?—If it had been let in small quantities it might have been done for 19 or 20 or 25 cts. Mr. Rowan let two or three off-takes in my contract last summer, and he let them at 25 cts. a yard.

Work might have been let by public tender for 19, or 20, or 25 cts.

3708. You think if it had been let by tender it would have been done for 20 or 25 cts.?—Perhaps for 19 to 20 or 22 cts.

The Government offered him more than double the price at which they could have got the work done had they called publicly for tenders.

3709. So that the Government offered you more than double the price at which it could have been done if it had been let by tender, in your opinion?—Yes; it could have been let for about one-half.

3710. What was the whole amount of that particular item for off-take ditches?—I could not tell you. There would not be more than 20,000 or 25,000 yards, or somewhere there.

The whole item of off-take ditches amounted to nearly 25,000.

3711. I think one of the statements published shows that the whole item amounted to nearly \$25,000?—I dare say it was.

3712. Mr. Fleming stated that the quantity was nearly 55,000 yards in the off-take ditches alone, on the north end of the branch?—I do not know. I could not tell you.

3713. That amounted to nearly \$25,000?—Of course it did. There were a great many of them we had to make a mile or two long.

3714. As long as you got 45 cts. a yard for them I suppose you would not care if they were five miles long?—No; I would like to be making them yet. I am not finding fault, but you must remember I lost \$7 a yard in the tunnels on 15.

45 cts. a yard a large price

3715. At the time that you were instructed to proceed with that work, were you notified that the Government intended to limit the

**Railway Construction—
Contract 5 A.**

whole expenditure to any sum, or about any sum?—I do not know. I did not hear anything about it.

Does not know that in the Order-in-Council it was calculated the expenditure would not exceed \$60,000.

3716. The Order-in-Council is based upon the proposition that no more than \$60,000 should be spent altogether. Was any such idea communicated to you?—I do not know anything about that.

Nor that the actual expenditure approached \$160,000.

3717. As a matter of fact has not the expenditure been nearly \$160,000?—I do not know they paid me for all I did.

Work on the north branch completed.

3718. Has that work on the north end of the branch been completed?—Yes.

3719. Is there any dispute between you and the Government about that?—I do not know that there is any. I got a final estimate.

3720. Has the account about it been closed between you and the Government?—Yes; I got a final estimate and got my money.

Full ballasted.

3721. Was it half ballasted or full ballasted?—It was full ballast. There are about 9,000 yards of earth for off-take drains let to some other persons on this same section last summer that ought to have been done by me.

Did make fencing at \$1 a rod, finding all materials.

3722. Did you do the fencing on the north section?—Yes.

3723. Was it done by a separate arrangement?—That was an arrangement between Mr. Rowan and me.

3724. That was not done by public competition?—No.

3725. What rate did you get for that?—\$1 a rod.

3726. The Government finding all the materials?—No; I found everything myself.

3727. What kind of a fence was it?—A post and board fence.

3728. Has that work been finished?—Yes.

3729. And paid for?—Yes.

No dispute with Government, save about tap-drains.

3730. And there is no dispute between you and the Government about it?—No; except the tap-drains that I have spoken of.

3731. The Government saved money by letting it to somebody else?—Yes.

3732. Then you have been paid in full for all the work north of St. Boniface up to Selkirk?—Yes; I have been paid for all the work from Selkirk to Emerson.

3733. Except this claim for off-take ditches?—Yes; but that does not amount to anything. I took what they gave me; and I was content with it. I left it all to them.

3734. Is there any other matter that you wish to explain about any of those contracts upon which you have given evidence?—No; I do not know of anything else.

Railway Location.

If the line had gone half a-mile south the big bay at Cross Lake might have been saved.

3735. Do you know anything about the nature of the country south of Cross Lake, whether it would have been an easier location for the line of railway than the one adopted?—I do not know anything about that. I never was north or south of the line. I know that at Cross Lake, if they had gone south about a mile, they might have escaped that big bay that we have been working at night and day all last summer—you can stand on the bank and see it.

**Railway Location—
Shoal Lake.**

3736. Did you ever go over that half mile yourself to see?—You can see it from the road. It is upon solid rock, but it runs about nearly to grade. Less than half a mile would have done it, and it would have saved a very troublesome place.

3737. Have you any idea how much money would have been saved if that line had gone south as you describe?—I could not say; but I am certain that there would have been money saved, and it would have made a better road. You could not tell unless you got the quantities. It took twice as much as it should to fill this bay, as we had to find the bottom, and then it slid up the bay 400 or 500 feet.

Money would thus have been saved and a better road secured

3738. Could it have been done in a shorter time?—Yes; if I had had an engineer in 1877 when I commenced, a go-ahead fellow like Schreiber, I would have had an engine at Rat Portage long ago and saved money to myself.

Might have saved money for self and Government if he had had to deal with Schreiber instead of Rowan.

3739. Would you have saved money to the Government?—Yes; because I would have had the railroad through a year ago, if I had had him instead of Rowan and Carre. I would have had the engines running to Rat Portage over a year ago. I am certain of that.

WINNIPEG, Wednesday, 15th Sept., 1880.

FRASER.

JAMES H. FRASER, sworn and examined:

By the Chairman:—

3740. Where do you live?—I reside at present in Winnipeg.

3741. How long have you lived here?—I came up here, I think, last April was a year.

3742. Where did you live before that?—In New Glasgow, Nova Scotia.

**Tendering—
Contract No. 43.**
Before taking up residence at Winnipeg, lived in New Glasgow, Nova Scotia.

3743. Have you been interested in any proceeding on account of the Canadian Pacific Railway?—Yes.

3744. What transaction?—The first transaction was the section B contract.

First transaction in which interested in connection with Canadian Pacific Railway, section B.

3745. That is known as contract 42?—Yes.

3746. Was the work on that section let by public competition?—Yes.

3747. Was there more than one advertisement asking for tenders?—It was advertised, I think, in most of the papers in Canada.

3748. I mean were tenders asked for on different occasions?—Not that I remember of.

3749. Were you one of the persons tendering?—Yes.

3750. In your own name, or associated with others?—In a company.

3751. Who were the persons?—Fraser, Grant, & Pitblado.

3752. Where do they live?—They lived in Truro, Nova Scotia.

3753. Both Grant and Pitblado?—Yes.

The firm of Fraser Grant & Pitblado, of which witness was a partner tendered for work. Grant and Pitblado live in Truro, Nova Scotia.

**Tendering—
Contract No. 42.**

Interested one-third each.

3754. Were you interested in equal proportions—that is, one-third each?—Yes; one-third each. We tendered together as a company.

3755. Having each a one-third interest?—That was the understanding. Each equal shares. I think the time was extended for receiving the tenders after the first advertisement, but I would not be certain.

Sixty-seven and a-half miles the length of contract 42.

3756. What is the length of the section on which you became interested?—Sixty-seven and a-half miles.

3757. That is known as section B?—Yes.

3758. Under contract 42?—Yes.

How tenders were called for

3759. Were tenders invited for any greater length of line than that?—They were asked for separately or in one tender, for the vacancy in the Thunder Bay section. I think the other section was 118 miles, and the whole was asked for in separate tenders, or in one, section A and Section B.

3760. Did the tenders asked for by the same advertisement cover the whole length as well as sections A and B?—Yes; either in whole or in part.

His firm put in two distinct tenders, one for section A, and one for section B, the tenders also covering the whole length.

3761. Did you tender for the whole or in part?—We put in two different tenders, one for section A and one for B.

3762. But none for the whole line?—Yes; we put in one for the whole line—that is, our tender for A and tender for B together would be for the whole line.

3763. But I understand that three forms of tenders were asked for: one form for the whole line, one for the western, and one for the eastern sections; did you put in one form for the whole section?—No; but we put in for the aggregate of the two tenders.

Tendered for whole as well as for each section.

3764. Then you did make a tender for the whole as well as each section?—Yes.

Got contract on one section.

3765. I understand that you only got the contract on one section?—Yes.

Not lowest tenderers.

3766. Were you the lowest tenderer upon that section?—No.

Nicholson, Morse & Co. the lowest.

3767. Who was the lowest?—Nicholson, Morse & Co. were the lowest.

3768. Did you know Nicholson, Morse, or Marpole?—I did not know them when they tendered.

3769. Did you know Nicholson?—I met Nicholson afterwards in Ottawa when we were waiting for the decision of the contract.

To whom contract was awarded.

3770. Do you remember how long after the tenders were opened before it was decided who was to get the contract?—It was quite a time. The contract was awarded to Nicholson, Morse & Marpole, and they were allowed a certain time to put up their deposit.

3771. Besides naming a price in your tenders, were you called upon to name a time at which the line would be finished?—We were.

Time mentioned in tender for completing work.

3772. Do you remember what times you named in your tenders?—Three years for one section and two years for the whole line.

3773. So that if you got one section you were not called upon to finish it until the end of three years, but if you got the whole line you

Tendering—
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were bound to finish it in two years?—The price I put in for finishing it in two years was very largely in excess of the price for three years.

3774. Did you put in a price for two years for each section as well as for the whole line?—Yes.

3775. Upon what basis did you get the contract?—Upon the three years time.

3776. Had you the option of taking it at two years or at three years, or was it with the Government?—It was with the Government.

3777. And they accepted the offer upon the basis of three years?—Yes; they accepted it upon the basis of three years, and offered a large additional price if it could be finished within two years. It was a certain percentage—I forget what the percentage was—but I did not expect it could be finished in two years.

Got the contract on the basis of three years time.

3778. That percentage was the percentage that was mentioned in your tender?—No; this was an offer that the Government were making to induce the contractors to finish their work within two years.

3779. When you met Nicholson at Ottawa, had it become known that they were offered the contract?—They were negotiating for their security at the time that I got acquainted with them.

Nicholson, Morse & Marpole, were negotiating for their security when witness became acquainted with them.

3780. Then it must have been known to them that they had the offer of the contract?—They were notified.

3781. Do you know how much lower than your tender their price was?—I could not remember it now. I did at the time, but I have no recollection of what the difference was. They were considerably lower.

3782. Had you any negotiation with Nicholson or any one on behalf of this firm?—No; nothing with respect to the contract.

3783. Had any person, on account of your firm, any negotiation with them?—Not with my consent.

Had no negotiations directly or indirectly with any one respecting this firm and the contract for which they were tendering.

3784. Had they without your consent?—I could not say. There were none of my partners, neither Grant nor Pitblado, because they were not there at the time.

3785. Are you aware of any negotiations by anyone, on your behalf, with any member of this firm upon the subject of their not completing their securities?—No; not that I am aware of.

3786. Were you aware that Morse & Co. had retired and withdrawn their tender before you were notified that your own would be accepted?—No; I knew then they retired. The only way that I knew was, the other firm was notified that the contract was awarded to them on the condition that they should put up their security.

Knew that Nicholson, Morse & Co., had retired by the fact that Andrews, Jones & Co., were notified that the contract was awarded to them if they would put up security.

3787. Who were they?—Andrews, Jones & Co. were the next, and mine was the next.

3788. How were you made aware that Andrews, Jones & Co. had been awarded the contract?—It was current in Ottawa when we were all there; and whenever a contract was awarded it was publicly known to whom. He received a notice to that effect from the Department of Public Works.

**Tendering—
Contract No 42.**

3789. Who received that notice?—The successful tenderer. Jones received that notice after Morse & Nicholson failed to put up their security.

Andrews, Jones & Co., made their notification public.

3790. Did Andrews, Jones & Co. make that public?—Yes; they were notified, and they made it public. Contractors were notified publicly, very often in the hotel.

3791. Was it made known that they were awarded the contract on the condition that they should put up the deposit in a certain time?—Those were the terms of the contract; that they should put up the deposit.

3792. At the time that they made it known that they were awarded the contract?—I could not say.

\$206,000 amount of deposit required.

3793. Do you remember what the amount of deposit was which was required by the Government?—\$206,000. That was about the amount in our case. Theirs would not be that. It was 5 per cent. on the bulk sum of the contract, and theirs would probably be a little less than that.

While these negotiations were going forward, witness was not in communication with any person directly or indirectly connected with Government.

3794. During the time that those negotiations were going on about having the tenders supported by deposit, were you in communication with any person belonging to the Government, or connected with the Government?—No.

Thought the thing was settled when Andrews, Jones & Co. were awarded the contract, as they were well backed by a New York firm represented by Smith.

3795. Nor none of the Departmental officers?—Not any of them. Whenever Jones was awarded the contract I left Ottawa and went away, as I considered that was final, because his figures were not far from mine, and the party that was backing them up was, I thought, quite able to do so, and they would put up the deposit within the time allowed. They were allowed eight days, and I went away, considering the whole thing was settled.

3796. Who were the parties backing them up to whom you allude?—They were a firm in New York. I did not know them, but they said they were wealthy people. A man named Smith was the party, I think, that was negotiating.

3797. Do you mean that Smith was the New York man?—Yes.

3798. You say you understood that he was a responsible man?—Yes.

3799. But you did not know him?—No.

3800. How did you understand that this awarding of the contract was final?—It was generally understood that they would put up the deposit. It was generally known that he would put up the deposit.

3801. Was one of the firm of Andrews, Jones & Co. in Ottawa at the time?—There was one of them, I think, I do not know which. I do not know either of them to speak to.

Understood that they had eight days to put up deposit.

3802. You say when you left Ottawa it was understood that he had eight days to put up the deposit?—That was the time given.

3803. How were you aware that that was the time given?—That was the time the others were given. I cannot say I know it from any authority, except that it was said he had eight days to put his money up.

Witness under impression that Nicholson, Morse & Co's., time had been considerably extended.

3804. Do you say the others got eight days time?—They were given more. Their time was extended.

3805. Whose time?—Nicholson, Morse & Co.

Tendering—
Contract No. 42.

3806. How much was it extended?—I think it was extended eight days after notice was served upon them, and eight days longer.

3807. So that in your opinion Nicholson, Morse & Co had sixteen days time?—I could not say.

3808. After you became aware that Andrews, Jones & Co were likely to get the contract, do you say that you expected them to get eight days time to put up the money?—Yes.

Supposed that Andrews, Jones & Co. got eight days to put up deposit.

3809. But your only reason for supposing that was that the previous firm had got eight days time?—The only reason was that immediately when the contract was awarded to Jones he started to New York to make his arrangements to put up his deposit, and it would take him that time to go and return.

Reason for this supposition.

3810. Was any other partner of your firm present at Ottawa during that time?—I was the only partner there at that time.

3811. Was there any other person in Ottawa at that time interested in your getting the contract?—Not that I know of.

3812. At that time had you made an arrangement that some person else should be interested with you if you got the contract?—Not at that time. Manning spoke to me when he supposed I was pretty close, and he wanted to take an interest with me, if I got the contract—that is Manning, Shields & McDonald. I do not remember what time it was that they spoke to me.

Manning wanted to take an interest with witness.

3813. You say that they spoke to you when it was understood that you were pretty close: I am now asking you when it would be supposed that you were pretty close?—It is very likely when it was awarded to Nicholson & Morse.

3814. Had they made a proposition to you at that time?—No; but I spoke very freely about my tender being so close.

3815. At what time did Manning or any one on behalf of his firm make a proposal to become interested with you?—I could not say as to the time.

3816. I am not speaking of the day nor the month, but of the time in the progress of the whole arrangement?—I think it was after Smith had gone away to New York after the contract was awarded. I think it was then.

After Smith (the contract having been awarded) had gone to New York, Manning made a proposal to witness.

3817. But before it had come to your turn?—Yes; before it came to my turn.

3818. What was the arrangement made between you and Manning, or any one on behalf of his firm?—There was no arrangement made farther than this: that they spoke to me, and asked me if it came to my tender, would I take in any partners; that they were very close to me, and would I make arrangements with them. They were a few thousand dollars above me again. They were so very close to me that we merely talked it over.

Manning & Co. asked witness and his partners whether in case of the contract coming to them they would take the former in.

3819. You were speaking of proposals, I am asking you at what time was the first arrangement made?—The first arrangement was made the time that Smith went to New York, I think. That was the first arrangement.

**Tendering—
Contract No. 42.**

3820. What was that arrangement?—That if I got the contract they would associate themselves with me.

3821. Was that so arranged?—Yes; between ourselves.

Arrangement
with Manning &
Co. Terms of.

3822. But it was so arranged?—Yes; I think it was the time that Smith was away.

3823. Upon what terms were they to take a share in the contract?—There were no terms, but they were to put up their share of the security, \$103,000.

3824. One-half?—Yes.

3825. Do you mean that your firm was to retain a one-half interest in the contract, and Manning's firm was to become interested in the other half, each party to put up one-half of the security?—Yes.

3826. Was that arrangement reduced to writing?—No.

3827. Was it not reduced to writing before you became the successful competitor?—No; there was no writing on it.

Arrangement not
reduced to writing
until after
contract had been
awarded.

3828. No writing until after you were awarded the contract?—Until I was awarded the contract.

3829. Was that understanding between your firm and the Manning firm made known to other persons in the locality, either tending or about there?—I think not. I think this arrangement was made after the contract was awarded to Andrews, Jones & Co. This arrangement with Manning & Co. was with me, that if the contract was awarded to me I would associate with our company Manning, Shields & McDonald.

John Shields, at
Ottawa, most of
the time while
negotiations
going forward;
Manning and
McDonald there
occasionally.

3830. Was any person representing the firm of Manning & Co. at Ottawa during this time that it was uncertain whether Andrew, Jones & Co. would put up their deposit?—John Shields was there most of the time, and McDonald and Manning would be there occasionally.

3831. So that two of the partners were there all the time?—Two of them were generally there all the time.

A member of the
Manning firm
told him
Andrews, Jones
& Co. not likely
to put up security.

3832. Did you hear from either of these gentlemen whether the probability of your getting the contract was increasing, or whether it was more likely you would get it at last than it was in the beginning?—One of that firm told me that he did not think Smith would put up the security for Jones; that he was afraid of the contract, that he had not the prices to carry it out properly; that he was too high for one part of the work, and two low for the other, and that they were afraid to risk it.

3833. Who do you mean by one of the firm?—I do not know whether it was Shields or Manning.

Did not know
how this infor-
mation was
obtained.

3834. Did they tell you where they had got that information?—No; I did not ask them.

3835. Did it strike you as strange that they, being competitors of Jones & Co.'s, should know about the decision of Smith who was backing Jones & Co.?—I could not say how they were getting information. I was a stranger and was not acquainted with many people, except those with whom I formed an acquaintance when I was up there. It turned out as they said, Smith never put up the money and did not come back at all.

Tendering—
Contract No. 42.

3836. Do you know, as a matter of fact, that Smith never had the privilege as long as eight days to come back and put up the money?—I could not say. There was part of the money put up.

3837. Within the eight days?—Within the eight days.

3838. You were aware of it at the time?—I understood that it was.

3839. How did you know that?—I could not give you any authority but the street rumour that there was so much money put up.

The street rumour was that Andrews, Jones & Co had put up part of the security.

3840. And you understood that from street rumour before the contract was awarded to you?—Yes; there was part of the money put up before the contract was awarded to me, and they were waiting for the balance.

3841. And was that understood before the contract was awarded to you?—Yes; I understood it from common report. I did not have it from any authority, and could not say whether it was the case or not.

Did not have this information from any authoritative source.

3842. Were you aware that another sum was put up a day or two after that and before it was awarded to you?—No; I was not aware of it.

3843. It appears from a copy of a letter published in the Blue Book of 1880, concerning these tenders, that the time given to Andrews Jones & Co. was named as ending on Saturday, the 1st of March, and not at the end of eight days after the 26th of February, when it was awarded to them; and it also appears by a letter to the Minister of Public Works, dated as of the 29th of February, that you stated that should the contract for section B be allotted to you, you were prepared to associate with you Shields, Manning & McDonald?—Yes.

3844. Are you prepared to say whether that was the correct date?—I could not say about the date.

3845. Were any of your Nova Scotia partners in the Province of Ontario at that time?—No.

None of witness's Nova Scotia partners in the province at the time.

3846. Do you know whether your tender which was accepted was based upon finishing the road one year later than Andrews, Jones & Co. had offered to finish it for their price?—I could not say. I never saw theirs.

3847. Was it not generally understood among you tenderers that such was the case?—The tenders were put in in so many different ways that I never enquired how they were. There were some in for two years, and some in for three years, and they were all mixed up. I was awarded the contract on Wednesday evening late, on condition that I put up the 5 per cent. deposit by four o'clock on Saturday.

Witness awarded the contract on Wednesday evening, on condition that he put up 5 per cent. by four o'clock on Saturday.

3848. How do you know it was late on Wednesday evening?—Because it was in the Russell House I got the notice. I was in the Russell House late that evening when Mr. Bradley gave me the notice, and the condition was that I was to put up the 5 per cent. deposit by four o'clock on Saturday. Three days we got.

3849. That was three days besides the day on which you got the notice?—No; three days. Thursday and Friday, and until four o'clock on Saturday. That is all the time I got to put up the deposit.

3850. Did your firm put up their share of the security within the time named?—We put up the whole of it. I put up the whole of the

Put up the whole security before three o'clock on Saturday.

**Tendering -
Contract No. 42.**

money by three o'clock on Saturday. I thought that Manning & Co. thought we would fail in putting up our security, and as they were only a short distance above us, they thought we were beaten, and I got a little scared that they would not put up their half. I telegraphed to my partners, and I put up \$30,000 myself that I had in Ottawa, and they put up \$100,000 through the Halifax Banking Co., and I put up \$80,000 on Saturday again. That was the whole of the money that was required.

3851. You and your partners put up \$100,000 in Halifax?—Yes.

3852. And you also put up \$80,000 and \$30,000 in Ottawa?—Yes.

Put up altogether
\$220,000.

3853. So that you and your partners put up \$210,000 altogether?—Yes; and we had two deposits of \$5,000 that accompanied our tenders besides. That remained in the Receiver General's hands for us, and that was \$10,000 more.

3854. So that you and your Nova Scotia partners furnished security to the extent of \$220,000 without any assistance from Manning or his company?—Yes.

Arrangement
with Manning &
Co. afterwards
carried out, and
witness's firm
withdrew one-
half their deposit.

3855. Was the arrangement that you had made with Manning and his partners carried out afterwards by admitting them into a half share in the contract?—We carried it out with them. We thought we could have got clear of them, but on account of putting in a letter associating ourselves with Manning & Co., we felt bound to carry out our part of the arrangement. So we withdrew our half of the money and they put up theirs. They put it up about half-past three o'clock that Saturday in the Receiver-General's office. There was over \$320,000 deposited altogether between Manning and ourselves.

Over \$320,000
deposited by
Manning & Co.,
and Fraser & Co.

3856. It seems that the time given to Andrews, Jones & Co. was not more than three days, while the time given to the previous and lower tenderer was more than eight days; do you know how it happened that they were allowed such a short time?—I think that they were allowed more than three days. I think there is a mistake there.

Perhaps the fact
that the season
was passing made
it undesirable to
extend time.

3857. If they were not allowed more than three days, do you know why it was that the time was limited to that?—I could not say unless it was that the season was passing, and it was very much against the interest of the contract to be detaining it, on account of the ice breaking up.

3858. Do you mean in the interest of the contractor?—Yes.

3859. Would that be a likely reason for shutting out a contractor, because he was to suffer?—No.

3860. Then could it have been for that reason?—No.

3861. Can you explain or give any reason why those gentlemen who were second on the list had only three days given to them, while a lower tenderer had more than eight days?—I think they had more than three.

3862. Assuming that they had not more than three days, can you explain it?—I cannot explain it further than that the want of money prevented them from putting up the security.

3863. Was there any discussion upon that subject between you and Manning, or any one of his firm?—No.

Tendering—
Contract no. 42.

3864. Then according to your understanding of that subject, the reason why the security was not put up by them was because their backer failed to furnish it, or was unwilling to furnish it?—I think he was unwilling to furnish it.

Witness's opinion as to the reason why Andr was, Jones & Co's. deposit was not put up.

3865. And that they were allowed about eight days to furnish it if they wished?—They got ample time to furnish it if they were prepared to take the contract.

Thinks Andrews, Jones & Co., had ample time.

3866. Do you say that that was your understanding at the time, at Ottawa?—Yes; I say that they had ample time furnished them to put up the money if they were prepared to take the contract.

3867. What would you call ample time?—Eight days is quite sufficient, and, if they were prepared, three days might do.

3868. Prepared after they had got the notice?—If they were prepared to accept the contract when they tendered. When they tender they ought to know.

3869. Have you been accustomed to tender for public works?—Yes; less or more, for twenty-seven years.

3870. Is it usual for persons tendering to be prepared with their deposit at the time of tendering? I do not mean the deposit that accompanies the tender, but I mean the deposit afterwards to be made when they enter into the contract?—They ought to be prepared to know how to get it.

Tenderers should be prepared to know where to get deposit.

3871. But is it usual for them to have the actual command of it at the time? For instance, although each person tendering might be called upon to put up \$200,000, is it usual for each tenderer to have command of \$200,000?—No; not to have command of it, but they require to know where they are going to get it.

Though not usual for each tenderer to have command of the amount when tender is put in.

3872. But is it usual for them to have such a positive command of it as to enable them to put it up in three days?—It is not usual.

Nor is it usual to have such command of it as to be able to put it up in three days.

3873. Then if three days was the whole time allowed to Andrews, Jones & Co. to put up \$200,000, was it less than the usual time allowed to persons under the circumstances?—I could not say about that, because we were only allowed the same. Three days was a very short time

By Mr. Keefer :—

3874. Was it not an unusually short time to put up that amount of money?—It was. Three days was a very short time.

Three days a very short time.

3875. Did you ever know in your experience of a contract of this amount where a person tendering was required to furnish \$200,000 security in three days?—Well, I never had anything so heavy as that before, and I do not know of anything in the Dominion in which so large a deposit was demanded in so short a time.

By the Chairman :—

3876. I suppose you began to get control of your deposit when you heard that Smith was not likely to furnish the security for Andrews, Jones & Co.?—No; not until it was awarded. We never made a move about our security until the contract was awarded to our company.

Witness made no move about security until contract was awarded his firm.

3877. But you had previously made arrangements by which you could command it at short notice?—No; we had no arrangement at all

**Tendering—
Contract No. 42.**

further than we knew that we could get the security; but we made no arrangement.

3878. Were the arrangements carried out principally by your partners in Nova Scotia after they knew you had got the contract?—It was after I had telegraphed to them that they went to Halifax and made the arrangement for \$100,000, and I made arrangements in Ottawa on Saturday for the \$80,000—Saturday afternoon.

3879. Did any one of your Nova Scotia partners, or yourself, come up to this part of the country at the time the work was commenced?—My partners came up here.

3880. Grant and Pitblado?—Yes.

3881. Have you remained interested in this contract to the extent that you were in the beginning?—No; I have gone out of it.

Sold out interest
to partners,
Manning, Shields
& McDonald.

3882. To whom have you sold your interest?—We sold it out to our partners, McDonald, Manning & Shields, and they took in some other partners.

3883. Was there any dispute between you and the Government connected with this transaction?—No.

3884. As far as the Government is concerned you have arranged satisfactorily?—As far as the Government is concerned it is, but we had a dispute with the company which is not settled.

3885. With the Toronto contractors you mean?—Yes.

3886. Were you paid any bonus by the Toronto men to give them one-half of the contract?—They bought out our interest for a certain amount.

3887. That is the first half?—No; they gave us nothing for the first half.

Manning, Shields
& McDonald to
pay them \$50,000
for their half of
contract.

3888. What was the price that they were to give you for the other half?—They were to pay us fifty odd thousand dollars when we got it.

3889. How long after you had made the contract was it before they bought out your remaining half interest?—We entered into contract with them in March, and I think it was some time in July or August.

3890. Was there any understanding before you closed the contract with the Government that at some future time Manning & McDonald could get your remaining half interest?—No; not the remotest.

3891. That was entirely the subject of subsequent negotiations?—It was the result of subsequent troubles that arose among ourselves.

**Fraser & Grant—
Whitehead
Partnership—
Contract No. 15.**
Arranged to buy
half of White-
head's contract.

3892. What was the next transaction in which you were interested on account of the Canadian Pacific Railway?—My partner went in with Mr. Whitehead. We went in. I was down at Nova Scotia at the time that arrangement was made with Mr. Whitehead to buy the half of his contract.

3893. Did you take part in the negotiations?—No.

3894. Who was acting?—Grant was here, but I was liable for his actions.

3895. I am asking who was acting?—Grant.

**Fraser & Grant-
Whitehead
Partnership—
Contract No. 15.**

3896. Was the arrangement made through Grant's negotiations?—Yes.
3897. Is that the arrangement to which Mr. Whitehead alluded in his evidence?—I expect so.
3898. You were present?—I was present when he spoke about the contract.
3899. How was that arrangement brought about? Are you aware, or are you only aware from what has been told you by other persons?—I am aware that Mr. Whitehead was in financial difficulties.
3900. How were you aware of that?—There were a great many men unpaid on the line.
3901. How were you aware of it?—I was here previously, in the first part of the summer, and I knew there was a number of men unpaid on the works. Cooper, of Cooper & Fairman, was the party who took an active interest in making the arrangement.
3902. How do you know that if you were not there?—Their name is embodied in the sealed agreement, in which Cooper was protected for his amount if the contract was carried out.
3903. Do you mean that in the new partnership established between your firm and Whitehead there was a condition expressed that Cooper should be secured his claim, and that that is part of the terms of the partnership?—Yes; if the contract was carried out and he got a half interest in it.
3904. Have you a copy of that agreement?—I have not got a copy with me; but I can get a copy in the city here.
3905. Were you aware before that partnership with Mr. Whitehead was arranged, that such a partnership between your firm and Mr. Whitehead was likely to be carried out with him?—I did expect it to be carried out.
3906. What reason had you for expecting it?—The amount of his indebtedness, as I was informed, was not very large, and we were to pay half for the plant. The plant was to be valued. Mr. Whitehead was to appoint one arbitrator and we were to appoint an arbitrator, and Mr. Brydges was to be appointed umpire.
3907. I am asking whether, before these terms were agreed upon, you had any expectation that such a thing would be accomplished?—We were to pay him half of the plant.
3908. Those were some of the considerations of the agreement. I want you to begin at some time before the arrangement and tell us why you expected there would be such an agreement?—I did not until I got the notice by telegraph down at Halifax. Mr. Grant telegraphed me that he had bought out half of Mr. Whitehead's interest, and wished me to be embodied in it, as we were partners. I agreed to it and I telegraphed him back that I would meet him at Ottawa.
3909. You say that was the first intimation you had of such a partnership either accomplished or intended?—That was the first intimation of the contract or entering into the partnership.
3910. Had you any intimation before that such a thing was likely to happen?—Grant had spoken to me before that he had been talking to Mr. Whitehead about it.

How an arrangement with Whitehead was brought about.

Expected partnership with Whitehead would be carried out.

I learned by telegram that Grant had bought out half of Whitehead's contract.

**Fraser & Grant-
Whitehead
Partnership-
Contract No. 15.**

Grant had told him that he had been talking to Whitehead about entering into partnership with him.

Had no conversation with any one at Ottawa, as to bringing about this partnership.

Partnership with Whitehead did not include Pitblado.

Nature of agreement with Whitehead.

Financial standing of self and Grant, at date of agreement.

Could hardly say what he and his partner were worth.

3911. What did he tell you?—That he was talking to Mr. Whitehead about entering into a partnership with him. I asked him upon what conditions, and he said if we would buy half the plant and go in with him and finish up the work.

3912. Where were you when Mr. Grant and you were talking about this?—That was before I left Winnipeg. It was early in the season—probably two months before this occurred.

3913. Then did you go from Winnipeg to Nova Scotia, or did you stop in Ottawa?—No; I went straight to Nova Scotia. I was making arrangements for the British Columbia works.

3914. Had you any negotiation or conversation with any other person at Ottawa, as to bringing about this partnership?—Not with Mr. Whitehead.

3915. Had you with any one?—Not with any one. As far as I was personally concerned, I did not wish it myself.

3916. Have you any knowledge—I mean knowledge of your own—of the arrangement made with Mr. Whitehead, beyond what that document expresses?—Nothing.

3917. Your information is derived from other parties?—From my partner.

3918. Where is he?—He is down at Minneapolis.

3919. Is he likely to be back here shortly?—I could not say.

3920. Are you still in partnership with him?—No, not now, excepting this partnership with Mr. Whitehead. It is not settled yet.

3921. This partnership with Mr. Whitehead did not include Pitblado?—No.

3922. Were you and Grant each interested to the extent of one-quarter?—Yes; each to the extent of one-quarter.

3923. And Mr. Whitehead to the extent of one-half?—Yes.

3924. Had a partnership existed between you and Grant alone—I mean without Pitblado—as to any other matter except this partnership with Whitehead?—Nothing except section B. We were never in partnership.

3925. What was the financial standing of yourself and Grant as a firm at the time of entering into partnership with Whitehead?—I could hardly say. When we associated ourselves with Whitehead our financial standing went down pretty low.

3926. I am speaking of at the time—if you like, the day before?—Probably our financial standing the day before would be, between us, \$120,000.

3927. Do you think that you and Grant together were worth about \$120,000 over and above your liabilities at that time?—I do not know that we worth that, but we could command that capital. I could hardly say what we were worth; we did not owe any debts.

3928. Could you give no approximate estimate of what you were worth?—No; I could not, because we had considerable property up in the Halifax Banking Company.

**Fraser & Grant-
Whitehead
Partnership-
Contract No. 15.**

3929. Do you mean in stock?—No; the time we were there we did not get it all relieved.

3930. You mean by way of security to the institution?—Yes.

3931. Would not the debt that was owed by the Toronto men to you be equivalent to the property that was pledged down there?—Yes.

3932. That would not make your assets any less then?—No.

3933. I am asking you what you think your assets were worth over your liabilities the day before you went into partnership with Whitehead?—I should think we would be worth from \$100,000 to \$120,000. Perhaps worth \$100,000 to \$120,000.

3934. While you were interested in the work in contract No. 42, had you any engineer looking after the interests of the contractors?—We had. **Contract No. 42.** Arthur Bain and J R. McDonnell were looking after interests of firm.

3935. Who was it?—Arthur Bain and John R. McDonnell.

3936. What is their address?—I cannot say where Bain has gone to.

3937. Did he leave after you sold out?—No; he was on there quite a time. He left here lately, and I think he has gone on some survey to the North-West; but McDonnell is still there. I think he has a contract there now. He is an uncle of the present contractor.

3938. Is there any other matter in which you had any transaction connected with the Canadian Pacific Railway?—Nothing that I know of except those two transactions. **Contract No. 15.**

3939. Is there any other matter which you wish to explain connected with the Pacific Railway?—There is nothing, except as far as the carrying out of the agreement with Mr. Whitehead, that we saw the work was so far behind in debt, more than we expected, that it would be impossible for us to carry on the work to advantage. Found some of the work so far behind in debt that it was not possible to carry on work with advantage.

WINNIPEG, Thursday, 16th September, 1880.

ALBERT H. CLARK, sworn and examined:

By the Chairman:—

3940. Do you know anything about the work performed on contract 14?—Yes.

3941. Were you engaged on that work?—I was engaged there over two years. Employed two years as walking boss.

3942. In what capacity?—As a walking boss or superintendent.

3943. Did the work at the Julius Muskeg come under your knowledge?—Not directly; only I have been over it frequently.

3944. The men in your charge were not employed at that portion of the work?—No.

3945. Then how did you obtain knowledge about that work?—I obtained knowledge of it by being frequently there and passing over it. His knowledge of Julius Muskeg.

3946. Do you know whether the work performed at that place was different from the work required under the specification?—Yes; it was different. Work different from that required under specification.

**Railway Construction—
Contract No. 14.
(Contractors' Claims.)**

Eighty feet between where ditch dug and the embankment.

Further than they should have moved earth.

Regular width of clearing 132 feet; of embankment seventeen feet.

To disadvantage of contractors.

Wet, swampy ground. Earth had to be wheeled on plank to a great distance.

This ditch 9 cts. to 10 cts. a yard heavier than one within specification.

Does not know gross amount of disadvantage to contractors.

3947. In what respect was it different?—On account of the ditch being further away from the grade that was made. According to the specification there was a berm of ten feet, and I should think that the berm or space there between where they dug the ditch and made the embankment, was nearer eighty feet. Of course I never measured it.

3948. Would that place it outside of the railway proper?—I do not know that it would place it outside of the railway proper, but it was placing it further than they should have moved the earth.

3949. What was the width of the railway line at that point?—The railway was cut out wider on account of the ditch. The regular width of the clearing was 132 feet altogether, and the regular width of the embankment was seventeen feet on the top.

3950. Was this ditch outside of the railway limit?—Yes; I should think it was regularly outside of the railway limits.

3951. Was this difference a disadvantage to the contractors?—Yes.

3952. In what way was it to their disadvantage?—In having to move their materials so much farther. This place was a wet, swampy ground, and the earth had to be wheeled with barrows, and it required more plank and took more men. They had to wheel it three times as far as they would otherwise have had to do.

3953. You say it had to be wheeled over plank?—Yes.

3954. All of it?—Yes.

3955. How were those planks supported?—By temporary trestle work.

3956. Could the plank not be laid on the natural surface of the earth?—No; it could not be laid on the natural surface, there would have to be some blocking put under it.

3957. What distance did this ditch continue along the side of the road?—I do not exactly know, but I should think four or five miles.

3958. Have you made any estimate of the extra cost of this ditch over a ditch which would have been properly within the specification?—Yes; I should think, according to my judgment, there would have been from 9 to 10 cts. a yard difference.

3959. You mean per yard of the earth excavated in the ditch?—Yes; per cubic yard.

3960. Whether it was wasted or put into the embankment?—I mean the way it was put in, and if it had been put in in the ordinary way it would have made a difference.

3961. I am asking whether that 9 or 10 cts. applies to all the material that was taken out of the ditch, or only to what was put into the road-bed?—Only to what was put into the road-bed.

3962. Some of it was wasted, then?—Yes; it only applies to that which was put into the road-bed.

3963. Do you know how much was put into the road-bed?—I do not.

3964. Then you do not know the gross amount of the difference which was the disadvantage to the contractors?—No.

3965. You only know the rate per yard of that which was put into the road-bed?—That is all.

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3966. And you think that was 9 or 10 cts. a yard?—Yes.

3967. Do you mean that it would cost the contractor 9 or 10 cts. a yard more than if the ditch had been built or made according to the specification?—Yes; that is what I mean.

3968. So that 9 or 10 cts. a yard would not afford him any profit, but would only compensate him for his loss?—That is all.

3969. Do you mean that the contractors would be obliged to pay 9 or 10 cts. a yard more for getting this work done than if it had been done according to specification?—Yes.

3970. You do not mean that 9 or 10 cents a yard would have been a fair price for the contractor to undertake to do it for as including his profit?—No; I mean that as an extra price.

3971. Out of the pocket of the contractor?—Yes.

3972. How do you arrive at that price of 9 or 10 cts.?—I have arrived at it by the difference in wheeling and difference in plant that it would take to do that amount of work. That is the way I arrived at it, and it is generally the mode we take.

How witness arrived at the price of 9 cts. to 10 cts. a yard.

3973. How many yards a day would one man's labour excavate and move to the line if the ditch was only ten feet from it?—I had an estimate of from fifteen to twenty-five yards in some places.

3974. What would it average?—I think in that material they would not average more than ten yards a day, that is supposing the haul was regular.

3975. I am speaking of the ten feet berm through this muskeg. That would be according to specification, would it not?—Yes.

3976. How much would one man's labour take out and move to the line per day from it?—I suppose one man would probably take out ten yards of that material.

One man's labour a day: ten yards

3977. That is if it were within the line of the specification?—Yes.

3978. How many yards would one man's labour move from the distance at which this ditch was really situated?—I should think that he would probably move between six and seven yards.

At distance in this case only from six to seven yards.

3979. So that at this distance a man's labour would move about three yards per day less than if the ditch were according to specification?—Yes; about that.

3980. What was the value of one man's labour at that time?—About \$2 per day at that time.

About \$2 a day the value of one man's labour at the time.

3981. Did that cover his board?—Yes.

3982. At that rate every nine or ten yards put into the line would cost how much more than if it had been put in under specification?—I have not figured it.

3983. Does he not lose three-tenths of his price if ten yards would cost \$2 under the specification and he only gets seven yards done for it under the work as actually executed?—I suppose about that.

3984. You must have gone through this process to have arrived at the cost in your own mind. You did not guess at the 9 or 10 cts. a yard?—No; I went through it so often that I know it.

Asked to explain.

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struction—
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Price for excavat-
ing line ditches
under specifica-
tion, 26 cts.

Not usual to
waste material
coming out of
line ditches.

Cause of loss.

Knows line
between Broken-
head and White-
mouth.

Change of line
between these
points disadvan-
tageous to
contractor.

Character of both
lines compared.

3985. Then if you are familiar with it because you have gone through it so often, will you explain it to me?—I could not come much nearer to it. I have given you the quantity a man would move at that distance, and how much he would move at the other.

3986. Do you know what price the contractors were to have for excavating line ditches under the specification?—I never saw the contract, but as far as I heard it was 26 cts. a yard.

3987. Have you made any estimate of the earth that was wasted out of this excavation in the Julius Muskeg?—No; I have not.

3988. Was it usual to waste any of the material which came out of the line ditches within the limits of the specification?—It is not usual to waste it at all, unless there is an over balance of what is wanted in the embankment, and then, of course, it is wasted.

3989. I suppose it costs no more to the contractor to waste earth on the outside of this ditch than it would to waste earth on a line ditch within the limits of the specification?—No.

3990. So that on the item of earth wasted you do not think there is any loss to the contractor?—I do not think there is any loss in that respect. They were not required to move it any further away than the side of the ditch, if it were not required to be put into the embankment.

3991. It was moving the material an extra distance which led to the loss to the contractor?—Yes.

3992. Three-tenths of the price to the contractor at 26 cts. would amount to something under 8 cts. Is the balance of the 9 or 10 cts. that you speak of applicable to the cost of the foundation upon which they wheeled the barrows?—Yes; planks and extra wheel-barrows, and extra tools.

3993. On the whole, do you think 9 or 10 cts. a yard would be a fair estimate of the extra cost to the contractors on account of this ditch being outside of the limits proper?—Yes.

3994. Do you know anything about the change of line between stations 1710 and 1700—that is between Brokenhead and Whitemouth?—Yes; I have been on both lines considerably before there was any work done.

3995. You mean between the first located line and the line that was finally adopted?—Yes; on the north line, and the one that was adopted.

3996. Do you think the change was advantageous to the contractor, or the reverse?—I should say it was the reverse.

3997. For what reason?—Because there was a great deal less swamp and muskeg, and the clearing, from all appearances, was lighter on the north line.

3998. What sort of material was it?—Some parts clay, some parts inclined to sand and gravel, and some muskeg. I think the Julius Muskeg proper was not nearly as long on the north line as it was on the south line. It was considerably shorter and ran out more into a neck.

3999. Did this portion of the line of which you are speaking embrace any part of the Julius Muskeg?—Yes.

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4000. Both the first and second line?—Yes.

4001. But you say there was more of it on the southern line?—Yes.

4002. If they had adhered to the north line how would it have been worked—by hand, or by horses, or by implements?—There was a great deal of it could have been worked by horses or scrapers. Fully one-half of north line could have been worked by horses.

4003. What proportion of it?—I should think fully one-half.

4004. Was that a level portion of the line, or was it very steep?—It was middling level. There were steeper banks on both sides of the muskegs on the north line than there were on the south line. I should consider, speaking from experience, that the north line was a considerably higher grade than it was on the south line.

4005. Would it be more easily worked on that account?—It would be more easily worked because it was drier ground and could be worked with horses and scrapers. Ground drier and therefore more easily worked.

4006. Do you mean that the contractor could get out a much larger quantity of material at the same cost to himself than he could on the south line?—Yes.

4007. Could he not employ the same implements and animals upon the south line?—Not on so much of it. There was a little that he could plough and scrape, but very little, on the south line—that is between Brokenhead and Whitemouth. Work can be done with horses and scrapers for one-third less than in any other way.

4008. Is it much less expensive to excavate with animals and implements than by men's labour?—Yes. I have always found that we could do it by horses and scrapers for about one-third less than we could do it in any other way. Wheel-barrows come next.

4009. How was it actually done on the southern line?—It was done principally with wheel-barrows. There was a small portion, I think, near Rennie Station, that was done with plough and scraper, but it was very stony. Done with wheel-barrows.

4010. Have you made any estimate of the difference between the cost to the contractor of moving material on those two different lines?—I have not particularly figured out an estimate any more than if I were going to look at a piece of work to see what difference I should make between the two. That is about all. Of course I have sat and figured it roughly, but I have not made any very minute figures with regard to it.

4011. What difference do you think it would make to the contractor in the cost to him?—I should think in the neighbourhood of between 6 and 7 per cent. Difference of from 6 to 7 per cent. to contractor.

4012. Do you mean that the same quantity of material would cost him 6 or 7 per cent. more for moving it on the south line than it would cost him if he had to move it on the north line?—Yes.

4013. I understand you are not able to say what the aggregate cost would be, but you establish that as the basis of calculation?—Yes. If I were going to take the piece of work, I should take that figure as a basis.

4014. About what proportion of the whole quantity of material do you think was more expensive on the south line than on the north line?—I should think about two-thirds. About two-thirds of the material more expensive on south than it would have been on the north.

**Railway Construction—
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4015. Have you gone over the country at all south of the present line?—No; I have never been much over it. I have been just out and in.

4016. You are not able to give us an idea whether it is a country over which a railway could have been made more easily than the present line?—No; I have not sufficiently gone through it to know.

BIRRELL. JAMES BIRRELL, sworn and examined :

By the Chairman :—

**Fraser & Grant—
Whitehead
Partnership.**

4017. Did Mr. J. H. Fraser give you any document to give to the Commission?—He instructed me to get this document from Mr. Biggs. It was in his office.

4018. And at his request you now produce it?—Yes. (Exhibit No. 97.)

SIFTON.

JOHN W. SIFTON's examination continued :

By the Chairman :—

**Railway Construction—
Contract No. 14.**

**Claim for coffer
dams.**

4019. What is the next item upon which you make any claim, after the ones you have previously alluded to?—Item No. 5, for coffer dams.

4020. Will you explain why it is that you consider you have a claim upon that head?—In the first place it is usual, under all contracts that I ever had, to be paid extra for coffer dams. It is impossible to estimate them, and unless there is a special provision made to cover them in the specification we are usually paid for them by day's work.

4021. Were the coffer dams built at the direction of the Government engineer, or entirely at your own option?—They have to be put up in certain cases. In this case it was impossible to do the work without putting up coffer dams.

4022. Would it be impossible to do the work without getting men there also?—Yes.

**Specification does
not cover coffer
dams.**

4023. Then why do you charge extra for putting in coffer dams for doing work that you could not perform without them?—In the first place it is usual, where the specifications do not cover these items, to have them paid for by the day. We claim that the specification did not cover this work, and we brought the matter to the notice of the acting Chief Engineer.

**Marcus Smith's
opinion and
instructions.**

4024. Who was that?—Mr. Marcus Smith. Mr. Smith said he had not studied the specification, but that he would look over it that night and see whether it covered it or not. "If it does not cover it," he said, "you certainly have a right to be paid for it under the contract, or the clause which provides that any work which is not covered by the specification shall be paid for by adding 15 per cent. for tools, &c." Mr. Smith looked over the specification, and concluded that it did not cover this item of work, and said to me and my brother—we were both together—"Go on with this work and keep an account of it, and I will instruct the engineer in charge of the work to keep an account, so that

he can certify to your bills every month." We charged the actual amount of labour expended on the work, adding to it the 15 per cent. allowed by the specification. The engineers on the work certified to those bills, and they are the correct bills which are produced in this item.

**Railway Construction—
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Claims.**

4025. Did Mr. Smith's remarks apply to special bridges at stations 3776, 3849 and 3960, as well as the one at the Whitemouth centre channel?—Yes; it applied to any place where it became necessary.

4026. Then his remarks were general, and not relating only to the particular spot of which you were speaking at the time?—No; his remarks were general, and the instructions to the engineers were to examine and keep account of the labour we expended on such works.

Marcus Smith's remarks applied generally.

4027. Do you mean that his instructions were to your engineer?—Yes.

4028. Were you present when he gave those instructions?—I was not present; but they had instructions, and they acted under those instructions.

4029. Were those instructions in writing, do you know?—I could not tell you, but I can find out by some of the engineers in charge.

4030. Did the engineers tell you that they had those instructions?—Yes, they were very particular in their accounts always. They kept the days so that they were able to certify exactly to the amount of labour that was done.

4031. Is there anything further about that item?—No.

4032. What is the next item?—The next item is loss in delay caused by teaming of plant, &c., from Fisher's Landing to Winnipeg, instead of bringing it by boat. The amount \$595 is the actual difference that it would have cost us at this point if we could have brought it a month previous by boat.

Claim for loss in delay by teaming plant.

4033. What is the next item?—The next item is roads that were made by us for the carrying on of the work. Our specification and contract bind us to provide all our own roads for carrying on the work of this contract. We came in here when there were no roads at all—in this country east of Red River. We expected to have to do that, but during the time of carrying on our works the Government was carrying on works on section 15, and building engineers' houses along the line of road. They were taking out their supplies, and much of the cost and labour of keeping up these roads were occasioned by the amount of stuff that was taken over them by the Government. They used them, and we asked for an allowance. Mr. Rowan and Mr. Smith both said we had a reasonable claim for allowance, as all we could be asked to do was to keep up roads for ourselves, and we were keeping them up for the Government. The last year and a half of this time there was a large amount of stuff taken over our road for contract 15, and taken over the road-bed of 14, and we had to expend a large amount of money to put it in shape again.

Claim for loss in repairing waggon roads made to carry on the work, which were also used by the Government.

For last year and a-half goods taken over their railroad for contract 15, with consequent loss.

4034. Do you mean the road-bed of the railway line?—Yes; there were places in which they could go nowhere else, and we had to go over our work again and put it in shape.

Claim for Wag-
gon Roads,
&c.—
Contract No. 14.

By Mr. Keefer :—

4035. Had you made it up to formation level?—Yes; we had made it up to formation level. I was over the road all the time, and I know the amount of stuff that was taken over it for the Government and for contract 15 and other works. I think I am very safe when I say that it would not have cost over half the amount to have kept up our own roads that it did actually cost us on account of the Government.

By the Chairman :—

4036. What do you consider to be the total cost of making and maintaining this road from the beginning until the time that the Government ceased to use it?—During our time of it?

Total cost of road
for carrying sup-
plies \$13,617.50.

4037. Yes?—We kept an account of the cost of it to us; \$13,617.50 was the amount that our books showed. We kept a road account, and this is certified by our foreman and the men who brought in their accounts, and that is the amount we paid for it.

4038. This road was partly over the bed formed for the railway: do you estimate in your cost of the road the making of that road-bed for the railway?—No; merely the levelling of it in places. It was only some two or three miles in one place, and three or four miles in another, where it was better for the teams to go on than the road through the woods.

4039. How much of the road-bed of the railway line was used for the traffic which you describe?—Sometimes there were only a very few miles used, and then at other times when there would be a severe rain the teams would turn on the road-bed wherever they could get the chance.

\$13,000 claimed
for roads outside
of railway line,
except \$500 for
levelling this.

4040. Do I understand that your item of \$13,000 was for the roads made outside of the railway line?—All with the exception of about \$400 or \$500—I could not give the exact amount—that was for levelling this road.

4041. So that the cost to you of putting the railway line in order after it had been used for carrying in supplies for section 15, would not amount to more than \$500 altogether?—No.

4042. The highest would be for the preparation of the roads, and keeping them up outside of the railway line altogether?—Yes.

4043. I suppose that if the road had never been used for the supplies on section 15, you would have been obliged to build a road for your own purposes?—Yes.

A road for the use
of section 14 alone
would not have
cost more than
half.

4044. What would it have cost you to build the road for your own purposes alone?—I do not think it would have cost me more than half that amount.

4045. Do you mean that the construction of the road amounted to about half of this \$13,000, or more?—Yes; I think that the construction of the road amounted to less than \$13,000. The construction of the road amounted to perhaps \$4,000 or \$5,000, and the keeping of it up to the balance.

4046. I am asking, first of all, what the construction of the road cost?—That is what I am not certain about.

**Claim for Wag-
gon Roads,
&c.—
Contract No. 14.**
Construction of
road cost about
\$5,000.

4047. How much do you think?—I think \$5,000 or \$6,000, or perhaps \$4,000 or \$5,000 for the first construction of the road.

4043. Was the balance of this item incurred by the repairing of the road?—Yes

4049. At different times?—Yes; at different times. We had constantly to keep on the men repairing the roads on account of the Government.

4050. But the original cost of construction you would have had to bear at all events whether the Government used it afterwards or not?—Yes.

4051. You do not think the Government ought to share any part of that item?—No.

4052. Then, after it was constructed, did you bring over the road more supplies than the Government did?—No; I think not.

4053. Do you mean that the Government used it as much as you did after it was constructed?—I think they used it more. You understand that a large amount of supplies were taken to 15 by the contractor. I include that with what went for the Government.

After road was
constructed it
was used more for
section 15 than
for section 14.

4054. You mean supplies used by the contractors?—Yes.

4055. Then why should the Government pay for the contractors getting supplies over the road?—I do not know; we had not anything to do with it. They went over the road and it would have been pretty hard to stop them.

4056. I understood you to say that the Government used the road for taking in supplies for building the engineers' houses?—Yes.

Government
used it for carry-
ing supplies to
build engineers'
houses.

4057. Now, for that use of it by the Government, how much was it worth?—I think it would amount to one-fourth of the use of the road.

4058. And how much did the contractors use your road for their purposes?—I think the contractors for 15 took as much stuff over it as we did altogether.

4059. At that rate you would use the road to the extent of four-ninths; the contractors to the extent of four-ninths, and the Government to the extent of one-ninth; have you estimated it as closely as that for the sake of ascertaining the proportion that each party used it?—I do not think I have.

4060. You understand what I mean? I wish you to separate, for the present, the amount of use which the Government had of your road, as distinguished from the amount of use which the contractors had of it. Can you do that?—Yes; I think I have done that in my answer. Your explanation of it is right.

4061. You think that the proportions I have named are the correct proportions, as far as you can judge?—Yes.

4062. Then taking the first cost, which you assumed to be \$5,000, from the whole item a balance would be left of \$8,617. From what you say you think the Government, for its purposes, had the use of the road to the extent of one-ninth after the construction?—Yes.

Government use
amounted to
about one-ninth.

4063. Do you mean by that, that the expense of keeping it in repair for the sole use of the Government would be equal to one-ninth of the

Claim for Wag-
gon Roads,
&c.—
Contract No. 14.

whole repairs?—The latter part of the time the stuff for contract 14 was taken over the road, but during the whole of the three years previous, the Government would be entitled, according to our calculation, to bear one-quarter of the expense.

4064. During what time do you say?—During the first three years.

4065. Do you mean that was before the contractors commenced?—Yes.

4066. They would be entitled to bear what proportion of the expense?—They would be entitled to bear one-quarter of the expense.

Cost of repairing
waggon road
for three years
from \$5,000 to
\$6,000.

4067. One-fifth according to your own calculation. Can you say what the whole cost of repairing was for the first three years?—Between \$5,000 and \$6,000. The greatest amount of the repairs was during that time.

4068. Do you mean that for the first three years, the Government, for its own purposes, used your road to an extent equal to about one-fifth of the whole use?—Yes.

4069. What would the balance of the time be?—The balance of the time would be about six months.

4070. And for the balance of the time, about six months, the Government did not use it?—Yes; they used it right along in the same proportion, but then it was more used by contractors during that time.

4071. Then assuming that the Government was not liable for the use of it by the contractors, is it your contention that the Government ought to pay somewhere about \$1,000 of the repairs?—Yes.

What Govern-
ment should pay.

4072. But if they were also liable for the contractors' use of it, they would have to pay some \$5,000 of the repairs?—Yes.

4073. What is your estimate of what their proportion of the claim would be?—There is a little more than that. We claim that we would not have had to build as expensive a road as that if there was not as much travel on it.

A road up to a
certain mark a
necessity.

4074. Why did you make it a road equal to the expenditure of \$5,000?—We had to do it to keep it up. In the first place we did not do it, but when their travel came along, we found we had to build it up.

4075. That would be repairing, would it not?—We built the first year only twenty miles, our "toll roads" as we call them, and extended them as we went on with the work. Then it became necessary to build in some places very permanent works.

No request was
made by Govern-
ment respecting
this supply road.

4076. Were you requested to make your first construction more solid or more permanent?—No; they did not request us at all. They said nothing to us about these roads.

4077. You did that of your own option?—Yes.

4078. But you say you spent more on them because you expected more travel over them than your own?—Yes; they were travelling on them all the time. They had let the contracts to build their engineers' houses.

This claim under
Rowan's consid-
eration.

4079. Has the item for this use of the roads been under the consideration of any of the engineers?—It has been under the consideration of Mr. Rowan, who has reported on it. I do not know what his report is. We understood in Ottawa that Mr. Marcus Smith had reported on

this item, but we know nothing about it. Part of our claims were reported on.

4080. Have you explained to Mr. Rowan, on the ground, the nature of your claim, and pointed out where the road was used?—Yes.

4081. So that he has had the materials on which to form an opinion?—Yes; and all the accounts went through his hands.

4082. Is there anything further about this item which you would like to explain?—No; there is nothing further.

4083. What is the next item?—The next item is increase of rock on the east end. I may say, with regard to that increase of rock, our schedule of quantities said that there was 10,000 yards of loose rock, or about that. Up to within a very short time before the contract was completed—about a year—we knew nothing about any more rock being on it. We were doing the rock that was over the located road in different places, and knew nothing about that until the re-location of the last mile and a quarter, which, by turning it to the south, threw us into heavy rock cuttings. Had this been located a year before, so that we could have got at it at the same time we were doing the other rock work we could have had it completed at the same time. Had we known, by our specification or schedule of quantities, that there was any likelihood of this rock being there we would have made provision for it.

Next item: claim for increase of rock on re-located line.

4084. I do not quite understand what you complain of. Is it that the specification or bill of works did not give you the proper idea of the approximate amount which you would have to excavate?—Yes.

4085. Do you mean that it misled you to your disadvantage?—Yes. I mean that it misled us as to the calculations made. We had no idea of this quantity of rock at the eastern end of the contract. During the whole carrying on of the contract, up to the end of last year, we had no knowledge of anything of the kind being there, and on the original line marked out for us there was no such thing.

No such quantity of rock on original line marked out for contractors.

4086. If this large quantity had been found upon the line originally located, would you have any cause of complaint, or any claim for extras?—No; we would not have any cause of complaint if it had been located, and we had got to work at it in the right time.

Nature of claim.

4087. Then your claim is because you did not get the information in proper time?—That is part of it. The other is that the actual change of line increased our work at a place where it increased the cost of the work. You see if it had been the original line there would have been only a few yards of the rock. In that case it would have been earth work on which we would have had a profit.

4088. I understood you to say that if you had taken out the original quantity, 33,738 yards on the line as first located, you would have had no claim?—Certainly not.

4089. About how much would it have cost you on the line originally located?—It would have cost us just as much at the time as it would on this line.

4090. Then the change in location did not increase the cost to you?—The change in location did increase the cost, because on the other line there was no rock.

**Railway Construction—
Contract No. 14.**

Change of location made no difference in cost.

Ground of claim not the increase of rock but delay.

Contract provides that in case of delay there should be an equivalent extension of time.

Time sufficiently extended.

Lost nothing.

But thinks an increase of quantity at a late period ought to be favourably considered.

4091. I am asking you if the quantity had been on the original line what would it have cost you?—It would have made no difference.

4092. The change in location made no difference in the cost?—No.

4093. So that the change of line is not the basis of your claim, unless the taking out of the same quantity on the other line would have cost you less?—It is.

4094. Do you claim that the taking out of 33,700 yards on the first line would have been the foundation of a claim for extras against the Government?—I do not claim it on any other grounds than the delay which prevented us from going on with it at the proper time.

4095. Now you say the only claim is on account of the time you got the information?—Yes.

4096. Does your contract require that you should get the information on such subjects at any particular time?—No; it does not.

4097. Then why do you think it is incumbent upon the Government to give you the information at a particular time?—I think it is but reasonable that information should be given within a reasonable time before the contract runs out.

4098. Does not your contract provide that if you are delayed in the work any particular time you should get an extension for a similar period to complete it?—Yes.

4099. And that the time in addition for completing it shall be a compensation for the time which you were delayed in commencing it?—Yes.

4100. Have you had that additional time?—We have had the delay.

4101. Then have you not had the compensation?—No; we have not had the delay, because I contend it would have taken the whole time to have finished that east end more than it would on the other. We ought to have been made acquainted with that fact simultaneously with the commencement of the contract.

4102. It was not some of the work which you handed over to Mr. Whitehead?—No; we handed over a little of it, but it was a matter of request that we should stop.

4103. But you have had sufficient time to take it out?—Yes; and we took it out.

4104. So that you have had extension of time sufficient to enable you to do it?—Yes.

4105. You have lost nothing by being enabled to do it in the extended time?—No; we lost nothing, because we got time to finish it.

4106. Is there anything further about that item which you wish to say?—Nothing, only just this: that all our rock cuttings cost us more for doing it than the contract price. Whatever was in the schedule we accepted, as we would be obliged to do that anyway, whatever it would cost us, but the increase of the quantity at that late day, we consider, ought to be favourably considered in the settlement.

4107. Do you mean that you have no claim for it under your contract, and that the allowance of it would be as a favour more than as a right?—I have no claim under our contract except for delay.

**Railway Construction—
Contract No. 14.**

4108. You do not claim it as a right, but ask for it as a favour?—Yes; we did a large amount of work that we had not calculated on doing.

Next item: claim on account of Selkirk Station Ground.

4109. What is your next item?—Selkirk Station Ground, No. 9.

4110. Was that in your original contract?—Yes; we had to complete the station ground. We were obliged under our contract to do any work on the section that we might be ordered to perform. This station was finished, paid for, and taken off our hands as complete. Then we were asked to go back, as they wished to enlarge the ground, change the grade and prepare it for building an engine house. We went back to do the work, but when it was laid out we found that it was not work that we ought to be called upon to do under our contract, as it had been done before, and if we were called back to do it, it should be done as the contract provided, by day labour. It happened that the acting Engineer-in-Chief, Mr. Smith, was away just at the time we commenced, but Mr. Smith, Mr. Rowan, Mr. Thompson, the Division Engineer, my brother and myself, met on the ground where the work was being done, and I called Mr. Smith's attention to the matter. He looked over it, and said he would think about it. "Well," I said, "we are going on with the work now, but we want to know whether we are to be paid for it, because if we are not to be paid for it, and we do not know how we are going to be paid for it, we will quit." "Well," he said, "I cannot settle that in a moment; it requires some consideration. You ought not to be compelled to do it under your contract, I can see that very plainly."

Work they should not have been called on to do.

Marcus Smith's opinion that they should not be compelled to do this work under their contract.

4111. Who said that?—Mr. Marcus Smith; and I said to him: "I will leave this matter in the hands of the District Engineer, Mr. Rowan, and the Division Engineer, Mr. Thompson, and let them settle on the extra amount." He said: "We will not pay you by the day. We do not want any work done that way that we can help, but," said he, "they will settle on the extra amount you are entitled to receive for it." I said I was satisfied with that; I was satisfied that they would do what was right, and perfectly satisfied to accept their decision on the matter. I called their attention to it some time after and they did settle on the price, and gave us a statement as to the amount they would allow. They allowed us 24 cts. extra on 19,364 yards.

Rowan & Thompson allowed 24 cts. extra on 19,364 yards.

4112. Who allowed that?—Mr. Rowan and Mr. Thompson.

4113. Did they certify to it?—They certified to that, and made a return recommending it under the instructions given to them by Mr. Smith.

4114. So that your claim is not for the whole price of that material; you ask for the difference over your contract price?—Yes; we just agreed to whatever they would do.

4115. Is there anything further on that item that you wish to say?—There is nothing further on that item.

Further explanation as to claim on this backed up by Whitehead.

4116. Is there any other item about which you have not spoken?—I want to refer to item No. 10 again, as you asked me on a previous occasion for some figures on that matter. Our claim for item No. 10 is based on the difference between our contract price for it and the price we contracted with Mr. Whitehead to complete the work for. There were three fills to be done by Mr. Whitehead. The first of those fills was located at station 3980. In that fill there was 37,005 yards

Difference between contract price and Whitehead's price claimed.

**Claims on fills
banked by
Whitehead-**

Contract No. 14.

Fill at station
3860, 87,006 yards
put in, hauled
9,200 feet.

Fill at station
3869, 15,390 yards
put in, hauled
11,100 feet.

Fill at station
4113, 175,567 yards,
put in and hauled
12,500 feet.

Total amount of
difference be-
tween contract
price and White-
head's price
\$210,863.83.

put in. It was hauled an average distance of 9,200 feet. I am not very sure that my figures are correct or not. The difference in Mr. Whitehead's price and in the contract we made would be \$24,423.30 in that fill. The next fill is at station 3999. In that fill there were 15,390 yards, which was hauled an average distance of 11,100 feet. The difference in that fill between the sub-contract with Mr. Whitehead and the Government price to us, is \$12,627.60. In the third fill, at station 4113, there were 175,567 yards. That was hauled an average distance of 12,500 feet, and the difference between our contract price for it and the price paid to Mr. Whitehead, was \$173,812.93. The total amount is \$210,863.83.

4117. Have you estimated what it would be at the contractor's price, 40 cts.?—No.

4118. How did you arrive at the length of the extra haul? I understand that you commenced from the end of the 1,200 feet?—Yes.

4119. Was there any limit over the 1,200 feet at which you were to be paid for the haul?—There was no limit in the specification; I deduct, you see, the 1,200 feet in each case.

Extra haul 12,500
ft. less 1,200 = 11,300
ft.

4120. When you give the number of feet for extra haul, it is after deducting the first 1,200 feet?—Yes.

4121. You make the extra haul on this large item something over two miles?—Yes.

4122. And do you think you ought to be paid for that extra haul at a cent per yard for every 100 feet?—Yes.

4123. Your figures must be wrong some way or other. If your extra haul was 12,500 feet upon an average, that would be \$1.25 for every cubic yard hauled?—No; deduct the 1,200 feet.

4124. I thought this was after deducting the 1,200 feet. I asked you particularly about that?—I did not understand you. That is the total.

4125. Then that is the average haul, and not the average extra haul?—Yes.

4126. In your contract was there any provision for completing those voids in any other way than by earth embankments?—No; there never was any other way spoken of or intimated whatever. That is the way it was calculated to be filled.

4127. I suppose the hauling of the earth was done by cars and engines?—Yes; it was done by machinery.

4128. Did you ever consider the probable cost of bridging over those voids instead of filling them with earth embankment?—I never estimated it.

Optional with
Government to
fill or trestle the
voids.

4129. Was there a clause in your agreement with the Government, by which they were permitted to omit this work if they thought proper?—There is no doubt about that. They could have put in timber if they wished.

4130. Had they the privilege of omitting this work from your contract if they wished?—No; not of omitting it. They would have had to do it with timber or some other way.

4131. But there was a provision by which they could have put trestle work into it if they pleased?—The general term of the contract allowed

**Railway Construction—
 Contract No 14.**

them to put in trestle work wherever they saw fit. I take the contract and specification to mean that, but it would have been a very costly job to have put in trestle work.

4132. Were these fills, as you call them, over water stretches?—No; they were across gullies principally. The last fill was a neck of Cross Lake.

4133. Then would a large proportion of those fills require rock bases for trestle work?—Yes; I think a large proportion of them would require rock bases. They would have found rock in some places by sinking fifteen or twenty feet. A large portion of fills would require rock bases for trestle work.

4134. Where trestles are used over land openings it is usual to put rock bases under them?—Either rock or piles.

4135. Do you mean that the filling of those gaps upon which you make your claim would have cost anything like as much as your whole claim, if it were done with trestle?—I could not answer that question without calculating upon it. It would have cost a great deal. They were high and it would have cost a very great deal to have built trestle work.

4136. How high were the fills?—They would be, perhaps, about an average of from thirty to forty feet. Fills from thirty to forty feet.

4137. Is there anything further about that item?—No; only this: we always looked upon that as the best part of our work, and we had negotiations with Mr. Whitehead to sell him out our interest about that time. He made us an offer for it; and if we had not looked upon it as the very best part of our work we would have accepted it. Whitehead made an offer for this portion of work.

4138. You say that Mr. Whitehead made you an offer?—Yes.

4139. Do you mean to take from your hands the work which was not completed?—Yes.

4140. And do you say that his offer had reference to this portion of work which you had not completed?—Yes.

4141. Had it any reference to a much larger portion?—Not much larger.

4142. You think that his offer was for the purpose of gaining the profit on this portion?—Yes.

4143. Do you remember what he offered you?—I think it was \$50,000. It was to Mr. Farwell he made the offer. Whitehead offered \$50,000.

4144. Do you not think it was \$55,000?—I could not say.

4145. Do you remember that you offered to sell it to him at a certain price?—Yes; we offered it to him at \$70,000. Proposed to take \$70,000 which was what the profit was estimated at

4146. Then at that time you estimated your profit to be worth \$70,000?—Yes; at that time the estimate we had of that fill was much smaller than it is here. They did not think it would take as much earth to fill it. I think it was only estimated at that time it would take 125,000 yards to make the fill.

4147. Mr. Whitehead refused to give you \$70,000?—Yes.

4148. And the negotiations ended altogether?—Yes.

**Railway Con-
struction—
Contract No. 14.**

Three or four months after Whitehead refused to give \$70,000 the existing arrangement was made.

4149. How long had they ended before this new arrangement was made with Mr. Whitehead?—I could not say; but I should think three or four months.

4150. Then it was not about the time that you made the arrangement with him that he was offering to buy you out?—No.

4151. So that in that you are mistaken?—No.

4152. I understood you to say that about this time Mr. Whitehead was offering to buy you out?—It made no difference. It was this end of the work that he was anxious to get hold of as it had the profit in it.

4153. Do you mean that at the time you made the arrangement with Mr. Whitehead, you had the option of taking his offer of \$50,000, or of completing the work through him as a sub-contractor?—No; we had not entered into any particulars with him at all at that time. The other negotiations had entirely broken off.

Bond of indemnity for \$5,000 given to Whitehead to assure him work would be done so as not to delay him.

4154. I understood you to intimate that at the time you could have done something very favourable to yourself?—We could have done so before, but at that time we never spoke of renewing old negotiations at all. We had no option about it. We were forced in to make this arrangement, and that was all we could do. I would just like to show you, in regard to this matter, that we did everything we could, and were anxious to hurry on and keep out of Mr. Whitehead's way. Mr. Whitehead said he wanted to commence laying a track to a certain point, and he was very much afraid that we might delay him. He wanted a guarantee from us that the work would be done, and he would not accept any guarantee except my personal bond which I gave him, and which was carried out; the bond of indemnity of \$5,000.

Claims also for interest.

4155. Can you produce a copy of that bond?—I produce it. (Exhibit No. 98.) In regard to the last item we ask that the matter of interest be considered. The Government hold deposits of ours at the present time, and part of the last estimate, and also a part of the percentage in their hands, and we think at this extended period of time we ought to be allowed a reasonable amount of interest for their holding this money. I have an engineer who will be here to-morrow, who is working on the road, whom I wish to be examined in regard to that ditch, and in regard to the change of location.

4156. Is there anything further you wish to say?—No.

JARVIS.

**Surveys—
Party M.**

E. W. Jarvis, a
Civil Engineer.

EDWARD W. JARVIS, sworn and examined:

By the Chairman:—

4157. What is your profession?—Civil engineer.

4158. Have you been at any time engaged upon any work for the Canadian Pacific Railway?—Yes; on the surveys.

4159. When?—From May, 1871, to June, 1875.

Surveying from 1871 to 1875.

Survey from Whitefish Bay to Red River.

4160. Which survey were you first employed upon?—The survey from Lake of the Woods, starting from the eastern extremity at Whitefish Bay and running west to Red River.

4161. Did you survey between those two points?—Yes; that was the first season's work.

Surveys—
Party M.

4162. All the way?—Yes; all the way.

4163. At what point was your base of supplies that season?—At the outset it was at Thunder Bay.

4164. How far from the beginning of your work?—Four hundred miles I should say, by the Dawson route. I really do not know the exact distance in miles, but by the route over which the supplies came it was about 400 miles.

Base of supplies at Thunder Bay, 400 miles from commencement of work.

4165. From what point did you start to get in your supplies?—We started from Thunder Bay.

4166. What party did you take with you?—The surveying party was composed of myself, in charge, one transit man, one leveller, one assistant leveller, rod man, and two chain men, and about twenty-five axe men and packers.

4167. About thirty-two in all?—Yes; about thirty-two I should think.

Size of party thirty-two in all.

4168. Who had charge of providing you with supplies?—I rather think it was Mr. Alph. Jones who sent in supplies from Thunder Bay. There was a commissariat officer attached to each party; my commissariat officer was Mr. John Breden. He accompanied me.

Supplies.

4169. Was that in addition to the number you mentioned?—Yes; I had not mentioned him.

4170. Was he subordinate to Mr. Jones?—I think so.

4171. Had you any immediate control over your commissariat officer?—Yes; we acted in concert with regard to getting in the supplies. I instructed him as to what supplies I wanted, and he took means to procure them for me. After November, 1871, or during the month of November, he received orders to remain in the woods the whole winter. It was not contemplated at first that we were to remain out all winter, and I then despatched a man to Red River to purchase supplies.

4172. Who was that?—Mr. Gray.

4173. To whom did he make application?—I sent him in here to Mr. Bannatyne to purchase what supplies were needed.

Sent Gray to Winnipeg to purchase supplies from Bannatyne.

4174. Had Mr. Bannatyne any connection with the Pacific Railway?—No; he kept a general store here.

4175. Were you authorized to take that step, or was it left to your own discretion?—No; I took it on my own responsibility. The party were out there and the supplies were nearly run out, and I found it a great saving of time to get them in Winnipeg rather than wait until I got them from Thunder Bay. My supplies arrived from here sooner than the supplies sent from Thunder Bay.

4176. Did you allow your messenger to use his own discretion as to the prices he was to pay?—No; there were no orders left as to prices. The instructions to the messenger were to obtain the supplies on the understanding that those who furnished them should draw on Mr. Fleming for the amount contracted for at Ottawa. We had a small sum of cash furnished to us at the outset, \$50, which did not amount to much for that purpose.

Instructions to messenger as to manner of obtaining supplies.

4177. I wish to ascertain now the means by which the prices of those supplies were fixed?—I presume they were the ordinary current prices here. I had no control over the prices myself, except that duplicate

Prices of goods.

**Surveys—
Party III.**

invoices were sent with the goods to me. I knew the prices and certified to receiving the goods. The matter of prices was of no concern to me.

4178. Then you left the prices of the goods to be settled between the party who supplied them and the authorities at Ottawa?—Yes.

4179. Do you remember when you got the invoice whether, in your opinion, the prices were reasonable or unreasonable?—The prices appeared to me to be high, but hardly more than I expected them to be here at that time. The place was very isolated, and we could not expect to get them lower under the circumstances.

4180. Did you make any representation to the authorities at Ottawa upon the subject of prices?—No; I did not. I simply reported the fact of what I had done.

Difficulty of getting supplies.

4181. As to the supplies which were sent to you from Thunder Bay during the first season, do you remember whether there was any difficulty in getting what was sufficient to support your party?—It was very late in the season, I remember, when we received them, and owing, probably, to the length of the journey, the supplies were very nearly all consumed by the parties bringing them in. When the supplies that were supposed to last us over the winter arrived we were forced to send in here for more, they were so nearly exhausted.

Supplies nearly consumed on the way by supply party.

4182. That is supplies for the winter season?—Yes; the only supplies we received from Thunder Bay were clothing and supplies that were supposed to do us for the winter.

4183. Did you make any representations to any person at Ottawa as to the state of affairs?—I reported at Ottawa the state of affairs.

4184. Do you remember, in round numbers, the value of the supplies which you procured from Winnipeg for that winter?—I do not. Those that I individually procured I may possibly tell, but others were procured about Christmas, when another commissariat officer was appointed. Mr. Breden left me at the beginning of the winter, and Mr. W. E. Jones was appointed as the commissariat officer to my party and the next party east of mine—the party under charge of Mr. James.

Supplies sent from Thunder Bay inadequate.

4185. Were the supplies that were sent from Thunder Bay for that winter very inadequate?—Entirely inadequate.

4186. Do you know whether you had enough for one-half of the winter or one-quarter, or can you state any portion of the time for which they were probably sufficient?—Probably not enough for one month, I should think.

Chief Engineer sent instructions to remain out during winter and stated that supplies and winter clothing would be sent.

4187. You had to ask, as I understand, for enough to be sent from Thunder Bay to keep you during the winter?—No; we did not ask at all. The instructions came from Ottawa from the Chief Engineer to remain out during the winter, and stating that supplies and winter clothing would be sent to us, not mentioning the course they would take or the name of the person in charge of them.

4188. And it was after that that the supplies you speak of arrived?—Yes; some time after that.

4189. But not in sufficient quantities?—No, not in sufficient quantities: except the winter clothing. The winter clothing was ample.

**Surveys—
Party M.**

How he came to send to Winnipeg for supplies.

4190. Then on that emergency you decided to send a messenger to Winnipeg?—No; I did not make myself sufficiently clear. When I first arrived at Whitefish Bay the supplies were very nearly exhausted. I then sent a messenger to Winnipeg for supplies with a letter for the Chief Engineer reporting what I had done, and of course my supplies reached me before my report reached Mr. Fleming.

4191. These were supplies for the fall?—Yes; my messenger only returned late in September from here. The other supplies that I spoke of as being sent in for the winter, were sent in, I suppose, by orders from headquarters.

4192. Were those which you ordered from Winnipeg for the winter or only to complete the survey?—Only to complete the summer's work.

Supplies ordered at Winnipeg to complete summer's work.

4193. Was it after that you received the notice that you were to remain out during the winter, and that supplies would be forwarded to you?—Yes.

4194. You expected supplies to be forwarded sufficient to maintain you during the winter?—Yes.

4195. Did they come in sufficient quantity?—No.

4196. How was the deficiency made up?—The deficiency was made up after the appointment of Mr. Jones as commissariat officer. He had joined me, I think, about the middle of November, and I then pointed out the state of affairs to him, and he immediately returned to Winnipeg and shipped me out supplies from here. I pointed out to him the fact that the supplies received with the orders were insufficient to carry me through the winter, and that I must have more supplies immediately.

Sufficient supplies shipped by Jones.

4197. Do you know from whom he got those supplies?—He purchased them from different persons: Mr. Bannatyne, the Hudson Bay Co., Dr. Schultz, and others who were keeping stores.

4198. There was no officer appointed at that time in this locality to furnish supplies on the Government account called a purveyor, or any person of that kind?—No; there was no purveyor. A certain sum was placed to the credit of Mr. Jones with the Deputy Receiver-General here, and he made use of that money. That was a matter entirely between my commissariat officer and the Department. I had no control over it at all.

System of supply

4199. Was any work done on the surveys that winter?—Yes; we worked the whole winter.

4200. Still progressing westward?—Yes; we worked until the 30th of March, when we reached Red River.

4201. I understand that your line which you speak of was from Whitefish Bay in the first instance, to the point known as Keewatin?—Yes; Keewatin, or Rat Portage.

First line from Whitefish Bay to Keewatin.

4202. Can you indicate the direction from that point westward any distance?—The present location is almost identical with my line very nearly to Whitemouth River.

Present location on same line from Rat Portage to near Whitemouth River, whence witness struck more directly for Winnipeg than the present line.

4203. And then?—And then I struck more directly for Red River—that is, more directly for Winnipeg—than the present line does. I

**Surveys—
Party M.**

reached Red River at a point ten miles north of this, about half way between here and the Stone Fort.

4204. That survey was completed in March, 1872?—Yes; about the 30th of March.

4205. Did you remain under an engagement with the Government after that survey?—I did.

Plans and profiles made and quantities taken out.

4206. What was your next work?—After paying my men, my assistants remained here with me for two months, I think doing office work in connection with our previous nine month's field work. We made the plans and profiles, took out quantities, and made reports and sent them to Ottawa.

4207. Of this line?—Yes; of this line. Our instructions were to locate a line; but I reported to the engineer that it was impossible for us to locate a line from the data I had. The country was entirely unknown at that time; and we had not sufficient data from the rough survey we made to locate the line properly. We made an approximate location—that is to say, not on the ground but on paper projected from field notes.

By Mr. Keefer:—

Projected a location on paper.

4208. You projected a location on paper?—Yes; from cross-sections and slope angles.

By the Chairman:—

4209. Will you tell me what data you mean when you say "insufficient data." Do you mean the data you had were not sufficient in accuracy, or that you had not the data at all that were necessary?—We had sufficient data to complete an approximate location—that is to say, we were enabled from our notes to lay down on paper where we thought the line ought to be run as a located line, some distance away from our preliminary line at times. Those were data obtained from field notes, by cross-sections and surveys.

Cross sectioned portions of line.

4210. Did you cross-section the line that you ran at that time?—Yes; at points we did.

4211. Not all the way through?—No; not all the way through.

4212. Did you cross-section that portion of the line which is now part of the adopted line?—Yes; portions of it at Keewatin and Cross Lake.

4213. That is the portion which you cross-sectioned?—Yes; portions of that were cross-sectioned.

Owing to changes in location, not possible to compare the quantities.

4214. Was that line sufficiently cross-sectioned to give information upon the quantities of the line as finally located and now adopted?—No; I think not. I think the location has been so much changed, although adhering very nearly to the general direction of the line, that it would be impossible to compare the quantities. A very slight deviation in the location would make a material difference in the cross-sections in that section of the country.

Witness's plans and data burned up in the fire in the Pacific Railway offices, Ottawa.

4215. Then all the information you obtained upon the line run by you was no help in ascertaining the quantities in the bill of works at the time that this particular contract was offered to public competition?—None whatever. It was not made use of in any way. It did not

Surveys—
Party M.

exist at the time. My plans and all data were burned up in the fire in the Pacific Railway offices in 1873 or 1874.

4216. But I understand you to say that if they did exist they would not furnish any information to establish a bill of works upon them?—No.

4217. They would have been no help, in fact, in ascertaining the quantities for this particular line?—No; they could not have been used for that at all.

4218. Do you remember whether your instructions at that time directed you to make for any particular point on Red River?—No, they did not.

Instructions did not fix on any point in Red River. The western terminus and the way to it left to witness's discretion.

4219. It left the western terminus to your discretion?—Yes; as well as the means of getting there.

4220. The Red River on the west and the eastern starting point were the only two points indicated?—They were fixed. The approximate latitude of Red River was given me as the point I should cross.

4221. Do you remember how that was given?—If I remember right the latitude of Fort Garry was given without any definite instructions as to running to that point. It was simply a fixed point named latitude 49°52' north, which is about the latitude of Fort Garry. It was given to me more for information than instruction, I think.

4222. Were there written instructions given to you?—Yes; there were written instructions.

Written instructions.

4223. Do you know anything of the location of the existing line between Wentworth and Selkirk?—I have not been connected with it professionally, but I have travelled over the line.

4224. From your observation have you formed any opinion whether that was a more feasible or a less feasible line than the southern one which you located or surveyed?—I am under the impression that my line was a better one. That is to say, I think the character of the work is about similar, but my line was a more direct one.

Thinks his line more feasible than the existing line.

4225. Do you mean that the cost would have been about the same?—I imagine that the cost mile for mile would have been about the same except in one point, where I understand a great deal of money has been spent. It is known as the Julius Muskeg, on contract 14.

4226. Would your line have escaped that expensive point?—Yes; my opinion is that on my line we would have escaped it altogether.

The Julius Muskeg on section 14 would have been avoided.

4227. When compared with as much of the route of the railway as would be west of the Whitemouth, do you think that the southern line would be preferable?—I think it would.

4223. Unless there was some other object to be attained by going further north?—Yes; it was preferable unless there was some other object to be attained.

The south line in all respects preferable.

4229. Assuming that it was a matter of indifference whether the point at Selkirk or the point which you reached should be the one to adopt, do you say that the northern line would have been preferable to the southern line?—If it were a matter of indifference which point should be reached I should say that the south line would be preferable. I should prefer the south line for two reasons: the avoiding of this

**Surveys—
Party M.**

muskeg, and the greater facilities it would give for ballasting the line by running close to the foot of Bird Hill, where good ballast could be obtained.

4230. Did you cross-section any portion of this part of the line—I mean west of Whitemouth?—I did not.

**Eagle Lake to
Sturgeon
Lake.**

4231. What was your next work?—You mean after finishing those plans?

**Next employed to
run a line from
Eagle Lake to
Sturgeon Lake.**

4232. Yes?—I was then sent to a point 200 miles east of Red River called Eagle Lake, to start at the Hudson Bay Co.'s post there, and run a line easterly to Sturgeon Lake.

**One hundred and
fifty miles.**

4233. About what distance would that be?—I think by our line that was about 150 miles.

4234. That would be in the summer and fall of 1872?—That was from June, 1872, until the end of October.

**Base of, and
manner of pro-
curing supplies.**

4235. Where was your base of supplies at that time?—Winnipeg.

4236. Was it still under the same system that you described last? Had you a commissariat officer?—No; there was no commissariat officer attached to my party that season.

**Instructed to pur-
chase supplies
himself.**

4237. What was your arrangement for your supplies?—I was instructed to purchase my supplies myself. Mr. Jones was only instructed to find the transport.

4238. Did you purchase the supplies that season?—The supplies I took with me I purchased myself.

4239. Did you take enough with you for the whole season?—No; I did not. I sent Mr. Jones back for some more.

4240. Do you remember from whom you purchased your supplies that season, either directly or through Mr. Jones?—From all the principal storekeepers in the place.

4241. Did you fix the prices?—I did not.

**Goods sold at
current rates.**

4242. Who fixed them?—The goods were sold at, I presume, the current rates.

4243. Did you arrange about the prices?—I did not. I simply made myself acquainted with the market prices here, and became aware that I was charged the regular prices that those goods were selling at.

4244. Were the prices mentioned to you before the goods were ordered?—At the time of the purchase I became acquainted with the prices.

4245. Then you agreed for the prices with the sellers?—I may say that I agreed for the prices. I knew at what price the goods were selling, and the supplies I bought myself I knew the prices of at the time, because I certified to the accounts.

**This second
survey not made
available in the
location of line.**

4246. Has that survey been made available at all in the location of the line between Thunder Bay and Red River as now adopted?—I believe not. That line was run with a view to passing north of Lake Nipigon. The present line diverges considerably to the south-east.

4247. It crosses the present located line?—Yes.

Surveys—
Eagle Lake
to Stungam-
Lake.

4248. Only at one point?—I believe only at one point. That is the very point between Wabigoon Lake and Thunder Lake. That was the only point of intersection.

4249. What size was the party that you had with you that season?—Similar to that of the previous season.

4250. Was there any difficulty about the supplies which were furnished to your party?—None whatever about those that I took out with me, but there was considerable difficulty with the fresh supplies that Mr. Jones sent out to me. Difficulties regarding supplies.

4251. What was the difficulty?—That they were nearly all consumed before they arrived at our camp. The men who transported the goods not having been supplied with provisions, consumed those that they carried, and as they were a month on the road, they consumed nearly all of them.

4252. Do you know who had the organizing of this party?—I had myself.

4253. Do you mean that they were some of your party that were detailed off for the purpose of going to Winnipeg?—No; the instructions were sent to Mr. Jones to forward the supplies.

4254. He was then in Winnipeg?—He was either at Winnipeg or between my party and Winnipeg. I sent him instructions to send me supplies for my party for one month. Sent Jones instructions to send supplies for party for one month.

4255. Who organized the party to forward them?—Mr. Jones organized the transport.

4256. How many men were there in that party for transporting the supplies?—I think there were sixteen men. Size of supply party sixteen men.

4257. Any animals?—No.

4258. Did they pack the goods?—The goods were freighted over the North-West Angle road—a portion of the Dawson road—as far as the North-West Angle by teams. Transportation of supplies.

4259. There was a good travelled road over that portion of the country?—Yes; the road was kept open in those days. From North-West Angle the supplies were forwarded by boats.

4260. What kind of boats?—I believe they were York boats—Hudson Bay boats.

4261. To what point did the boats take the supplies?—The boats came up half-way to Eagle Lake.

4262. To what point would you call it?—I think that the name of the lake to where the boats came was Vermillion Lake, and then the goods were transferred to canoes at Vermillion Lake.

4263. Did the canoes take them to your starting point?—No; the canoes followed me up. They received instructions to follow me up on the line.

4264. Were they enabled to find you at a point further east than your starting point?—Yes; at English River. I was over 100 miles from my starting point.

4265. Was this whole journey longer than was expected at the time?—Yes; I think there were unnecessary delays.

**Surveys—
Eagle Lake
to Sturgeon
Lake.**

Unnecessary
delays caused by
men in charge of
the transport.

4266. Where do you think the delays were?—I think they were on the part of the men who were immediately in charge of the transport.

4267. Do you remember their names?—No; they were half-breeds.

4268. Do you remember any of them?—Yes; the chief store man was a man named Mousseau. He was at that time in the Hudson Bay Co.'s service.

4269. Did the Hudson Bay Co. undertake the transport of those goods?—I do not know whether the company were transporting them, or this man was hired for the occasion from them. The transport was arranged by Mr. Jones.

4270. Do you know where Mr. Jones is now?—I believe he is west of this, at Qu'Appelle, or at Fort Ellice.

4271. Is he now employed on the Pacific Railway?—No; he is not.

4272. Have you any idea of the value of the goods that were bought to be transported to you at that time?—By Mr. Jones?

4273. Yes?—No; I have not.

4274. Have you any idea of the total value of the goods which you bought earlier in the season?—No; I do not remember.

4275. Could you give any approximate idea?—No; I have no data upon which to base any idea at all, except my memory, and I do not think that will serve me correctly. I could jump at it, but of course it would not give you any information.

4276. Could you give any idea of the value of the goods or supplies which were lost by those delays?—No.

4277. Would it be less or more than \$1,000?—It would be in the neighbourhood of \$1,000. We estimated from \$10,000 to \$12,000 as the cost of the party for the season's outfit.

4278. What length of a season?—Taking one season with another—either the winter season or the summer season—about six months of the year.

4279. Do you mean about half of the year, either from spring to fall, or from fall to spring—is that what you call a season?—Yes.

4280. Assuming that to be the value of the supplies for the season for the party which you had with you, can you form any estimate of the amount of supplies which Mr. Jones bought?—It would only be an estimate. I should say from \$12,000 to \$15,000 would be the amount that he bought.

4281. When they reached you do you say you found that a large proportion of them had been consumed?—Yes.

4282. Was it necessary for you to order more supplies there to finish the season?—No; it was then too late. The remnant of the supplies only reached me about a week before I finished my summer's work, or rather, to speak more correctly, the supplies never reached me at all, for when I ran short I detailed one of my assistants to go back and look for them, and he found that they were about fifteen miles back of the point I was at. He took with him what he could carry on his small canoe, a few bags of flour and some pemmican, and

No idea of the
value of goods
bought.

Value of goods
supplied party
about \$1,000; cost
of party for
season's outfit
from \$10,000 to
\$12,000.

Defects in com-
missariat.

brought it to my camp, and I then sent word to those men not to come any further.

Surveys—
Eagle Lake
to Sturgeon
Lake.

4283. After those supplies reached you, had you sufficient to finish that season?—No; we were short of supplies for some time, and did without. Short of supplies.

4284. Was the only result of the supplies not reaching you properly that you were obliged to do with a shorter allowance?—That was all.

4285. The work was not stopped?—No; the work was not impeded at all. Work not impeded.

4286. That work took you down, I think you said, to October, 1872?—We reached Winnipeg at the end of October, 1872.

4287. Did you remain there in the employ of the Government?—I did.

4288. Were you in the office here during that winter season?—During that winter I left my assistants here making the plans and profiles, and proceeded to Ottawa myself. In Ottawa from fall of 1872 to Jan., 1873.

4289. How long did you remain there?—I remained until the end of January in Ottawa. I was working in the head office until the end of January, 1873.

4290. Did you remain in the employ of the Government after that?—I did. Eagle Lake to Rat Portage.

4291. At what work?—I then received instructions to connect the two sections I have already described, by running a line from Eagle Lake to Rat Portage—eighty miles.

4292. Did you run that line?—I did.

4293. What was the size of your party?—I had a party of three assistants and about twenty men in all—rather a smaller party than on the two other occasions, because I did away with canoe men and packers.

4294. Had the country been explored between those two points at the time you commenced?—Yes; I had explored it myself the previous year. Witness had himself explored the country previously.

4295. Had you been exploring it while the work of the survey was going on between Eagle River and Sturgeon Lake?—No; it was while the work was going on between Rat Portage and Red River.

4296. That was the season of 1871?—Yes; about a year previous—in January 1872.

4297. Was it merely an exploration or a survey?—Only an exploration, with barometer and compass.

4298. It was not what is called an instrumental survey?—No.

4299. Had any roads been made through that part of the country?—No; none whatever. We had to make our roads as we went. Made roads as they went on.

4300. What was the base of your supplies that season?—Winnipeg. Winnipeg base of supplies.

4301. Under what arrangement?—When I received my instructions in Ottawa to make the survey I sent orders to my assistants to procure the necessary supplies, hire the men, and start to a point that I would indicate where I would join them. My chief assistant did so, and he took trains and axe men, and started out to the lake called Shebandowan. Arrangements regarding supplies.

**Survey—
Eagle Lake to
Rat Portage.**

Joined party at
Eagle Lake, Feb.,
1873.

Supplies, value of.

Superior system
of supply.

Had neither pork
nor sugar—only
absolute neces-
saries.

A preliminary
instrumental
survey.

Cross-sectioned at
certain points.

Laid down a
centre line.

4302. Did you find your supplies there?—A depot was made, and the supplies were left there, and the party then proceeded to Eagle Lake, where I joined them in the middle of February with another assistant.

4303. Was there any difficulty about supplies that season?—None whatever.

4304. Did the value of the supplies which you furnished in that way exceed or equal the estimate which you have previously given?—It was a good deal less.

4305. Was it less in proportion to the size of the party?—It was not less in proportion. It was a shorter season and a smaller party.

4306. But was it in proportion to the party you indicated: a party of thirty for a six month's season?—I think it was rather less. It was under the average.

4307. How do you account for that. that an expenditure under the former average was sufficient to support the party; had the prices gone down?—No; I think the management in procuring supplies and getting them sent out was rather better.

4308. Do you mean management in purchasing or in transport?—In the transport, and in the quality of the supplies purchased. By "quality" I mean the kind of supplies. My assistant was a very good and a very energetic man, and the men that he hired were altogether natives. We had no white men and we took nothing but the native provender. We took nothing but pemmican and flour with us. We did away with pork and sugar and such things, such as we had taken in previous seasons. I took nothing but the absolute necessities.

4309. And that resulted in a saving?—I think so. So much so that we had a considerable portion of the supplies left when we reached Rat Portage in the March following, having estimated them on the old basis.

4310. You reached Rat Portage in March?—Yes.

4311. What time did you leave?—About the middle of February.

4312. Then you were only a few weeks on that survey?—We were only five weeks.

4313. What was the character of that survey?—It was called a preliminary instrumental survey.

4314. Did you locate any line?—We made an approximate location by cross-sections.

4315. Was it a thorough cross-sectioning?—No; only at particular points.

4316. Did you lay down a centre line for the railway on that occasion?—Yes.

4317. Did you take out the quantities at any time on that location?—No; we did not at that time. We sent all the data to Ottawa.

4318. Do you know whether the quantities were taken out at Ottawa upon those data furnished by you?—I believe they were.

4319. Did you continue in the service of the Government after March of 1873?—Yes; we remained here in April and May.

Surveys—
Cache Creek to
Seton Lake &
Thompson
River.

4320. And after that?—We were sent to British Columbia in the beginning of June, 1873.

4321. How did you proceed to British Columbia?—We proceeded by rail via San Francisco.

Proceeds to
British Columbia,
June, 1873.

4322. What party?—Myself and three assistants.

4323. When did you reach British Columbia?—We reached there about the 25th of June, 1873, and reported to Mr. Marcus Smith who was then in charge of the surveys there.

4324. Did you proceed with further work?—Yes; we made a survey there that season.

4325. Between what points?—We started at Cache Creek, and surveyed south-westerly to the Cascade Range, crossing the Fraser River at Lillooet, and terminating our survey at Seton Lake; then from Cache Creek north-westerly to the Thompson River, following the valley of the Bonaparte on the north side of the North Thompson River.

Extent of survey.

4326. About how many miles?—I should think it is about 180 miles or 200 miles.

Size of party, self
and three assist-
ants, and twenty
men, mule and
pack trains.

4327. What was the size of your party?—Myself and three assistants, about twenty men and a mule train and a pack train.

Thirty mules.

4328. How many animals?—About thirty mules.

4329. Where was the base of your supplies that season?—Chiefly Yale; but we also obtained supplies from Clinton.

Yale principal
base of supplies.

4330. Did you take your supplies with you intending to have enough for the season?—Yes; we took the season's supplies with us.

4331. Were the animals purchased absolutely, or only hired?—I think they were purchased, and were the property of the Government. The whole of the surveying was in the hands of a person named John Trutch.

John Trutch the
commissariat
officer.

4332. What was the name of his office?—We called him the commissariat officer.

By Mr. Keefer:—

4333. He is not the engineer of that name?—No; he was the brother of the ex-Governor.

By the Chairman:—

4334. Where did he live?—In Victoria.

4335. Did he take the responsibility of purchasing those supplies and pack animals?—As for the supplies I cannot say, but the pack animals were already the property of the Government before Mr. Trutch was appointed.

Pack animals
already the prop-
erty of the
Government.

4336. Then you used animals which the Government already owned?—Yes.

4337. Was there no purchase of animals for the requirements of your party that season?—No.

4338. As to the quantity of supplies did you consult with Mr. Trutch, or did he take the responsibility of ordering them upon his own discretion?—He took the whole responsibility. The system on the other

Trutch took
entire respon-
sibility.

Surveys—
Cache Creek to
Seton Lake &
Thompson
River.

side of the mountains was entirely different from the system on this side. Here the responsibility rested on the shoulders of the engineer in charge of the party as to quantities; there the whole matter was arranged by the Commissariat Department.

Party preceded
him to starting
point.

4339. Did you furnish him with the number of persons employed, and the length of the time of the service?—No; he was furnished from the head office with that. I had nothing to do with it. I was entirely independent of it. I simply proceeded with my assistants to my starting point, and there I found my party and supplies.

4340. Did you not take them with you?—No; they preceded us a few days.

4341. On whose orders?—On Mr. Trutch's orders.

4342. Independent of yours?—Yes. Of course I took charge of them when I arrived.

Supplies ample.

4343. Had you sufficient supplies for the season's work?—Yes; we had ample.

4344. More than enough?—Yes; more than enough. We brought some out with us in October.

4345. Out to what point?—Out to what is called the waggon road, a Government road running up the Fraser River.

4346. And what became of them after you brought them there?—We returned them to the Commissariat Department there.

Reported excess
of supplies, and
where stored to
Trutch.

4347. Was there a branch of the Commissariat Department there?—No; they were placed in store there, and we notified the Commissariat Department. There was a hotel there, and we placed the supplies in a store-house adjoining the hotel. It was a private store-house, rented by the Government.

4348. Did you notify Mr. Trutch?—We notified Mr. Trutch as to the quantity.

Made further
explorations for
a month. Then
paid party—sent
men to Victoria,
and the mules to
winter quarters,
at Kamloops.

4349. Had you any further responsibility as to those supplies?—No; after placing them in the store I took some of them out again as I was instructed to make further explorations, which occupied me about another month. I then paid the party, sending the men and assistants to Victoria, and the mules to their winter quarters at Kamloops.

4350. In whose charge did you send them?—I sent them in charge of my commissariat officer.

4351. To whom did you send them?—His instructions were to go with the animals and place them on the winter range and then to report at Victoria.

4352. You had not the responsibility of delivering them to any particular person?—No.

4353. You delivered them up to the charge of the commissariat officer?—Yes; with instructions to deliver them at a certain point.

No loss further
than a few
barrels of flour.

4354. Do you know whether there was any loss on the stores in connection with that season's work?—No; there was no loss of any kind except a few barrels of flour.

4355. Do you remember about what time you ended your survey upon the North Thompson?—About the middle of October.

4356. You say that after that you made another survey?—Yes; I made an exploration in what is known as the Horse Fly country, towards the Horse Fly Lakes, from a point on the Fraser River near Bridge Creek, and running in an easterly direction about eighty miles. We went on until we were turned back by the winter season coming on.

Exploration—
Fraser River
towards Horse
Fly Lakes.

4357. Was that an exploration, or an exploratory survey?—An exploration only, with compass and barometer.

4358. What was the size of your party on that occasion?—Three men and half a dozen mules.

Size of party,
three men; num-
ber of animals,
six mules.

4359. Altogether?—Yes; we simply travelled over the country.

4360. Was the previous examination of that season an exploration?—That was an instrumentalsurvey, all the work previous to that.

4361. Had you any difficulty about supplies on this last work that you describe?—No; I had not.

4362. That brings you down to the fall of 1873?—That brings us down to the end of November, 1873.

4363. For the purposes of exploration and making surveys which cannot be called instrumental, have you any impression about the size of parties that ought to be employed?—For simply exploratory purposes?

Size of party
necessary for
exploratory
surveys—three or
four men.

4364. Yes?—Yes; I think that a party of the size I have mentioned is about large enough for explorations in that country.

4365. About three men, with the engineer in charge?—Yes.

4366. How many animals?—We had half a dozen; it was about the right number. We only expected to be absent inside a month, and they were sufficient for that trip. The number required varies in different parts of the country. You would require more men on the east side of the Red River, because the transport of supplies is effected in a different way. In summer they would be canoed, and in winter they would be carried by dog-trains, and on men's backs, whereas in British Columbia they were packed on mules.

Number of
animals neces-
sary for an
exploratory
party—six.

4367. Do you mean that the explorations in the mountain range can be performed at less expense, as far as transport is concerned?—Yes; west of the mountain range.

4368. I think all the British Columbia section was called the mountain district, as distinguished from the prairie section?—Yes; but there are large plains in it. When you go up into the heart of the Rocky Mountains the feed ceases, but down in the lower valleys there is plenty of feed for animals all over.

Character of
British Columbia
section.

4369. Was this country which you surveyed in the fall of 1873 mountainous?—No; the end near Fraser River was rough; but the end near Thompson River was not so rough. It was a rolling country.

Country on
survey in the fall
of 1873, near
Fraser River
rough, but near
the Thompson
River rolling.

4370. Did you remain in British Columbia during the winter of 1873-74?—No; after I finished this exploration I rejoined my party in Victoria, and then returned to Ottawa.

Returned to
Ottawa.

4371. And spent the winter there?—Yes; my party remained in Ottawa during the winter. I was absent in England myself on leave. My party remained in the office, doing the office work necessary for the completion of this survey.

Surveys—

Tête Jaune Cache to Fraser River.

April, 1874, starts with party for British Columbia.

Runs line from Tête Jaune Cache to Fraser River.

Size of party, thirty-three animals, forty horses and eighty mules.

Party takes supplies with them.

Tête Jaune Cache the starting point.

Time occupied on survey.

Mr. Bell and party at Grand Rapids.

Animals sent to Kamloops.

Transport down Fraser in boats.

4372. When did you return?—I returned to Ottawa in April, 1874, and started immediately with my party for British Columbia.

4373. The same party?—The same party.

4374. Three assistants?—Yes; I am incorrect in saying that the three assistants accompanied me to Ottawa. One of them, Mr. Gray, remained in Victoria, and two accompanied me to Ottawa. The same two returned with me to British Columbia.

4375. Had you any further work in British Columbia?—Yes; that season we were sent up to the summit of the mountains to Tête Jaune Cache, and started to run a line down the Fraser River. No survey had been made there previously.

4376. Can you remember the size of the party?—I had my three assistants, previously mentioned, thirty men and about 120 animals.

4377. Mules?—Mules and horses—about forty horses and about eighty mules.

4378. Were they purchased specially for that party or were they already the property of the Government?—No; they were the property of the Government.

4379. What was the base of your supplies that season?—We took everything with us from the lower country—part from Victoria and part from Yale.

4380. And the animals too?—No; we took the animals from Kamloops. All the Government animals wintered at Kamloops. There was a waggon road from Yale to Kamloops.

4381. And from there the transport was with those animals?—Yes.

4382. Tête Jaune Cache was your starting point?—Yes.

4383. In what direction was the survey?—It was north-westerly, down the Fraser River.

4384. Had you sufficient supplies from that season's operations, or was there any difficulty about supplies?—No; we took in sufficient with us.

4385. How long were you engaged upon that survey?—From June, 1874, until about the middle of October.

4386. To what point did you make the survey?—We ran about 200 miles down the Fraser River until we connected with the next party coming up the river in charge of Mr. Bell, near a point called Grand Rapids.

4387. What became of your animals and supplies—if there were any supplies left?—The animals were sent back from Tête Jaune Cache. They had made two trips to Tête Jaune Cache, once with the party, and once after the party had started to work, and then they were returned to Kamloops. The transport down the Fraser was in three large boats which we built at Tête Jaune Cache for ourselves.

4388. Did your responsibility for the animals cease after that?—Yes; they were put in charge of the chief packer, and he was told to report to Mr. Marcus Smith wherever he found him. He was supposed to be somewhere between there and Victoria.

4389. The chief packer was one of your party?—The chief packer had been under my orders until we were finished with the animals, and then I gave him charge of them to return them to Kamloops.

Surveys—
Tête Jaune
Cache to
Fraser River.

4390. Do you know what became of the animals?—They returned to Kamloops, and were afterwards employed in some other part of the country.

4391. Were any of those surveys or examinations which you made in British Columbia, upon the line as it is now located?—No; I think the located line is different altogether.

No survey of
witness in British
Columbia on the
line located.

4392. About what time did you end that survey at the Grand Rapids?—About the middle of October we arrived at the Rapids, and then the two parties went down to Quesnelle Mouth by boat—No, we then, after ending that survey, went down to Fort George, where Mr. Marcus Smith and I made a short survey through, both parties working in connection up the Stewart River, about twenty miles.

Both parties go to
Fort George, and
survey up
Stewart River.

4393. Exploration?—No; an instrumental survey that was to connect with the line previously run by Mr. Bell. Then we returned to Quesnelle Mouth by boat, down to the Fraser River. There the party were paid off and returned to Victoria, with the exception of one of the assistants, Mr. Hannington, and myself. The Chief Engineer wished an exploration to be made in the mountains, and I volunteered to make it during the winter. He would not issue any instructions to that effect, but he simply said he wished another exploration made north of the Tête Jaune Cache, through the Rocky Mountains.

Exploration
from Fort
George to
Edmonton.

4394. Did you explore a line?—Yes; I organized a party at Quesnelle Mouth, consisting of my assistant, myself and six men, and six dog teams.

Organizes party
to explore line
north of Tête
Jaune Cache.

4395. Was Quesnelle Mouth the base of your supplies?—Yes.

4396. Did you take them with you in this train?—Yes; we took our supplies with us.

4397. For what length of time?—For the whole winter.

4398. Did you make the exploration?—Yes; you will find it fully set forth in the Blue Book; the whole story. This exploration followed the North Fork of the Fraser River, with the view of reaching the head of the Smoky River, which is on the east side of the mountains. It was reported that a practicable pass existed at the head of Smoky River, through the Rocky Mountains. We found, however, that there was no pass at the head of the north branch of the North Fork, and accordingly returned to the Forks and proceeded to the south branch of the North Fork, at the head of which we crossed the mountains, but at a very high altitude, and at a pass that would not be practicable for a line. Then following the eastern base of the mountains, we reached the Athabaska River, near Jasper House. From there we proceeded to Fort Edmonton where the exploration ended. Mr. Fleming wished to have the country above Edmonton, above the Saskatchewan, explored, but we were unable to do it owing to ill health. We ran out of provisions also, and were nearly starved to death.

Object of survey,
to see if practica-
ble pass existed at
head of Smokey
River.

Athabaska
River, thence to
Edmonton.

Out of supplies.

4399. Were your supplies insufficient?—No; they would not have been insufficient had the weather been at all fine and open, but we met with fearful storms, and there was an immense depth of snow, so that

Inclement
weather.

**Surveys—
Exploration
from Fort
George to
Edmonton.**

Length of exploration 900 miles.

Termini of exploration.

Went north of the previous explorations made from eastern base of Rocky Mountains to Edmonton.

Supplies began to give out about fifty miles from Jasper House.

Edmonton reached March, 1875.

At Winnipeg, 23rd May, 1875.

Declines to go to Tête Jaune Cache, and leaves the service.

we were detained a long time on the journey—a much longer time than we anticipated.

4400. What was the total length of the line of exploration?—The total length, as set down in the Blue Book for 1877, is 900 miles. That was the amount surveyed by compass and barometer.

4401. What was the starting point of that exploration?—Fort George, on the Fraser River.

4402. And the eastern end of it?—At Fort Edmonton, on the Saskatchewan River.

4403. Was your examination of the country from the eastern base of the Rocky Mountains to Edmonton an exploration or a survey?—It was only an exploration.

4404. Had it been explored before at all?—Yes; from the eastern base to Edmonton had been previously surveyed.

4405. Did you follow over the same line that had been previously explored?—No; I took another line further north, with a view to improving it.

4406. Has any portion of the line explored by you during that winter been adopted now as the probable route of the railway?—Yes; a portion of that line between the eastern base and Edmonton, as to the changes we suggested there, north of the line run by Mr. Moberly.

4407. Did you succeed in bringing the train with you to Edmonton?—No; those of the dogs that were still alive I left at Jasper House.

4408. About where did your supplies begin to give out?—Shortly before reaching Jasper House—about fifty miles from there.

4409. On reaching Jasper House were you not able to get supplies?—No; our reason for striking Jasper House was we expected to get supplies from the Hudson Bay Co. there, but we found the post was shut up.

4410. Then did you get any relief before you reached Edmonton? We got a little from the Indians. We got a small supply from them.

4411. The insufficiency of the supplies, as I understand you, arose not from defective arrangements at the beginning, but from unusual storms and unfavourable weather?—Yes; from unfavourable weather, and the roughness of the country generally, which delayed our progress.

4412. About what time did you reach Edmonton?—About the end of March.

4413. Did you break up the party there?—There were three Indians with me when I arrived there. Two of them I sent back to British Columbia, and I proceeded with my two assistants and another Indian to Winnipeg.

4414. About what time did you reach Winnipeg?—I arrived here about the 23rd of May, 1875.

4415. Were you employed after that on the Pacific Railway?—No; I proceeded then to Ottawa, leaving my assistant here, and made my report to the head office at Ottawa, but owing to the lateness of the season all the parties had been appointed for that season's work but one, and that one was at Tête Jaune Cache. Mr. Fleming asked me to

go there, but I declined as I did not wish to go to the mountains again. In the following June, I left the Government service.

4416. Besides having made this survey of the country south of section 14 in 1871, have you travelled over the country still further south?—Yes; travelled over the country due east from Winnipeg.

**Railway Location—
Contracts Nos. 14 and 15.**

Had travelled over the country east from Winnipeg.

4417. About what time was that?—I think that was in the spring of 1872, previous to starting on our season's work for 1872.

4418. In what way did you travel over it?—On foot.

4419. Was that north of the travelled road which you have spoken of?—Yes.

4420. What is that travelled road called?—It is generally called the Dawson road.

4421. You say that your direction was due east from Winnipeg?—Yes; the country that I saw would be about due east for fifteen or twenty miles.

4422. And then?—And then south to the Dawson road.

4423. So that your knowledge of the country between the Dawson road and the line which you ran in 1871 would be only to the extent of about fifteen or twenty miles?—That is all, in that immediate neighbourhood; but further east again I know more of the country south of the line.

Extent of his knowledge of the country.

4424. Do you mean north of the Dawson road?—Yes; in the neighbourhood of Cross Lake.

4425. Upon what occasions were you enabled to gain information about that country?—On various occasions on my surveys—travelling over the country with supplies for surveys.

4426. Have you travelled over it more than once?—Yes; I have been over that country south of the located line three different times.

4427. Have you, upon those occasions, considered the question whether there was a more feasible line than the one that has been adopted?—Yes; I have always considered it would be a better line south.

To the south better line than that located.

4428. Do you mean, looking at it from an engineering point of view?—Yes; I never was appointed officially to look at it, but my impression was such after travelling over it, that I reported that, in my judgment, a better line could be got further south.

4429. Do you remember whether that was a written report or a verbal communication?—I imagine that it was embraced in my written report to the engineer. I know that I mentioned it frequently in my conversation with Mr. Rowan.

4430. You think you also alluded to it in your official report?—I think so.

4431. From what point on the present line would you diverge to the south?—A very little west of Rat Portage it would leave the present line.

Would diverge from present line at a point west of Rat Portage.

4432. Have you ever considered the cost of a line over that section?—Not independently. I have gone over the matter with Mr. Carre, the late Division Engineer on that section. We have discussed the

On the subject of location co-incident with Carre.

**Railway Loca-
tion—
Contracts Nos.
14 and 15.**

A large saving
would have been
made by taking
line south—in
round numbers
\$500,000.

Still of opinion
that \$500,000
might have been
saved.

Formed opinion
as to relative
advantage of line
as early as 1872.

Witness thought
line should run
south-west from
Keewatin to
Shoal Lake, and
thence due west
to Winnipeg.

question frequently. His impression, I believe, coincided with mine as to the location.

4433. What is your impression as to the comparative cost of the present line and the line you consider more feasible?—I consider that there would be a large saving by taking the line to the south. The line would run a shorter distance through the rough country. The trend of the rough country is north west and south-east, consequently the further south your line is the sooner you get out of the rough country.

4434. Did you name the point at which you thought a deviation might have been made with advantage?—Yes; starting from a little west of Rat Portage.

4435. In round numbers what saving could have been effected if that line had been adopted instead of the one located?—We used to speak of it in round numbers at half a million of dollars at the time the contract was let.

4436. Do you still retain that opinion?—I do. I know nothing of contract 15 from actual exploration, but since work has been commenced, and from what I have heard of it, and seen of the profiles, I believe a large saving could have been effected.

4437. But without depending on rumours or any kind of hearsay data, what would your opinion be about the comparative cost of those two lines?—My opinion is, as I have stated just now. Of course I had to depend on hearsay for the amount of the contract that was let to Mr. Whitehead.

4438. Assuming the contract cost to be \$2,500,000?—Assuming it to be two and a half millions, I think half a million could have been saved by adopting this line.

4439. Had you formed any opinion on that subject before the contract was let, as to the probable cost?—I had formed my opinion as to the relative advantage of the two lines in 1872 and made my report on it, but not as to the cost, as I did not go in for cost. But with regard to the practicability of the two lines, I was altogether in favour of the south line.

4440. Is not any line practicable if money is no object?—Almost. It was simply that the question of cost did not arise in those days.

4441. When you say "practicable," do you mean a less expensive road to build?—Yes; less expensive to attain the same object.

4442. More practicable in a pecuniary sense as well as in an engineering sense?—Yes. I always had in view that the line would run south of the point I have indicated. It would run south-west from Keewatin, until it got to the latitude of Shoal Lake, and from there due west, as near as might be, as passing over a good country. From Keewatin to Shoal Lake, and from there direct to Winnipeg, as being the most direct and most easiest road to construct.

4443. Are you of the opinion that you would be more likely to get direct local traffic?—Yes; I am of the opinion that it would cause the road to pass through a good country for thirty miles, capable of being settled, whereas on the present constructed line the country is not fit for settlement.

4444. From the map, does it not appear that the length of the southern line would be greater than that of the located line?—To what point?

4445. To Red River?—No; it would be shorter. If I remember right I scaled it on the map, and found it to be shorter.

4446. I have an idea that in your former evidence before the Parliamentary Committee, you considered it would be three or four miles longer to Winnipeg?—My impression is that it would be shorter.

4447. But to Red River as an absolute terminus, what do you think?—I still think it would be a shorter distance, but it would shorten the through line as a whole, and I think that a portion of the saving in distance would be effected east of Red River, the common point being Keewatin.

4448. Returning again to the cost of exploring through the British Columbia country, and the country east of Red River: have you formed any opinion of the comparative cost of the length of the service? For instance, would any given length in British Columbia cost less to be explored than the same length in Keewatin district—purely a preliminary survey?—No; the average would be the same all over the continent.

4449. The average per mile would be the same?—Yes; with the exception of the prairie section, the average cost—whether you use canoes, mules, or dog-trains—would be the same for flying explorations.

4450. How would it be for instrumental surveys?—Always excepting the prairie sections, I think the instrumental surveys in British Columbia would be most expensive.

4451. For what reason?—As a matter of fact I know that in the case of my own parties they were more expensive. I judge from that as much as anything. I know that wages are very much higher in British Columbia, for one thing. Wages for axe men are 50 per cent. higher there than in this part of Canada. We had to give \$45 there, and only gave \$30 here.

4452. Do you remember what was the general character of the line which you surveyed in 1872 from Eagle Lake to Sturgeon Lake?—It was a favourable line for a railway. It was altogether through Laurentian formation, simply a rolling, rocky country interspersed with small lakes, but presenting no insuperable difficulties for railway construction.

By Mr. Keefer :—

4453. Much the same as contracts 41, 42 and 25?—I do not know those contracts by their names. It is very much lighter than the piece immediately east of Rat Portage.

4454. It was pretty near the summit, was it not—the height of land?—No; the height of land was this side of Eagle Lake. In that exploration we were altogether on the north side of the height of land. We did not cross it, and must have been some distance north of it.

By the Chairman :—

4455. Is there any other matter which you think would give any information on this subject?—No; I do not know of anything else. I have described to you all the country that I know from my own

**Railway Location—
Contracts Nos. 14 and 15.**

Comparative length of line.

Surveys.

Average comparative cost of surveys.

Excepting prairie average cost the same all over the continent for explorations.

Instrumental surveys would be more expensive in British Columbia.

Eagle Lake to Sturgeon Lake.

Character of line from Eagle Lake to Sturgeon Lake.

Explored on north side of the height of land.

**Railway Location—
Red River to
Edmonton.**

A better line
north of the
Saskatchewan.

experience and observation, with the exception of the western country between here and Edmonton, over the prairie region.

4455. What would you say about that?—The only point I would make about that is with regard to the location of the line: that the line could be, in my estimation, brought over a very much better location in another direction than the present one, between the end of the work at present going on and what is known as the second hundred—in fact between the crossing of the Assineboine and Edmonton. The line keeps south of the North Saskatchewan. It crosses the south side of the North Saskatchewan and keeps the south side all the way. By keeping north of the North Saskatchewan, and crossing it below the Forks, it would be a better line.

Would pass
through the
Moose Hills.

4457. About how far below the Forks?—Very near the Forks. It would pass through the Moose Hills.

By Mr Keefer:—

A fine country.

4458. It is through the forest?—It is a woody country—a very fine country. I understand that the proposed location from Battleford to Edmonton is through barren waste. It is so reported to me by the Indians and others in this section of the country.

By the Chairman:—

4459. You have not been over both lines?—No.

4460. Then your actual knowledge is confined to the north line?—Yes.

4461. Your other information, you say, is derived from the Indians?—Yes.

North line a favourable country, and would save the bridging of one branch of Saskatchewan.

4462. And you believe the north line to be over a very favourable section of the country?—Yes. I have seen a good deal of it, and I understand it to be a very favourable section of the country. It certainly saves the bridging of one branch of the Saskatchewan.

By Mr. Keefer:—

4463. You would not go to Edmonton at all?—No; I would pass immediately north of Edmonton. The best settlements are north of Edmonton, and I should judge from that that the best land is there.

By the Chairman:—

Reported these views to Marcus Smith.

4464. Have you reported your views about that north line to the authorities at Ottawa?—I think I have to Mr. Marcus Smith.

4465. In writing?—No; not in writing, but in conversations on various routes.

Red River Inundations.

4466. Have you given the question of inundations caused by the rising of Red River any consideration?—Yes; I have.

Instructed to report on most favourable crossing.

4467. Have you made any report on that subject to the Government, or have you assisted in any way in making a report?—I have only made reports of my own from actual surveys, and cross-sections of the river. In the spring of 1872, after we came in, I was instructed to report on the most favourable crossing of Red River.

4468. From whom did you get your instructions?—From Mr. Fleming.

4469. At what time of the year was that?—In April, 1872, I think,

**Railway Location—
Red River Inundation.**

4470. Did you make any examination?—I did; I made a survey from above the Forks of the Assineboine down to Lake Winnipeg, and I gathered all the data that was then available, with regard to the inundations that had previously taken place.

4471. Do you remember from what source you gathered the information?—From the inhabitants; chiefly those who had witnessed the facts. My principal information was received from Archbishop Taché, from his personal experience, and also from Mr. McDermott, and from old settlers here.

Sources of information regarding inundations.

4472. Did you take evidence?—Yes; I took evidence at several points.

4473. What was your judgment upon the subject?—I found that the area covered by the flood water had been diminished every time a flood had taken place. It had been so diminished that I judged no flood of the country outside of the river banks would ever occur. The channel is much wider, and less rainfall goes into the river as the country gets opened up and settled. There are several causes why the volume of water reaching the river could not be so large now as in former years. Settlement has a great deal to do with it. Ploughed land absorbs a great deal of the water which in previous years used to run from the surface of the prairie. The rainfall also seems to be lessening as the country settles up, and the action of the water in the breaking up of the ice in the spring is felt with considerable less violence than it used to be. That is to say, the spring is more gradual, and owing to the fact that the ice is more rotten, as it were, before the breaking up of the winter, there is less danger of the ice jam occurring which caused the last flood.

Result of investigation, area covered by flood smaller each time. Channel of river much wider. Less rainfall goes into the river as country gets opened up and settled.

4474. Do you remember where the ice jam took place which caused the last flood?—It is said to have taken place at Point Douglas, about two miles below the town.

Last ice jam took place at Point Douglas.

4475. Has not the country been inundated further back than that?—Only the overflow. I understand that the water was then backed up at the present site of Winnipeg, and flooded the prairie, but not to any great distance. I believe that the people of St. Andrews did not remove from their houses at all.

4476. Did you endeavour to ascertain whether the portions of the river that are confined by the firmest banks have widened of late years, or whether the widening has only been at other portions of the river?—I know that the whole river has been widened, both in the wide and narrow portions.

The river widened throughout.

4477. Are the narrow portions confined by rock sides more than the others?—Yes; and consequently the widening is not so great.

Narrow portions confined by rock. Therefore widening not so great, still it goes forward.

4478. It proceeds there much more slowly?—Yes.

4479. Still you think the widening goes forward?—Yes, I think so; all along the river.

By Mr. Keefer :—

4480. Do you think it would be a difficult thing to remove the rock which makes the jam down below?—I think not.

Not difficult to remove rock.

4481. Is it the rock in the river, or the rock at the sides of the river, which prevents the channel widening at those points?—At one place

**Railway Location—
Red River Inundations.**

Stone Fort.

it is from the rock in the river—at St. Andrews. There are boulders in the river and gravel formation on the banks. At the other point—at the Stone Fort, where the rock is *in situ* on the banks—the channel is deepening.

By the Chairman :—

4482. At that point is there no rock in the river?—No; no loose rock, or anything of that sort.

By Mr. Keefer :—

Rock formation extends all the way across river at Stone Fort.

4483. Do you think the rock formation extends all the way across the river at Stone Fort?—I think so. I know from actual observation that opposite the town of Winnipeg the river has widened over fifty feet in the last nine years, from surveys made here.

Rock stratified limestone.

4484. Do you know if the material of that rock is limestone or granite?—It is limestone altogether.

4485. Stratified limestone?—Yes.

By the Chairman :—

River crosses a greater area at Rapids than in 1872.

4486. Have you noticed any widening in the rock localities since you were here first?—Yes; I have observed a little washing away in the banks, but not very much. I am under the impression that the river now covers a greater area at the Rapids than it did when I made my surveys in 1871 and 1872.

4487. Do you think that the bed is lower?—I think that the channel at both those points is washed out, because navigation is much easier now than it was then. Steamers were not at that time able to pass at those points at some seasons, but now they are able to pass all summer. I think that the water has reached its usual level and that the channel is washed out. There must be a large amount of deposit carried down by the river, because the bar at the mouth is very rapidly increasing in size, and that all comes from the upper reaches of the river.

By Mr. Keefer :—

River never runs clear.

4488. Does the water of this river ever run clear?—I do not think so.

4489. Not in winter time?—To a certain extent the water is clearer in winter than in summer.

4490. Then it must always be carrying down a certain portion?—In the winter none of the bank is carried away, and the action of the water then scours the channel. Under no ordinary circumstances would a flood raise the water over the level of the city here.

By the Chairman :—

Line north of Lake Manitoba.

Comparative merits of lines north and south of Lake Manitoba. Line south of Manitoba preferable for construction and settlement.

5491. Have you ever traversed the country north of Lake Manitoba?—No; I have not.

4492. Have you formed any engineering opinion as to the expediency of running the line through Selkirk, and north of Manitoba, as compared with the line through Winnipeg south of Lake Manitoba?—I certainly consider the southern line a much more preferable line both for construction and settlement for agricultural purposes.

4493. Then as to working expenses?—The working expenses would depend on the length of the lines. The working expenses per mile would be the same on either line.

**Railway Location—
Line north of
Lake Mani-
toba.**

4494. That element would depend altogether on the mileage?—Yes; it would depend altogether on the mileage. I consider there would be no difference in working the line in the north than in the south. The maintenance of the permanent way might be more expensive in the north, because of the undesirable bottom to be met with.

4495. Do you think that the preference for the southern line ought to be a very decided one, or is it a question upon which people ought to be divided?—No; I should see no reason at all myself why a preference should be shown to the northern line.

4496. Are you speaking now from an engineering point of view, or from the fact of having an interest in this locality?—I am speaking from an engineering point of view as well as from having an interest in the country. I think it can be clearly shown, because after the line had been located there was no settlement along the route to the north, simply because no settlement could take place in a country that was nearly all swamp; whereas the western portion of the province, and the country adjacent thereto, between here and the point south of Lake Manitoba is becoming better settled all the time, and filling up rapidly. Then I think that the southern line would be cheaper to construct. With regard to one point, the crossing of Red River, an enormous outlay would be required to make a satisfactory crossing at Selkirk—very much more than a bridge could be built for at one or two other points on the river that could be named.

**Southern line
better on engineering and
economic grounds.**

**Crossing at
Selkirk would
involve large
outlay.**

4497. In round numbers, what difference do you think could be made in such a crossing?—I should think that there would be about double the cost. I think a bridge could be built at a point near the rapids on the Red River for \$150,000, and at Selkirk it will cost \$300,000.

**Cost of a bridge
near the Rapids,
\$150,000; at
Selkirk, \$300,000.**

4498. Is this a matter to which you have given much consideration?—With regard to the cost of bridging Red River, I am now in charge of the construction of a railroad bridge which is being built here across Red River by the city of Winnipeg.

4499. Have you, as an engineer, given much consideration to the general direction of the line, whether it should be north or south of Lake Manitoba, or is that a matter upon which you are expressing your opinion now without much consideration?—You mean with regard to the direct through line?

4500. Yes?—It probably would be more direct going by the Narrows of Lake Manitoba.

4501. I am speaking about the expediency, from an engineer's point of view, of building the north or south line as a whole?—I should certainly say the south line by all means.

**South line more
expedient on engineering grounds.**

4502. Is that your opinion without giving it much consideration?—No; I have gone very closely into the question of the relative merits of the two lines, and I am satisfied that the one adopted west of here—that is, passing south of Lake Manitoba—is the better line of the two. It will be the better line to construct from an engineering point of view, the easiest and cheapest to maintain, and it will produce the

**Railway Loca-
tion—
Line north of
Lake Mani-
toba.**

most local traffic. There will be little or no local traffic on the northern line at all.

4503. From what you have said about your employment on the Pacific Railway, I suppose this is a matter which you have been called upon at one time to report on officially to the authorities at Ottawa?—With regard to the line west?

4504. Altogether? This too?—No.

4505. You have never made any official report on these lines?—No; but I have given evidence before the Committee of the Senate. I have never made any report upon it.

**Red River
Crossing.**

Reported on the
survey of the
river.

4506. Did you make any written report of the survey of the river to which you have alluded?—Yes; I have made reports of that.

4507. Was that report made to Mr. Rowan?—No; I think it was made direct to the Chief Engineer.

By Mr. Keefer :—

4508. Was it printed in the report of 1872?—No; Mr. Fleming only refers to the Stone Fort, in a foot note, as the crossing of Red River.

By the Chairman :—

4509. What point did you recommend as being the most feasible?—The point I recommended was immediately below the rapids at St. Andrews.

Point recom-
mended for cross-
ing about six
miles above the
Stone Fort.

4510. Do I understand that you are of the opinion that Mr. Fleming had adopted your suggestion about the Stone Fort crossing up to the time he made the report in 1874?—My suggestion was not the Stone Fort, but at a point above that, the St Andrews Rapids.

4511. How far above the Stone Fort?—Probably six miles.

4512. That is south of the Stone Fort?—Yes; I purposely made enquiries when I came here first about the navigation of the river, and it was owing to the rapids being impassable part of the year that I located it north of the rapids, so that vessels could come from Lake Winnipeg to the crossing without meeting any obstacles to navigation. I am of opinion that that is the best point in Manitoba to cross the Red River, from an engineering point of view.

Fourteen miles
from Winnipeg.

4513. How far is that from Winnipeg?—It is about fourteen miles. At the same time we found a very satisfactory crossing here, at Point Douglas, where we are building the bridge at present; but that is open to the objection of being above the rapids. You must remove the rapids, or obstructions, before you can have the advantage of the navigation of the river to Lake Winnipeg. The crossing at the rapids has the recommendation of being accessible to the navigation of the lake, and of being the best crossing from an engineering point of view. The banks are high on both sides, the crossing narrow, and the formation is limestone and gravel. But, as I stated previously, the rapids are not now considered such an obstacle as they used to be. They were considered an obstacle when we first made the location here, but now it has been proved by the experience of several years that the steamers run over the rapids until very late in the season.

Advantages of
the point recom-
mended.

4514. Have you formed any opinion of the reason why Selkirk was adopted as the crossing place for the railway?—I believe that was the reason alleged—that it was accessible to the lake.

**Railway Location—
Red River Crossing.**

Reason why Selkirk was chosen as the crossing place.

4515. Have you formed any opinion of other reasons which are not alleged?—None but my own private opinions. In fact the reason I have given is the one that was given by Mr. Fleming when I asked him why he located the line further north.

4516. But if there are any other reasons, such as motives of individuals, it is our duty to ascertain them, and I am asking you whether you have reason to consider that there were other motives besides engineering motives?—No; it is hard to say what reason could be alleged in favour of that crossing, other than a nominal one. It certainly was on a more direct line, when it was intended to take the road north of Lake Manitoba. The further north you get on Red River the more direct your line would be. That might have had some influence on the decision.

WINNIPEG, Friday, 17th September, 1880.

JOHN J. McDONALD, sworn and examined:

McDONALD.

By the Chairman:—

**Tendering—
Contract No. 42.**

4517. Have you been interested in any transaction in connection with the Canadian Pacific Railway?—I am interested in contract 42.

Interested in contract 42.

4518. Was that the first in which you were interested?—Yes.

4519. When did you first become interested in that transaction?—The work was let a year ago last March. I was one of the parties who tendered for the work then with Mr. Manning, Mr. Shields and others.

4520. Were you connected with Manning & Shields in tendering for the contract?—Yes.

Tendered with Manning and Shields.

4521. Was your tender accepted?—No.

4522. Then how did you become interested in the contract?—We tendered for the work, and we afterwards went in with Grant, Fraser & Pitblado, whose tender was accepted.

Went in with Grant and Pitblado.

4523. Did you make any arrangement with them before you knew whether their tender was accepted or not?—Yes; we arranged with them that in the event of the contract coming to them we would go in with them. There was a regular agreement drawn up between us. Shields, Manning and myself signed an agreement with them to that effect.

4524. Have you any copy of that agreement?—No.

4525. Do you remember a letter having been written by Fraser, Grant & Pitblado to the Minister of Public Works, to the effect that you were to join them?—Yes; there was a letter written.

Letter from Fraser & Co. to Department saying witness and his friends were to join that firm.

4526. Was that the agreement you referred to?—I think the letter was sent by us all. I know there was a letter sent to the Minister of Public Works to the effect that in the event of the work being awarded to them, Shields, Manning and myself would be associated with them.

4527. Was that the only document embodying your agreement with Fraser, Grant & Pitblado?—That was the only one until our articles of partnership were made out—that I know of.

**Tendering—
Contract No. 42.**

Morse & Co. supposed to be the successful tenderers.

4528. At the time of your making that agreement with them, who was supposed to be the successful tenderer?—Morse & Co., of Toronto.

4529. Was that before the tender of Andrews, Jones, & Co. had been accepted?—Yes; we were speaking to Grant and Fraser in the event of it coming to them. Arrangement was made between us, verbally, before this letter was sent in—some days before.

4530. Had there been any document embodying that agreement?—No.

4531. Then you had arrived at an understanding before this letter was written?—Yes; a verbal agreement.

When agreement was made with Fraser & Co., Morse & Co. supposed to be the successful tenderers.

4532. Was it a positive agreement?—Yes; in the event of the work coming to them, we could go in with them.

4533. You say, at the time of this verbal agreement, Morse & Co. were supposed to be the successful tenderers?—Yes.

Morse & Co. failed to put up security.

4534. Did you then know whether Morse & Co. had got the offer of the contract?—They did not put up the security, I understand. They were too low in their figures, and could not even furnish the necessary security.

Tender of Andrews, Jones & Co. next.

4535. Then who next were offered the contract?—I think some American firm, Andrews, Jones & Co.

4536. Was that the only other tender next below that of Fraser, Grant & Pitblado?—I believe there was another one below Fraser's, but the check accompanying it was not marked good when it went in—so I understood.

4537. But, as I understand, you were led to expect that the tender of Andrews, Jones & Co. was the one which would be accepted below the one of Fraser, Grant & Pitblado's?—Yes.

Andrews, Jones & Co. supposed to be strongly backed.

4538. Then you had become interested in the transaction before Andrews, Jones & Co. were reached?—Yes; we thought that Andrews, Jones & Co. would go into it at the time, because they were supposed to have a large New York firm backing them.

4529. Were you at Ottawa about that time?—Yes; I was there all the time.

4540. Was there any person then there representing Andrews, Jones & Co.?—I never met any one; there may have been, but I do not know it.

4541. Do you know if Mr. N. F. Jones had been there?—There is a Jones from Brockville—a young man who used to be with Mr. Shanly at one time—but whether these are his initials (referring to a paper shown him by the Chairman) I cannot say, or whether he was interested in the contract. He is an engineer.

4542. Do you say that you are not aware of any person having been in Ottawa about that time representing that firm?—I do not know it myself as a fact; I did not meet even Morse & Co. For a long time I did not know who was representing the contract.

4543. Were there any others of your firm at Ottawa at that time?—Mr. Shields was there most of the time with me; and sometimes Mr. Manning.

4544. Did you take any part in the negotiations with either Morse & Co. or Andrews, Jones & Co., or with any one for them?—None whatever.
4545. Do you know who did negotiate with them on behalf of your firm?—No; I do not know that there ever was any negotiation between them and a member of our firm, or any one on their beha'f.
4546. Were there any negotiations in the shape of conversations with any one connected with your firm and any person connected with the Department?—No; not that I am aware of.
4547. You mean that you never heard of any interview between any member of your firm and any one in the Department?—I never did, Sir.
4548. Do you know what time was given Morse & Co. to put up their security after their tender had been accepted?—I forget at present; but I know they had considerable time to do it in.
4549. Had the next firm, Andrews, Jones & Co. the same time given them?—I do not know what time they had, they had some time to put money up, and I believe that Morse was trying to put up the money for Andrews, Jones & Co., and tried to negotiate to get into their tender and drop his own, but the Government could not entertain such a thing as that. That was what was reported at the time.
4550. Did you understand that the Government would not entertain such an arrangement as that?—I heard so.
4551. How did you hear that?—I am not prepared to say. We generally got all the news round the Russell Hotel, as it is there we generally get all the information we receive.
4552. I understand you to say that there was some negotiation with the Government on behalf of Morse & Co?—I was told that they went to the Department, and of course it would not be entertained at all. It would not be allowed.
4553. You say you do not know what time was allowed to Andrews, Jones & Co. to put up their security?—Not at present. I did know. I think it was five or eight days, or something like that—I forget exactly; but I know there was a certain time given to them to do it in and they failed. We got three days to put up.
4554. How did you get notice that you had three days?—Our firm was notified that our tender was accepted and we had got three days to put up.
4555. When you say your firm you mean Fraser, Grant & Co.?—Yes; we were associated with them.
4556. Did you put up your security in time?—Yes.
4557. Did you put up your security in equal shares?—No. Fraser, Grant & Pitblado put up one-half, and Manning, Shields and myself put up the other.
4558. Have you been in the same business before?—Yes.
4559. With the Government?—Yes.
4560. Where?—On the Intercolonial Railway.
4561. What was the amount involved in your contract?—Somewhere near \$600,000 or more—\$900,000. I had two contracts.

**Tendering—
Contract No. 43.**

Took no part in negotiation with either Morse & Co. or Andrews, Jones & Co.

Aware of no negotiations between a member or members of his firm and any person connected with Department.

Believes Morse & Co. tried to put up the money for Andrews, Jones & Co., but this an arrangement the Government would not entertain.

Refuses to say how he got this information.

Time given to put up security.

Security put up in time.

Had been employed on the intercolonial railway.

Extent of contract and form of security.

**Tendering—
Contract No. 42.**

4562. Were you required to put up any deposit?—No.

4563. Nothing to secure the fulfilment of your contract?—We had to give two bondsmen as security.

4564. And no money security?—No.

4565. Was the security by way of bond given after you executed the contract?—No. When we entered into the contract we had to give bonds; the men acting as bondsmen signed the contract with us.

**No time allowed
for furnishing
the bondsmen.**

4566. Was there any time allowed after you got the contract in which to furnish bondsmen?—No; we gave the names in at the time we signed the tender. The tender had to be signed by two responsible parties willing to become security.

4567. Have you had any experience in contracts where the security for the fulfilment of a contract was in the shape of a money deposit?—No; not until this present contract.

**Believes reason-
able time given
in all cases.**

4568. So you are not able to say whether the time given to any of the parties tendering for this contract was what would usually be considered a reasonable time or not?—I believe it was a reasonable time.

4569. I am asking whether you know from your experience that it was a reasonable time?—No; I do not.

4570. Do you say you think it was a reasonable time that was given to Andrews, Jones & Co.?—Yes.

4571. Do you know how much time was given them?—I do not know exactly.

4572. Then how do you form an opinion that it was a reasonable time?—We did form an opinion at the time that they had all the time they ought to have. Of course I might think so, being the next lowest tenderer and expecting the contract would come to us.

4573. Are you sure that you knew the time then that was given to them?—I would not be positive. I believe we knew the time, but I would not be positive of it.

4574. But you do not remember now what time you thought had been given?—No; I do not remember.

**Bought out
Fraser, Grant &
Co.**

4575. Have you still—I mean your firm—an interest in the contract to the extent of one-half, or more?—We have bought out Fraser, Grant & Pitblado. I bought them out and took in new men with us. I bought them on behalf of the firm.

**Other partners
taken in.**

4576. You have taken in other partners instead of Fraser, Grant & Pitblado?—Yes.

4577. Who are they?—Alexander McDonnell, James Isbester and Peter McLaren.

4578. So that the whole firm still comprises the same number of individuals?—Yes.

**\$52,500 paid for
half interest of
Fraser & Co.**

4579. What was the price of their half interest?—\$52,500.

4580. Was that beside any profits that had been made up to that time?—No; that was to cover everything except their expenses up to that time.

Tendering—
Contract No. 42.

4581. Does that amount cover their expenses?—No; I think the bond says that their expenses up to that time were to be allowed. I have not seen the bond for a year.

4582. Then your impression is that you agreed to give them a bonus of \$52,500 over and above their expenses for their half interest in the contract?—Yes.

4583. That would be calculating the whole value of the contract at \$105,000?—Yes.

4584. Are you aware of any other bonus or gift to any one to enable you to get this interest in the contract?—There is an interest that Mr. Manning and Mr. Shields have agreed to give a certain party who signed in the contract in Toronto. I have nothing to do with it. Interest of D. G. Close.

4585. Do you mean it is a share of their interest?—It is not settled yet between the firm what shape it is to be in, but we have nothing to do with it now.

4586. You must make that more plain to me; I do not understand you. Do you mean that Manning and Shields agreed to give some person a share in this contract?—They agreed, if it came to them, to give a certain share in the contract. I believe Mr. Manning and Mr. Shields expect the whole company to stand to it; but it is not settled yet. Close was to have a certain share in the contract.

4587. Has there been any dissent by the other members of the company from this action on the part of Mr. Manning and Mr. Shields?—There was partly, during Fraser & Grant's time; but it has never come to be under the new arrangement.

4588. What was that share given for?—You will have to ask some person else; I was not there.

4589. But your partners have explained to you what it was given for?—I understood it was one of the bondsmen for Morse & Co. He was satisfied that they were too low, and he said if he would withdraw his bond from them it would be brought to us, that they would give him this interest; that is all I know about it. Close one of the bondsmen for Morse & Co.

4590. You mean that is the account your partners gave you of it?—Yes; I believe that to be a correct account, so far as I know.

4591. Have you had any conversation with the individual himself on the subject?—I had not, up to the time the contract was let; but I think I met him once in Toronto since. He wanted to know in what shape the contract was to be in, and I told him I knew nothing about it. Had met Close in Toronto, who wanted to know in what shape the contract was to be.

4592. Did he give you an account of his views of the transaction—I mean, what he contended was coming to him?—No, I don't think he did; no more than he told me what he expected to get.

4593. What did he say he expected to get?—The interest they agreed to give him.

4594. What interest was that?—A twenty-fourth part of the profits of the contract, whatever it would be. Extent of Close's interest.

4595. Who was the individual?—Mr. Close.

4596. Does he live in Toronto?—Yes; he is a merchant there.

4597. Was it Mr. Manning or Mr. Shields, or both, who arranged this matter with Mr. Close, according to their account of it?—Both of them.

**Tendering—
Contract No. 42.**

Morse & Co. failed to put up the security.

4598. You say Morse & Co. failed to get the contract, because they could not put up the security?—They failed to put up the security. I think, when this arrangement was made, it was when Morse was trying to get in with Andrews, Jones & Co. I told him that he should not do it, because no Government would allow a low tender to go in with parties in a higher tender. That was my view of it.

4599. Do you say you never made any negotiations with any one, on behalf of Andrews, Jones, & Co.?—No.

Andrews, Jones & Co. did not do their best to put up security.

4600. Do you think they did their best to put up their security?—I do not think they did.

4601. Why not?—Because of what I heard at Ottawa at that time, Andrews left for New York and did not bother himself, and the security that was put up was put up by Morse, who expected that, if they got the contract, he would be allowed to go in with them. I believe the New York firm was perfectly able to put up the security if they wanted to.

Andrews, Jones & Co. backed by Smith, who was reputed very wealthy.

4602. Who did you hear was able to put up the security?—Andrews, Jones & Co. They were backed by a man named Smith, who was reputed to be a very wealthy man.

4603. There was no question about the solvency of the firm?—No, but they considered the prices too low; and it was not expedient to fulfill the contract.

Sources of information.

4604. Do you remember who you understood that from?—No. I talked over the matter with so many that I do not know who it was. I was there to get all the information I could from any person I could meet.

4605. Would you judge it to be reliable information?—It would depend upon the party I got it from.

4606. I suppose information from some one connected with the Department would be more reliable than from an outsider?—Sometimes it might, and sometimes it might not. I might meet some person outside who I would not hesitate to ask.

By questioning one person and another might find out something.

4607. Which of them?—I would ask Mr. Chapleau, if I met him, or Mr. Townsend, who is now on the Welland Canal, or Mr. Douglas. Sometimes I might find out something, but nothing I could go and base any figures on.

4608. You say sometimes you might find out something?—Yes; I have been twelve or fourteen years tendering, backwards and forwards.

4609. And sometimes you succeeded?—I do not know; I never got but two contracts.

More information got at Russell House than anywhere else.

4610. I am speaking of getting information?—I think we got more information around the Russell Hotel than anywhere else. There were some parties better posted there than others.

4611. Who were the parties best posted?—There was A. P. Macdonald, I could get a good deal of information from him; and there was Mr. Goodwin; we could get a good deal from them. Then there was John Heney, who might tell some things—we could find out from him.

4612. Did you ascertain that the information you had from those whom you have named was, as a rule, reliable?—No; not particularly.

**Tendering—
Contract No. 42.**

4613. Do you mean you got information from those men which was not reliable?—No; but there were several lists, supposed to be lists, of tenders which had been put in. Several lists of tenders were about.

4614. Who had these lists?—A. P. Macdonald had one. I got one—a list of five names—from a man named LaBerge, of Montreal; he was a contractor tendering there.

4615. Were these lists supposed to be correct lists of tenders that had been filed in the Department?—They were supposed to be, but I know that some of them were not, because I compared them and they differed.

4616. Did any of them turn out to be correct in the rank in which tenders were placed?—I cannot say. Cannot say whether any of those lists were correct.

4617. Why can you not say?—Because I have not compared them with the correct list. I have never taken the trouble to compare them after the work was let. After the contract was let, the regular list of tenderers was published.

4618. Were these written lists or printed lists?—They were written in pencil generally.

4619. Have you any of these lists that were circulated at that time?—No.

4620. Have you had any communications with any one connected with any of the Departments on this subject, either before or since the letting of the contract?—Not particularly that I know of; no more than if I met any of them, as I am very intimate with them, I would speak to them casually, but nothing particularly. In possession of none of the lists of tenders circulated before award.
Influencing Clerks, &c.

4621. Do you state now, as a matter of evidence, that the only promise, or gift or bonus, from any one of your firm to any person, on account of getting this contract, was to this gentleman in Toronto?—That was all from any person connected with the work. This man Close was supposed to be one of the sureties, and when they got him to withdraw ———

4622. Have you knowledge of anything being given to any person not connected with the work?—Yes; I have promised to give something to a party myself. Witness promised should he get contract to give \$4,000 to Chapleau.

4623. In what shape?—If I succeeded in doing the work I would do something for him.

4624. Have you succeeded in doing the work?—If I succeeded in getting the contract.

4625. In what shape were you to do something?—I was to give him something.

4626. What was the something?—A certain amount of money, if I succeeded.

4627. Where does he live?—He lives in Ottawa.

4628. What is his name?—Chapleau.

4629. Which Department is he in?—He is in the Public Works Department. It was for nothing in the Department that I was to give it to him.

4630. What were you to give him?—\$4,000.

**Tendering—
Cont. act No. 42.**

**Influencing
Clerks, &c.**

Consideration for
which the \$4,000
was to be given.

Chapleau's position in
Railway Department.

The \$4,000 promised
with the hope
that it would induce
Chapleau to influence
Smith not to put up the
money for
Andrews, Jones
& Co.

Has given him
\$500.

Does not know of
a cent to be given
to any one save
Chapleau and
Close.

Firm has not
contributed
anything to news-

4631. Then, according to your promise you would now pay him \$4,000 for having got the contract?—He was a personal friend of Mr. Smith's in New York. He told me that Mr. Smith could not come to put up the money, and I said: "Well, if he does not come to time and put up the security, I will give you \$4,000." Whether he saw Smith or not, I do not know, but I know they were personal friends. He used to stop with him in New York, when he was there. I do not know whether he had any influence over Smith or not; I was led to expect so, as I was told that they were personal friends.

4632. Was there more than one Chapleau in that Department?—No; not in that Department. He is the Secretary of Public Works at present, so it is very easy to know who he is. At that time, he was correspondence clerk, I think, in the Railway Department, or copying clerk, or something, I do not know exactly his position, but he was in one of those Departments, writing all the time.

4633. That was before the change of Departments?—Yes.

4634. So that, at that time, he was connected with the Department which had charge of those contracts?—Yes. He was in the Department, but not in the office where tenders were opened. He had no connection with the Department where the tenders were opened. The tenders never came before him.

4635. You mean that your promise had no effect upon the ranking of the tenders?—No; what I did it for was: if Smith did not appear there (because I knew he was a moneyed man, or I understood so)—if he did not put in his appearance there the others would not put the money up, and I knew Chapleau to be a person I friend, and I asked him if he could do something for me.

4636. Did he inform you that he had any reason for supposing that \$4,000 would silence Smith?—No; he did not lead me to believe that.

4637. It was by way of a proposition?—I do not for a moment suppose that Smith was getting any of this money.

4638. You supposed it was for Chapleau's own benefit?—Yes; if he would influence Smith not to come forward.

4639. From his own personal friendship?—Yes; that is it exactly.

4640. Have you paid any part of this money to him?—I gave him \$500.

4641. No more?—No.

4642. When was that given?—It was given perhaps within the last six months. I cannot say exactly the date. I could find out by hunting up my cheque book.

4643. This spring or summer?—Yes.

4644. Have you reason to believe that any other promise or gift was given on behalf of any one of your firm to any one else?—No; I do not know of a cent to any soul outside of these two.

4645. Have you reason to believe that any one of your firm will hereafter give anything more than this one twenty-fourth to Mr. Close and \$4,000 to Mr. Chapleau?—No. I have not the slightest idea.

4646. Have you reason to believe that any of your firm has contributed to the support of any newspaper or any other indirect means of

**Tendering—
Contract No 42.**
papers to secure
their influence.

influence in your favour?—No; and I think if they did I would know it. I am not aware of anything.

4647. Does anything else occur to you which ought to be stated that would give us knowledge of matters referred to this Commission for investigation?—No.

4648. Have you anything which you yourself wish to say about this matter?—No; not here.

JOHN SHIELDS' sworn and examined :

SHIELDS.

By the Chairman :—

4649. Have you been interested in any transaction on account of the Canadian Pacific Railway?—I have.

4650. Which was the first transaction?—Contract 42.

4651. That is the same contract spoken of by Mr. McDonald, the last witness?—Yes; the same contract.

4652. Do you remember when you first became interested?—I think we made the contract with the Government on the 20th March, 1879. Date of contract, 20th March, 1879.

4653. Were you before that time interested in obtaining the contract?—Yes. When we went to Ottawa, after we had put in our tender, Mr. McDonald, myself and others who are associated with us, met Mr. Fraser, Mr. Grant and Mr. Pitblado, and before I, at least, knew anything of the standing of the tenderers, or heard of the standing of tenderers, except vague rumours, to which we could pay no attention, we made an arrangement that if our tender was the lowest and was accepted they should become our partners, and if theirs was the lowest we should become their partners. They felt that they were incompetent to handle such a heavy undertaking. Arrangements with Fraser, Grant & Co.

4654. Who thought them incompetent?—They stated themselves that they thought they were not sufficiently strong. Fraser, Grant & Co. thought they were not sufficiently strong.

4655. Which of them stated that?—Fraser and Grant stated that.

4656. Were they both at Ottawa?—Yes.

4657. And Pitblado?—Yes; Pitblado was at Ottawa, too.

4658. Then you met the whole of the Nova Scotia branch of your firm at Ottawa?—Yes.

4659. Did they all remain in Ottawa up to the time of letting the contract?—No; I think not. I think that they all went home except Mr. Fraser.

4660. Were negotiations completed before they went home?—The negotiation between them and us was a verbal agreement which was understood between us before they went home. A verbal agreement with Fraser & Co.

4661. What was the substance of that verbal agreement?—Just what I stated, that whichever of our tenders would be lowest the whole six would share. I do not think we even knew what the figures of each other's tenders were at that time.

**Tendering—
Contract No. 42.**

4662. When you became jointly interested in that question, would it not be named between you?—Probably it was afterwards, but I know it was not named previous to that.

Agreement made without amount of tenders being known.

4663. Do you mean that this agreement was made without your knowing the amount of their tender or they knowing the amount of your tender?—I do; distinctly.

4664. If your tender was the lowest were you three strong enough to manage the contract without them?—I do not know.

Does not think three would be sufficient to manage so large a contract.

4665. What was your opinion? Was it your opinion that you were strong enough to manage it without the Nova Scotia firm?—I do not think that three would be strong enough to manage it, because when they went out we took in three other partners.

4666. But they did not know at that time that they were going out, and that you were going to take in three others?—No.

Further reasons for the partnership.

4667. I will ask you what moved your mind when you were tendering? You say it was thought by them that they were not strong enough to manage the contract without taking in partners?—They stated it at the time.

4668. Was that one of your reasons?—I do not think it was.

Thought that if witness's firm's tender did not succeed that of Fraser & Co. might.

4669. Did you mean to mislead me by stating that that was your reason?—I stated that as the reason that they gave us. The reason that I, at least, as a member of the firm, thought that the work was a heavy undertaking, and that it would require a large number, and if we did not succeed with our own tender that theirs might succeed.

4670. Do you mean that it would require six persons or more capital to manage it?—I believe it required all.

The work was of such magnitude as to require a strong practical executive, and large financial resources.

4671. A firm of more than three persons?—I believe it required a very strong business management, a very requisite practical knowledge of the work, and it required a very strong financial firm to do the work.

4672. Did you think you were moving in the direction of obtaining that when you were negotiating with that firm?—We thought so at the time.

The work large enough to have given a sufficient profit to the two firms.

4673. Was that one of the reasons which moved you in this arrangement?—Partially. We thought there was a better chance of getting the work with their tenders and ours combined than with each singly, and we thought in case the work was obtained there was enough for both firms.

4674. You mean enough profit for both?—Yes; enough profit for both of them.

4675. Do you mean that if your firm obtained the contract that it would be to your advantage to unite those other Nova Scotia men with you?—We thought so at the time.

4676. That was one of your motives for the arrangement?—Yes; we thought so at the time.

4677. Were you aware at that time that any person had tendered lower than either you or Fraser & Grant?—Not at that time.

Thinks McDonald mistaken as to the date when

4678. Mr. McDonald's recollection is that it was supposed that Morse & Co. were the successful tenderers at the time?—I have heard

Mr. McDonald's evidence, and I think that he is mistaken. I think it was a day or so after the tenders went in, and I do not think the standing of the tenderers was ascertained at that time.

**Tendering—
Contract No. 42.**
relative position
of tenders became
known.

4679. Can you say how long it was after you made this verbal agreement with Fraser & Grant, that the letter was sent to the Department by them, stating that you were to be associated?—The arrangement was made with Fraser & Grant immediately after the tenders went in—some time in January, about the end of January, I think; and the letter went in, I think, about the end of February or the beginning of March.

4680. You say that the arrangement with Fraser & Grant was completed verbally; do you know of any document embodying it except the letter sent to the Department, of which you have spoken?—None that I am aware of.

No document
embodying agree-
ment, other than
letter sent to
Department.

4681. You say that your recollection of the verbal arrangement is that it was made about the end of January?—Immediately on the tenders being sent into the Department, and before we even knew of the figures—the comparative figures—with regard to the tenders.

4682. Then it was after your verbal arrangement with Fraser & Grant that you were aware of Morse & Co. having been awarded the contract?—Yes.

After arrange-
ment had been
made with Fraser
& Grant, learned
that Morse &
Co. had been
awarded contract

4683. So that as soon as you knew that fact you knew you were interested in Morse & Co. not getting the contract?—Yes; I heard that Morse & Co. were the lowest.

4684. Did you know the persons upon whom Morse & Co. depended as sureties?—I heard Mr. McDonald state now that Mr. Close was Morse & Co.'s security.

P. G. Close, Morse
& Co.'s security.

4685. You say that you heard Mr. McDonald state that now; do you mean that that is the first time you heard it?—I think I did hear it before.

4686. Then why did you point out to me that you heard Mr. McDonald say it?—Because I had forgotten it entirely. I have heard it before.

4687. Then why point out to me that Mr. McDonald mentioned it?—I thought Mr. McDonald was in error until it came to my recollection that I heard he was Morse's security.

4688. How did you hear that?—Mr. Close, I think, told me so himself.

Close informed
witness that he
was Morse & Co.'s
security.

4689. Where?—In Ottawa.

4690. Was Mr. Close down there?—He was.

4691. At that time?—Yes.

4692. Did you see him more than once on that subject?—He stayed at the hotel where I did—at the Russell House.

4693. Did you see him more than once on this subject?—I never saw him on the subject at all.

4694. When was he telling you?—He may have casually mentioned it. We did not take that of any account, a man being security. That was a mere matter of form.

A man being
security not a
matter of great
consequence.

**Tendering—
Contract no. 42.**

4695. I suppose it was considered a matter of substance or it would not be required?—You could substitute other names for security when the contract was made if they were approved of by the Government.

4696. Did you take part in any negotiation with Mr. Close upon the subject of his being surety for Morse & Co.?—No.

4697. Who managed the negotiation?—There was no negotiation with Close upon the subject of his being surety for Morse.

Relations with
Close.

4698. Do you mean on the subject of his not being surety?—I mean that Morse had about six weeks in order to put up the sureties. Their tender was before the Department about six weeks, and after their tender was thrown out, and another called upon, Mr. Close came to Mr. Manning and myself and said that he would get an interest with Andrews, Jones & Co., and that upon certain conditions, such as putting up security with us and finding working capital, we agreed to give him an interest with us if the work was obtained for us. But Morse & Co. were entirely out of the question; their tender had been disposed of previous to that—at least, for some time previous—and Andrews, Jones & Co. had been called upon to put up their securities at that time.

Morse & Co. out of
the way, and
Andrews, Jones &
Co. had been called
on to put up
their securities.

Agreed upon certain
conditions
that Close should
have an interest
in contract.

4799. You thought that Mr. Close might assist in putting up the security for Andrews, Jones & Co. at that time?—We did not know but what he might. He said he could obtain an interest in their contract, and we agreed, upon certain conditions, that he should have an interest in ours—that is, putting up his securities and doing his part of the work, &c.

4700. Do you mean to say that as an equivalent for the interest which he would lose by Andrews, Jones & Co. not getting the contract, you offered him a share in yours?—Not altogether.

4701. If not altogether, in what respect?—Mr. Close stated that he could get an interest in it if he were disposed. Mr. Close would probably have got an interest in our first tender—he might have got an interest in our first tender had we got the whole of the work for section C; we were very favourably disposed to him.

The names in
tender for the
whole work (C)
did not represent
all those who
would have been
interested. Had
whole work come
to them Close
would probably
have been inter-
ested.

4702. How do you mean that he might have got an interest in contract C?—Because although we tendered, the tender does not represent all the names interested in the first tenders, and had the contract come to those tenders for the whole work, as at first arranged, the probabilities are that he would have had an interest in those tenders.

4703. Why do you say it was probable he would have had an interest?—Because it was understood.

An understand-
ing that Close
should have an
interest.

4704. Understood between whom?—Between some of the parties that he should have an interest.

4705. Some of which parties?—Myself and others.

4706. What others?—I have no particular recollection now, but I think his name was mentioned to McDonald and Manning.

4707. You think it was mentioned to them?—Yes.

4708. What makes you think it was mentioned to them?—I have a recollection that it was discussed.

4709. Were you present when it was mentioned to them?—I have no distinct recollection of discussing the matter at that time, but there

Tendering—
Contract No. 44.

was a large number of parties. This was supposed to be a very heavy work at that time, and we were trying to get the two sections, A and B, and trying to get the three contracts, and there were a number of parties behind us who, had we got that contract, would have been with us, and Mr. Close was one of them.

4710. Why do you say he was one of those?—Because it was arranged that he should have an interest.

4711. Between whom was it arranged?—He spoke to me about it, and I spoke to the other partners about it. There was no written agreement but there was a verbal agreement between us.

Close spoke to witness about having an interest and witness spoke to his partners.

4712. I understand you to treat a verbal agreement as a binding agreement?—Yes; when all parties carry out their agreement, I suppose it is.

4713. Do you think that agreements are only binding when they are carried out?—I think that an agreement, whether written or verbal, ought to be carried out.

4714. I am speaking of the existence of such agreements, not of their fulfilment. I wish to find out from you when the existence of that agreement began?—From the start.

The agreement with Close existed from the start.

4715. Who made the agreement that Close was to be interested with Manning, McDonald, & Shields?—Which do you mean?

4716. You say that before any tender was put in, or at the time of the tenders being put in, that there was an agreement that Close was to become interested with you and McDonald and Manning—that is what you have led me to understand: now I ask you who made that agreement?—I think I made the agreement with Mr. Close, and Mr. Close spoke to me at the time when we came to the tender we put in.

Witness thinks he made the agreement with Close.

4717. Now do you say there was an agreement made between you and Mr. Close at that time?—Yes; I think there was an understood agreement.

4718. Do you not know whether there was?—There was, I think.

4719. Now, knowing as you do, was there an agreement made?—There was no well defined agreement understood.

No well defined agreement.

4720. Then why talk to me about an agreement?—It was understood that he should have an interest with us.

4721. How was it understood?—There were no details arranged.

No details arranged.

4722. Was it understood in your mind alone?—It was understood in his as well as in ours.

4723. What makes you believe that it was understood in his mind?—Because he spoke to me about it. There was a simple understanding that he was to have an interest in our original tender when it was put in.

4724. Would you say now on your oath whether there was an agreement at that time between you and Mr. Close that he should have a share in the contract, if you succeeded in getting it?—I can only put it in the way I have put it; that there was an understanding between Mr. Close and us, that should it come to our original tender for section C, that he should have an interest.

Witness cannot put it in any other way than that there was an understanding that should the original tender for section C. prove successful he would have an interest.

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4725. Do you mean that the understanding should have a different signification from the agreement? You have prevaricated a good deal, and have talked to me about simple agreements; all that I want you to say on your oath is: whether there was a distinct understanding between you and any one else that Mr. Close was to have that share in the contract?—I do not think there was, that any specified division was to be appropriated to Mr. Close, or that there was any detailed agreement entered into with him either verbally or otherwise, only there was a simple understanding that he should have an interest.

4726. What do you mean by a simple understanding? Do you mean it was suggested that he might have an interest?—No; there was an arrangement between both parties that he should have the share in it, if it came to our tender.

There was a definite understanding that Close should have a share in the original tender.

4727. Was there a definite understanding, or a positive agreement, that he should have any share, whether the share was designated or not?—I think there was.

4728. Do you not know, when you were the party who acted in it?—Yes; there was to be a share in the original tender.

4729. Was that the understanding between you and Mr. Close?—Yes.

4730. Why did you tell me that he spoke to Manning and McDonald, as if the only understanding arrived at was through that channel, and not through you?—I do not remember making the statement.

4731. Yes; at the beginning you evidently wished me to believe that this whole affair was undefined in your mind; you wished it to be understood that it came through somebody else?—No; it is you who are mistaken. What I said was in reference to the security to Morse, because I had forgotten entirely that he was Morse's security, and not what you said.

Agreement with Close made through witness.

4732. This arrangement about the share in the contract, was it made through Manning and McDonald, or through you?—I think it was made through me. What share?

4733. That at some time or other Mr. Close might get a share in your contract?—Which particular share do you mean?

4734. There was no particular share defined?—In what particular tender?

4735. The tender of which you are speaking: that is, the tender of Jones, Manning & McDonald?—That is the original tender?

4736. Yes?—I think it was done through me. I do not know what conversation there was.

4737. Do you not know that you commenced your evidence on that very subject, saying that you thought he had mentioned it to Manning and McDonald?—I have no recollection of it now.

Nature of agreement with Close.

4738. Was the understanding which you have described as existing between you and Close in relation to any other tender, except that which embraced the whole line?—No.

4739. He was to get a share only in the event of your firm getting the contract for the whole line?—Yes.

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4740. When it was known at Ottawa that Morse & Co. had been the successful tenderers for one of those sections only, were you not then aware that it was an object to you that Morse & Co. should not put up the security, so that you should get the contract for that section?—Before we had any dealings with Mr. Close, Morse & Co.'s tender was entirely disposed of by the Government. Andrews, Jones & Co. had been called upon to put up securities.

4741. Then, taking Andrews, Jones & Co, did you understand that in speaking of their position you had referred only to one section, not to the whole line?—Yes.

4742. Then why was it that you at that time proposed that Mr. Close should have a share in your tender for that section—your contract for that section—if you obtained it?—Because Mr. Close had been one of the parties in the original tender, or was understood to be one of the parties in the original tender. Reason why witness proposed that Close should have a share in tender for section B.

4743. He was only interested, if at all, in the possibility of your getting the whole line?—Yes; at that time.

4744. Then why did you offer him a share in this contract for the section? He never before had any chance of getting that, had he?—Yes; he had.

4745. What chance had he?—In getting an interest with us.

4746. In that particular section?—In case the securities were not put up, or in case any of the tenderers found that their tender was too low or could not find security, in that event it might come to our tender.

4747. Which tender?—The original tender we put in; we put in three tenders originally; a tender for each of the sections, and for the whole line.

4748. But you were dealing at that time in Ottawa with Mr. Close upon a different basis from that which you had previously done, that is to admit him to a chance in the tender for this one section?—This was not done in Ottawa, it was done in Toronto. We all came home after tendering, and after Morse & Co. were disposed of, Close said he could get an interest in Andrews, Jones & Co.'s tender if he did not get an interest or had no interest with us. Fresh arrangement made with Close in Toronto.

4749. Did you negotiate this matter with Mr. Close—I am speaking of this last arrangement alone—or did either Manning or McDonald take part in it?—Mr. Manning and I were together.

4750. Were you three present at the arrangement?—Yes.

4751. Where was it?—In Toronto.

4752. At what place in Toronto?—I think they met at my office; I am not certain. Manning, Close & Shields made agreement in the office of witness.

4753. But upon that occasion you gave him a letter embodying your understanding?—Yes.

4754. Did you keep any copy of that letter?—I have kept no copy of it; I presume Mr. Manning has a copy.

4755. Are you still interested to the extent that you were originally in this contract?—No. Witness no longer interested in contract having withdrawn, and his father having taken his place.

4756. Why not?—I withdrew from it; my father took my place in the contract.

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Date of his withdrawal.

4757. Do you know at what time that was accomplished?—I think it was some time in June last.

4758. June of 1879 or 1880?—June of 1879.

4759. That was I suppose by mutual arrangement with the partners at that time?—Yes.

4760. Was that arrangement reduced to writing?—His name is now in the amended contract with the Government and the firm instead of mine.

4761. Who has been looking after the interest of your father in the matter?—I have.

4762. Have you spent much of your time in the neighbourhood of the work?—I have spent nearly all my time in connection with the work and his business since we got the contract.

Reasons for withdrawal.

4763. Has there been any particular change in your circumstances between your getting the contract and your father becoming a partner instead of you?—Yes; that was the cause of putting my father in my place.

4764. What was the change in your circumstances?—The change was that I got into business difficulties.

4765. Did that result in any change of your property?—No—Yes; it did.

4766. Could you get into the Insolvent Court without there being a change in your property?—I did not catch the question that you put.

4767. Did all your property or interest pass to somebody else after you became a contractor and before your father took your place in the partnership?—No.

4768. No change took place then before your father went in?—No.

4769. Was it soon after your father took your place in the partnership that there was a change in your property?—Yes; not long.

4770. How long?—I think some months.

4771. More than one month?—About two months.

4772. Is your father a man of means?—Yes; he is reasonably well off.

Consideration for transfer to his father.

4773. Was anything given to you for your share that was transferred to him?—My father put up the securities for me in the contract—the original securities—I think some \$36,000.

4774. Was anything given to you for the transferring of your share to him in the contract?—No.

4775. That was a transfer without value then?—It was a transfer without value, owing to his having put up the securities.

Acted for his father in buying out the Nova Scotia firm.

4776. Were you in the partnership at the time the arrangement was made to buy out Nova Scotia members of the firm?—I was acting for my father then.

4777. Did you take part in those negotiations?—I did.

4778. Had you authority from your father to do so?—I had.

Tendering—
Contract No. 43.

4779. So that that transfer is properly consummated, as you understand that the Fraser, Grant & Pitblado firm have no longer any interest in it?—I understand it to be so.

4780. You signed the contract yourself originally?—I did.

No gift, not a cent given to any one to witness's knowledge on account of his firm being interested in this contract.

4781. Have you reason to believe that any gift, bonus, or advantage, has been promised or given to any one on account of any one of that firm being interested in this contract?—Not a cent to my knowledge.

4782. Is there any other matter which you wish to mention to the Commission connected with this transaction?—None.

MOLLOY.

JOHN MOLLOY, sworn and examined:

By the Chairman:—

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Contract No. 14.
Contractors' claims.

4783. Have you been in any way connected with any of the works of the Canadian Pacific Railway?—Yes.

4784. In what capacity?—I was one of the assistant engineers on contract 14 from June, 1875, to July, 1877.

Assistant engineer on contract 14.

4785. On the part of the Government?—Yes.

4786. There are some claims made by Sifton, Ward & Co. in connection with that contract: one for change of the location of the line and another for a ditch at the Julius Muskeg?—Yes; I was in charge of the work on the Julius Muskeg at that time

In charge of work on Julius Muskeg.

4787. Do you know about work at this ditch?—Yes; I know something about it. What the claims are I am not aware of, but I know concerning the work.

4788. They say the ditch on the Julius Muskeg is at a greater distance from the line than the specification described?—Yes, that is the case; I laid out the ditch myself. There is a ditch for about four and a-half miles, ninety feet from the centre of the railway line to the centre of the ditch, to the best of my recollection.

Ditch on Julius Muskeg at a greater distance from line than described by specification.

4789. What is the greatest distance which there could be between the centre of the line and the centre of the ditch, if the ditch was within the specification?—That would depend upon the depth of the ditch and the height of the bank. From the centre of the railway line to the extreme limits would be fifty feet.

4790. How do you make it fifty feet?—That is the limit of the railway. One hundred and thirty-two feet was the limit of the telegraph clearing.

4791. You say the whole width of the railway line would be 100 feet?—One hundred feet on the section I was on.

Width of railway line on section where witness worked 100 feet.

4792. Might not the line be laid out at one side of the centre of that 100 feet?—It was not.

4793. I am asking if it might not be under the specification?—No; it could not be under the specification, unless the specification was first altered. All our plans and cross-sections show that.

4794. Then the specification made it impossible to have the ditch within them and more than fifty feet from the centre of the line to

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Extent of extra haul.

Thinks distance extended to even beyond ninety feet.

Cannot say what would be extreme limit from the centre of the ditch to the line if it was within the specification.

The berm ten feet from the bottom of slope.

From centre line of the railway to the outer limit of the railway fifty feet.

Thinks the ditch must be within fifty feet of the centre line to be within the specifications.

the centre of the ditch?—Yes; it would be quite impossible from the centre of the line to the outside of the ditch.

4795. In this case, where it was ninety feet, was there somewhere about eighty feet extra haul if the earth from the ditch was put into the line?—Yes; there would be more than ninety feet. Taking the centre of the ditch to the centre of the railway would be ninety feet. Now in one place that ditch was over thirteen feet at one point over the regulation, I should say it was thirteen and three-tenths—that would be a little over forty-nine feet wide—then the bottom of the ditch was four feet, half of that depth would be two feet, and taking two from half of forty-nine it would extend that distance to even beyond ninety feet.

4796. Would it not be the same distance on the inside of the centre line as it was outside?—Certainly.

4797. Then if that much was saved in the distance on the inside of the centre line, would it not compensate for the same distance outside of the line?—That would make the average ninety feet.

4798. What would have been the distance from the centre of the ditch to the railway line, if it was within the specification?—That would depend on the height of the bank. It was a three feet bank, and the slopes of the bank would be four and a-half feet. Take half the width of the road-bed, eight and a-half feet, and add it to ten feet would be eighteen and a-half feet, that would be a slope of ten feet for the berm, and that would be the distance of the ordinary line.

4799. I am asking for the extreme limit that there could be from the centre of the ditch to the line, if it was in the specification?—Taking the ordinary ditch it would be about four feet. It would be impossible for any man to say what it would be to the centre of the ditch, because it would depend on the depth.

4800. Can you tell me the extreme limit that it could be?—No; I could not. We have had them from ten feet to thirty feet.

4801. I am talking of the centre line of the ditch, that would not affect the depth of the ditch?—Certainly it would; the berm is ten feet from the bottom of the slope.

4802. If you have only fifteen feet to go and come upon from the outside of the railway to the centre of the line, is it possible to get more than fifty feet from the centre of the line to the centre of the ditch?—No; but we have gone outside of that.

4803. I started this part of the subject with asking you the distance, within the specifications, that could possibly exist between the centre line of the railway and the central line of the ditch?—From the centre line of the railway to the outer limit of the railway was fifty feet.

4804. Do the specifications require that the ditch should be within the limit of the railway?—There is nothing said of that, that I am aware of, in the specifications.

4805. May a ditch be made on the line of that railway outside 100 feet, and be within the specification?—I think not.

4806. Then it must be within fifty feet to be within the specification?—I think so.

4807. If it is within fifty feet and within the specification, what is the greatest distance which can exist between the centre of the ditch and

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the centre of the line?—It would be fifty feet from the centre of the ditch to outside of the line.

4808. Can you answer my question? What is the narrowest width that that ditch is permitted to be made?—That would depend upon the bank.

4809. What is the narrowest width that the ditch can be made?—It could be made six inches.

The ditch could be made six inches wide.

4810. Now assuming that it is six inches wide, can you not tell me the greatest distance that could exist within the specifications from the centre of ditch to the centre of the line?—It would depend upon the depth of the ditch.

4811. Can you tell me the greatest distance that could exist under the specifications from the centre line of the ditch to the centre of the railway? Have you not powers of calculation enough to state that, as you sit there?—It would depend on the depth of the ditch.

The distance depends on the depth of the ditch.

4812. I am asking you, supposing six inches to be the narrowest point of the ditch, what would be the distance from the side to the centre?—If you tell me the depth, I can tell you; it must have a certain slope to come down.

4813. How deep could the ditch be made if it were six inches wide on top?—The slope would be nine inches.

In a ditch of six inches wide on top the slope would be nine inches and a berm of five feet nine inches.

4814. Can you tell me the depth of a ditch that would be six inches wide on top?—Nine inches.

4815. Can you tell me what is the width of that ditch?—There is a berm ther of five feet nine inches taken off fifty feet.

4816. Can you take off five feet nine inches from fifty feet?—Certainly; it leaves forty-four feet three inches.

Five feet nine inches from fifty feet gives forty-four feet three inches.

4817. Now then, from that basis, can you tell me the greatest distance which could exist between the centre line of the ditch and the centre line of the railway?—No, I could not; it all depends on the depth of the ditch.

4818. But, in speaking of the greatest length which could exist in the way I am describing, you must take, I suppose, the narrowest ditch that could be made, in order to maintain the greatest length?—Then take a ditch fifty feet wide.

4819. I am talking of the greatest length and not the shortest length, I am trying to get you to calculate. Could you have a greater length than forty-four feet three inches?—No; I could not possibly have a greater length than that if it were a six inch ditch.

4820. You understand now that you could not have a longer line than forty-four feet three inches on that basis?—No.

4821. In this case you say the centre line from the ditch, as executed to the railway, was ninety feet?—Yes.

From centre line to the ditch ninety feet.

4822. Can you tell me how much that exceeded the greatest length that it could have been under the specification?—The greatest length it could have been under the specification would be fifty feet from the centre of the line.

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Extent of extra haul forty-five feet nine inches more than it could have been if the ditch had been within the specification.

Instructions not to have ditch less than four feet.

Forty-six feet a fair average for excess of haul.

Cost of extra haul to contractors.

Average day's work for a man, ten yards of earth.

4823. I am talking about the centre line of the ditch; surely you must understand what I am saying?—That would be forty-five feet nine inches.

4824. Then do you mean that the length over which this earth had to be hauled from the ditch to the railway was on an average forty-five feet nine inches more than it could possibly have been if the ditch had been within the specification?—Yes.

4825. It has been suggested that it would be impossible, under the specification, to make a ditch so narrow as six inches. Do you know how that was?—Our instructions were not to have the ditch less than four feet.

4826. Then why do you take into account a ditch of six inches only in estimating the possible length?—That is the smallest ditch that could possibly be made.

4827. Could you make it as low as that under the specification?—Those were our instructions, but we had to make a ditch afterwards less than four feet.

4828. Have you ever calculated, in your own way, to ascertain the average extra haul made by Sifton & Ward on this particular work from the haul that would have been required if it had been made under the specification?—No; I never made such a calculation.

4829. Do you think that forty-five feet nine inches is a fair average for his excess of haul?—Yes; say forty-six feet in round figures.

4830. Do you think there was that much excess of haul?—I do.

4831. I suppose the loading and unloading of the barrow would have to take place, whether the haul was long or short?—Certainly.

4832. It would only be then for the time occupied in the excessive haul?—Yes; for going backwards and forwards and making the plank on which to wheel the barrow.

4833. Have you any idea how far a man can propel a barrow of earth in a day's work?—No; I never made any such calculation.

4834. It is only the propulsion of this barrow of earth for which they make the claim, as I understand?—Yes, and there is the coming back.

4835. Is that propelling backwards?—They draw it backwards.

4836. I mean it is the locomotion of the barrow?—Yes; and that would make about ninety feet instead of twenty.

4837. I am directing my questions now to the value of this extra haul, or rather the cost of it, to Sifton & Co.: that would depend on the value of a day's labor, would it not?—Certainly.

4838. The length that a man could so propel and haul a barrow in a day's labor?—Yes

4839. You say that you have never considered that question?—No; because some will do a good deal more than others.

4840. In several days' labour you take the average of a man's strength. Have you never estimated how much a man can do in a day's work?—Yes; as a rule about ten yards.

4841. Have you made the calculation?—Yes.

**Railway Construction—
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4842. For the same reason you can calculate how far a man would propel a barrow?—I am speaking from experience that a man can excavate about ten yards a day.

4843. Have you in any way formed an opinion of the value of this extra haul of Sifton & Co.'s?—It would be at least one-third more. Their estimates were one-third less.

Sifton's extra haul, one-third more, or 9 cts. a yard.

4844. Do you mean that from making up the estimates from time to time, you have ascertained that any given number of men take out one-third less, with this long haul than they would have taken out if they had only the regulation haul?—Yes, than they did on other portions of the road with the same quantity of earth.

4845. Then assuming the value to be 26 cts. per yard, you make the cost to the contractor of this extra haul about 9 cts. per yard?—Yes, about that; one-third or a little under 9 cts. per yard.

4846. Would he be entitled to something besides that for providing plank and trestle work on which those barrows were wheeled?—Yes; it took a great deal more for the long haul than for the short one.

Contractor entitled to something more on account of plank and trestle work.

4847. Have you estimated what would be a fair price for that?—No; it was done by the men before I had anything to do with that part, and I could not give an estimate. It was a very expensive work, the men had to make the plank with broad axes and small axes in the woods.

4848. Who was your engineer in charge?—Mr. Thompson.

Thompson, engineer in charge.

4849. Were you one of his assistants?—Yes.

4850. At the time that the work was going on was it discussed between you and Mr. Thompson whether it might be the foundation of a claim between the contractor and the Government?—He said it would be an open claim, that at present Mr. Rowan controlled that ditch as an off-take drain.

4851. Was it the practice to move the earth from off-take drains into the line of embankments?—No.

Practice as to off-take drains.

4852. But in this case the material was moved from the ditch into the bank, as a rule?—The bank was made out of the ditch.

4853. So that the practice in this instance was different to the practice in respect to other off-take ditches?—Yes; according to the specification off-take ditches run at right angles to the line, while this ran parallel to the line throughout; there was no diversion or angle whatever.

Rule broken.

4854. Do you know what proportion of this material taken from this ditch was put upon the line?—I could not say that, because I arrived there before that portion of the road was disputed.

4855. Upon another item of this claim—this change of location—do you remember the locality at which the change was made?—Yes; I have been over the ground.

Claim relating to change of location.

4856. Was it made at more than one locality?—Not that I am aware of; it was made from the northern survey to the southern one.

4857. I mean about the locality on the line—for instance, the number of the station?—It was made a short distance east of Brokenhead River—I should say about station 1020. I would not be positive in that matter, but if I had the profile I could tell.

Locality of change.

**Railway Construction—
Contract No. 14.
Contractors' Claims.**

Line changed for a number of miles between Brokenhead to near Whitemouth River.

4858. Was it only in the neighbourhood of that locality?—That is the one I am cognizant of.

4859. For what length was it changed?—It was changed for a number of miles, between Brokenhead to near Whitemouth River.

4860. How far was it changed at the most extreme point?—In the neighbourhood of twenty miles.

4861. I mean what distance was it changed in the south?—In some places it might be a mile. I think a mile would be the extreme distance at any point.

4862. At the extreme point the new line was only a mile south of the located line?—About that.

4863. Was there any considerable difference in the quality of the material which had to be removed, occasioned by that change of location?—Yes.

Quality of material to be moved heavier in the new location.

4864. What kind of material was it upon the first located line?—The greatest part of the northern line was high and dry, gravel and sandy ridges.

4865. Did it cover any part of the Julius Muskeg region?—Yes; but that portion of it was narrower and the soundings were not so deep.

Change to south made it necessary to cross a greater length of Julius Muskeg.

4866. So that change to the south made it necessary to cross a greater length of the Julius Muskeg?—Yes; a more difficult part.

4866½. The greater part of the northern line you say was sand and gravel?—A great deal of it was high—what we would call dry ridges—in fact it is from the neighbourhood of the old line they take out the ballast for the purpose of ballasting the road.

4867. Would that be done by hand labour, or would machinery be used?—Horses, scrapers and waggons would be used.

4868. Would that be less expensive to the contractors than hand labour with barrows?—Certainly.

Work on southern line 25 to 30 per cent. dearer.

4869. What per cent. cheaper?—Were I the contractor myself I would say 25 per cent. cheaper—perhaps 30 per cent. cheaper. It would be 30 per cent. cheaper at least.

4870. Then it would cost nearly 50 per cent. more to do the same amount of work on the southern line?—Certainly it would. The greater part of the southern line was covered with water until it was drawn off.

Three-fourths of northern line could have been worked at cheaper rate.

4871. How much of the western line do you think could have been worked at this cheaper rate than the southern line?—Three-fourths of it.

4872. Could you state between what stations?—No; I would rather state between what points. It is three years since I have been there and I have forgotten the number of the stations; I would say about station 1020, a point near Brokenhead River, to station 2240 near Whitemouth; that is as near as I can come to it, I will not swear to that.

4873. What is about the mileage of that distance?—Nearly twenty miles.

Manner of taking progress estimates.

4874. In taking progress estimates of work executed do they number from station to station in the estimates?—No; not in returning the estimates, we take our estimates on the line from station to station but

**Railway Construction—
Contract No. 14.
Contractors' Claims.**

we do not return them from stations, but very often in a lump sum, or from station to station as the engineer in charge would direct. It would depend on his fancy, but on 14 it was done.

4875. Have you made up any calculation of the amount of extra cost to which the contractors would be put by this change of line?—I could not do that, because I am not aware of the quantities that were on the north line; unless I knew the quantities that were in the northern line it would be impossible for me to do it, but I have considered the difference in expense between the north and south lines.

4876. Not knowing actual quantities on the north line which was not worked, have you any idea what percentage of the south line should bear the additional price you have named?—Were I the contractor for these two lines to-morrow, I would take the northern line at 5 cts. per yard cheaper than the southern one. Northern line could have been done at 5 cts. a yard cheaper than the southern one.

4877. You mean for the whole length of line?—Yes.

4878. Do you mean by that that you think the extra cost of that work to Sifton & Ward was as much as 5 cts. a yard over the whole length of the south line?—I do think so; I am speaking of between these two points.

4879. You mean as far as it relates to those twenty miles alteration?—Yes; between Brokenhead and Whitemouth.

4880. Do you know what the object was in changing the location?—I do not, unless to make a nice profile upon paper; that is the only reason I could assign for it.

**Engineer's/
Claim—
Contract No. 14.
Claim made by
witness on Gov-
ernment.**

4881. Have you any other matter connected with the Pacific Railway upon which you wish to give evidence?—I have some accounts which I sent in to the paymaster.

4882. Do you wish to produce it?—Yes; I produce it. (Exhibit No. 99.)

4883. How did this account arise?—It arose by refusal of payment.

4884. You mean refusal to pay it to you?—Yes.

4885. Who refused to pay it?—The paymaster.

4886. Who was the paymaster?—Mr. Nixon. He gives his reasons for not doing so in that letter. (Pointing to Exhibit.) Nixon's reason for refusing to pay this claim.

4887. I see this is for an amount which you contend was paid to a cook?—Yes; that is one of the letters. I had several of them destroyed.

4888. Did you employ the cook?—Yes.

4889. In what capacity were you acting when you employed him?—As assistant engineer on the road.

4890. Was it on this same contract 14?—Yes.

4891. Is it the common practice of assistant engineers to employ cooks on the road?—It was the common practice.

4892. Were there any rules laid down about it?—No; there were no rules until this arose.

4893. I see that Mr. Nixon states that you have not complied with the rules of the service?—Yes.

**Engineer's
Claim—
Contract No. 14.**
Witness accused
of non-compli-
ance with rules.

4894. What rule does he refer to?—That I should employ a person on my section and send him in to him, and then have him travel back to my house.

4895. Was that the usual practice?—No; never.

4896. Do you mean that you were not aware at the time of employing this cook that it was part of the regulations of the service?—No; I was not.

4897. How were you made aware that there was any contention on the part of the paymaster that such a regulation existed?—Payment was refused.

Payment refused
because he em-
ployed a woman
and not a man.

4898. Did he mention the particulars of that rule to you at the time payment was refused?—No; the first payment that was refused was when I employed a woman instead of a man. Payment was refused on that account, because I employed a woman.

4899. Is the employment and payment of this woman part of this claim of yours now?—Yes. I was a man with a family and I considered I should have a woman instead of a man in the house with my wife; consequently I employed a woman, and payment was refused.

4900. Was there any rule at that time that cooks should be men-cooks?—It was understood that on surveys cooks should be men.

4901. Is it on construction?—I was not made aware of it.

4902. This letter alludes only to one cook, Paul Boucher?—He is a Frenchman; there were several others. By referring to their books we can find the whole thing, and whether these men have been paid or not.

4903. By referring to what books?—The paymaster's books.

Claim for pay-
ment to several
cooks.

4904. Is your claim for payment to other cooks as well?—Certainly.

4905. Then this letter does not refer to your whole claim?—No; because I have no letters in reference to the whole claim.

4906. How much is your claim for payment to Boucher?—I could not say just now.

4907. Does your claim consist of the payments to these two individuals: the woman cook and Paul Boucher?—There were others.

Objections to pay-
ment where men
employed.

4908. But what was the difficulty about those?—Because they were employed in the same manner.

4909. You mean you did not send them to Winnipeg to report themselves?—Yes; by not sending them to Winnipeg to report and having them come back again. I live thirty-three miles east of Red River.

4910. Is there any other objection to your claim than the two you have named: that one was a woman and that the other men-cooks did not travel to Winnipeg to report themselves and come back again?—That is the only objection made by Mr. Rowan.

4911. Have you paid these men and these cooks?—Yes.

4912. Was it the usual practice to reimburse to engineers the amount they disbursed to cooks?—Yes.

4913. Have you paid these men?—I have. Mr. Sifton carried one of these orders in to get the wages for these men, and he was refused because I could not come—and the woman left me.

**Engineer's
Claim—
Contract No. 14.**

4914. Have you any other claim besides these?—None whatever.

4915. There is here a claim for house rent?—The second claim is for house rent, but it is not in connection with section 14; that is on the branch. **Claim for house rent, \$237.50.**

4916. What is the amount of that claim?—\$237.50.

4917. How did that arise?—When I went on the branch I supposed I was to act as every other engineer on the road did, and that my rent would be paid and furniture supplied me.

4918. Was there any arrangement upon that subject at the time you went to this house?—No; not at that time. Mr. Rowan afterwards, in March, told me that he would see it would be paid.

4919. Is this the amount that you actually disbursed?—No; I did not disburse it all, because you see there is an amount for furniture. I used my own furniture.

4920. How much of it did you disburse for rent of house?—For the six months and a half in Winnipeg I paid \$20 a month, and for the five months in Emerson I paid \$10 a month.

4921. The rest of the claim is for the use of your own furniture?—Yes.

4922. At the time you rented this house you say there was no understanding upon the subject?—No; not at the time.

4923. You took it for granted that they would pay you?—Certainly; because every other engineer on the road was paid.

4924. What is the objection to paying it?—I do not know what the objection is, but it was refused. Mr. Brophy, when he came up here last summer, was willing to pay it. I put in the bill and he signed it. I sent it to Mr. Rowan and he refused to pay it, so Mr. Brophy told me.

4925. Have you had any connection with the Canadian Pacific Railway besides these two matters on which you have spoken?—I was on the Pembina Branch line a little over a year. **Railway Construction—
Pemb. Branch.
Contract No. 5.**

4926. In what capacity?—In charge from Red River to Emerson—Otterburn Station it is called now.

4927. That is on the South Pembina Branch?—Yes.

4928. What is the length of that part of the branch?—About forty miles.

4929. Was it on construction?—Yes.

4930. For what time?—From 12th July, 1878, to 1st August, 1879.

4931. When did the road begin to run?—The first rail was laid on the 22nd November, 1878, and then they commenced to run forward until they connected. They were laying the road from both ends. They commenced to run on them about the 15th December. **Commenced to run, 15th December, 1878.**

4932. You were looking after the Government interests then?—Yes.

4933. Who was your next superior officer?—Mr. Rowan.

Rowan next superior officer.

4934. Was the line built according to specification?—Yes.

**Railway Construction—
Pemb. Branch.
Contract No. 5.
Difficulty between
Government and
contractor about
ties.**

4935. Was there any difficulty between the Government and the contractor upon that subject about the portion over which you were in charge?—There was some difficulty about ties.

4936. What was the difficulty?—The great difficulty was that they were chopped instead of being sawed, and some of them were a little short.

4937. Did you accept them as the engineer in charge?—I followed the instructions of Mr. Rowan.

**Instructions as to
accepting ties.**

4938. What were his instructions?—His instructions were, in the first place, not to accept any that were not cut square on the ends and of one length; afterwards he gave me instructions to take them two inches shorter than eight feet, if they were cut with a short scarf instead of a long one and all the stub ends cut off.

4939. Did you accept them under these instructions?—Yes.

**Contractors
dissatisfied.**

4940. Then did that end the difficulty?—It ended the difficulty, but it did not end the grumbling of the contractors; they were not very well satisfied and they suffered a good deal. The ties were principally American ties; they came from the American side of the line.

4941. Who was the party furnishing the ties?—Willis & Co.

4942. Was it a contract for ties alone?—I believe it was a separate contract. However, that had nothing to do with me; there were to be so many ties at a certain price, and the Americans supplied a certain number of a certain length.

4943. Is there any other matter connected with the railway about which you wish to give evidence?—No.

SIFTON.

JOHN W. SIFTON'S examination continued :

**Telegraph
Maintenance—
Contract No. 1.**

By the Chairman:—

**Expense of keep-
ing line in repair
and operating
\$5,100 a year.**

4944. Can you give the estimate which was alluded to in your former evidence about the telegraph line?—I think I can. I can give very nearly an approximate estimate. The expense of keeping the line in repair, operating, and wages, about \$5,100 a year. That includes renewals of poles.

Receipts of line.

4945. I suppose it includes repairs of every kind: wire and other matter necessary to maintain the line in good order?—Yes; and operating as well. The receipts of the line vary very much. The first two years it was very small—perhaps under \$400 a year—but it has kept increasing from that time to this. It runs from \$100 to \$150 a month. It is about \$150 a month at the present time. It is very uncertain. Some months we have a very small amount of business over the line, but that is about the average.

**About \$150 a
month.**

4946. Have you not made up the aggregate of the expenses for repairs and maintenance from the beginning until now?—I have not.

4947. Have you for any particular period?—No, I have not; but I can do it very nearly, I think. I think the books are in such a shape I could get it.

4948. In your opinion has the cost of repairs, and maintenance, and operating exceeded the amount of receipts?—It has not exceeded the receipts—that is including what I have received from the Government as well as the profits of the line.

**Telegraph
Maintenance—
Contract No. 1.**

4949. I mean irrespective of that item?—Yes; very much exceeded. The maintenance, and operating, and keeping in repair have exceeded the receipts at least 300 per cent.

**Maintenance has
exceeded receipts.
by 300 per cent.**

4950. In round numbers can you say about how much you have expended up to this time in maintaining, repairing, and operating?—About \$20,000.

**\$20,000 spent on
maintenance and
operating to date.**

4951. Can you say about how much you have received for the use of the line?—About \$5,000.

**\$5,000 received for
use of line.**

4952. I suppose that under your contract with the Government you were obliged to maintain and repair the line to the same extent as you have done now, and whether you operate it yourself, or whether the Government or some one else operates it?—Yes.

**Bound to main-
tain line under
contract.**

4953. There has been no excessive cost on account of operating it yourself?—No.

4954. What has it cost you to operate the line altogether, up to now, independent of the maintenance and repairs?—About \$5,000: something less than that.

**\$5,000 spent on
operating alone.**

4955. So that setting off the receipts against the operating expenses, the receipts are only a little higher?—It is about the same thing. There is very little difference.

4956. Your receipts are improving each year?—Yes.

4957. How much longer have you the privilege of retaining the receipts?—One year.

4958. What do you estimate the probable receipts at?—I estimate the probable receipts for next year at about \$2,500.

**Probable receipt
for ensuing year,
\$2,500.**

4959. And what do you estimate the probable expenses of operating only?—About \$1,200.

**\$1,200 estimate for
operating.**

4960. So that on the whole transaction you will probably be a gainer to the extent of \$1,300 in the profits over and above the operating expenses?—Yes; I think that will cover the whole. It is a very fair estimate. I would just like to say that the greatest expense for repairs has originated at or near Lake Manitoba—near Dog Lake. There is a place there where, although the swamps are not deep, there is considerable water, and the great difficulty has originated there and at the crossing of Lake Manitoba. We had agreed with the Government about a certain arrangement to cross the lake by driving in piles and setting the poles on them, but the poles did not remain there. In consequence of that we have had to carry the line around through a swamp a good distance. You were asking me the other day if there was not a good deal of complaint about the keeping up of the line. All our difficulty arose in that place. There is a section of about eight or ten miles where there is a great deal of water, and it is very hard to keep up the poles, as the wind blows them down. As to the cost of the line, it has cost me about \$15,000 more than I received from the Government; that is, provided I receive the balance of percentage that is retained still in the hands of the Government.

**Balance in favour
of contractor in a
comparison be-
tween profits and
operating.
Most expensive
part of contract.**

**Telegraph
Maintenance—
Contract No. 1.**

4961. You credit that to the transaction as if you were sure to get it?
—Yes; I will be out of pocket about \$15,000 upon the construction.

4962. Irrespective of the operating?—Yes.

4963. The operating will save you to the extent of \$1,300?—Yes.

By Mr Keefer :—

**Worst season of
the year for
maintenance:
June to August.**

4964. What is the worst season of the year to maintain it?—From the beginning of June to the middle of August is the worst season of the year.

By the Chairman :—

4965. I think you have said that you had acquired the interest of the whole firm?—I had.

4966. When you speak of this loss, it is of the loss to the whole firm?
—Yes.

4967. I think you said you had an arrangement with the Government about putting in poles?—Yes.

4968. With whom was that arrangement?—With Mr. Fleming.

**Arrangement
with Fleming as
to putting in piles
where there was
water.**

4969. What was the arrangement?—In our contract we had so much a mile for prairie, and so much a mile for wood land,

4970. But nothing for carrying it over water?—Nothing for carrying it over water; but this was a greater extent than it could be carried over with one span, and we made an arrangement with Mr. Fleming to put in piles there. It was thought that by putting in piles and connecting the poles with them that they would stand, and we drove the piles in in the winter.

4971. Was that done on your own account?—No; under an understanding with Mr. Fleming as to what was to be done. Then, in the next spring, they all went away.

By Mr. Keefer :—

4972. Was it with the ice?—Yes; in the spring the water rises there before the ice goes out.

**Poles and piles
carried away.**

4973. Were the piles carried away or only the poles?—Yes; the poles too.

By the Chairman :—

4974. How was it managed then?—Afterwards we made a pier with piles and filled it with stones.

**Claim on Govern-
ment for making
pier and filling
with stones.**

4975. The Government did not assist you in that?—No; we were to receive \$2,000 for the first work we did there.

4976. You mean in this water stretch at Lake Manitoba?—Yes; and at Dog Lake.

4977. Did you furnish the poles and everything under this arrangement with the Government?—Yes; but they would not stand.

4978. Has that claim been paid?—No.

4979. That is still a claim on your part against the Government?—Yes.

4980. Is there any dispute about the correctness of it?—No; I do not think there is.

Telegraph
Maintenance—
Contract No. 1.

4981. Has it been a subject of discussion or argument between you and the Department?—No.

4982. Is there any other matter connected with the Canadian Pacific Railway which you wish to explain?—No; nothing else.

CHARLES WHITEHEAD's examination continued:

CHARLES
WHITEHEAD.

Railway Con-
struction—
Contract No. 14.

Agreement
with Sifton &
Co.

By the Chairman:—

4983. Do you know anything about the arrangement between your father, the contractor for section 15, and Sifton, Ward & Co., contractors for 14, respectively, for the finishing of the east end of section 14?—I had some conversation with the contractors, Ward & Farwell, as to the completing of it.

Farwell suggested to witness that witness's father should finish work at east end of contract 14.

4984. How was that conversation brought about?—Between Mr. Farwell and myself. He suggested the propriety of my father doing the work.

4985. Did I understand that at this time you were acting for your father?—Yes; he suggested the propriety of doing the work for Sifton, Ward & Co., and completing that particular fill—this heavy fill. By so doing, their price, if allowed for extra haul, would be something over \$1 per yard.

Nature of negotiations as to doing work.

4986. Was that understood to be the result at that time?—Yes, that was his agreement, you will understand, with me, that we should do it for them, and that would be the result if it was done for them—that they would get the extra haul, which would bring up the total to over \$1 per yard. I told them I did not think the Government would stand that kind of deal; that they would not have it. I told him that if we did complete it we would complete it under the Government, but I did not think my father would complete it for them. I advised with my father to that effect—not to complete it for Sifton, Ward & Co.; and whatever arrangements he might make to make them through the Government for the completion. I told him I thought there would be no difficulty in getting 40 cts. per yard for completing it.

Anticipated price for completing fill 40 cts. a yard finding the earth at their own risk.

4987. Was that to include all the haul necessary?—Yes.

By Mr. Keefer:—

4988. Taking the earth from the same place?—Wherever we could get it.

By the Chairman:—

4989. Finding it at your own risk?—Finding it at our own risk and filling it for 40 cts.

4990. What did that lead to?—Mr. Marcus Smith came along just about this time—just after this conversation had occurred—and I told Mr. Smith that I thought my father would fill it for that price—for 40 cts. per yard. Mr. Ward was up about that time. He spoke to me about it and said that he wanted that we should do it. Henry Sifton—I don't know whether he is one of the contractors or not, but he was doing that end of the contract—wanted to fill it himself, so Mr. Ward told me, but that he would not listen to anything of the kind, that he had

**Railway Con-
struction—
Contract No. 14.
Agreement
with Sifton &
Co.**

Ward desired to have his firm relieved of the contract, and that Whitehead should do the unfinished work.

enough' of 14, and he wanted that we should do the balance of the work for the Government and that they should be relieved of it.

4991. Was that what Mr. Ward wanted?—Yes; that they should be relieved of the contract, and that we were to complete it.

4992. Do you mean that that portion of the line which you were to finish should no longer be dealt with as between them and the Government?—Yes; and that we should complete it.

4993. That it should be dealt with as if it were never part of the contract?—Yes.

4994. Do you know whether his partners agreed to that proposition?—I talked to Mr. Farwell afterwards and he seemed to think so.

4995. Was it from that talk with Mr. Farwell that you understood he agreed to it?—Yes, I think so; they all seemed to be agreeable to it at the time.

4996. Was it spoken of between you and Mr. Farwell after you had had the talk with Mr. Ward, as a matter that should be regarded as if it had never been in any way part of their contract?—Yes; that was the understanding with me. Every time I talked with him and every conversation I had, I think that they were glad to get rid of it.

4997. Did he lead you to understand that he was willing that the matter should be arranged as Mr. Ward proposed?—I did not tell him anything about what Mr. Ward had said to me.

4998. On a similar basis, then?—Yes; he seemed to be quite satisfied with the arrangement.

4999. Were you present at the time the arrangement was concluded between your father and them?—No; I generally talked these matters up, and then told my father what would be best to do, and then he did that part of the business here. I gave him my ideas what I thought he ought to get, and what it would be done for.

5000. So that what you knew of the final arrangements was from conversations before that with Ward, Farwell and Henry Sifton?—Yes; and with my father afterwards.

5001. Is there any other matter connected with the finishing of the line upon which you wish to give evidence?—No; there is not.

5002. Do you know whether the agreement between Farwell and your father was submitted to any legal gentleman?—I am not certain. I recollect telling him, however, at the time to be sure that he did not have anything to do with Sifton, Ward & Co., that we wanted our transaction to be with the Government entirely.

5003. Did I understand that you managed generally the affairs of your father in connection with this work?—On the work entirely, and when he was away I managed his finances here. When he was away I would go into town, but my business was chiefly to attend to the work.

5004. Did you at any time attend to work for him at other places; at Ottawa, for instance?—I did not do much for him at Ottawa.

5005. Did you have any transactions for him at any time with Mr. Mackintosh, on his account?—I do not know anything about the Mackintosh affair, only from hearsay. I do not know anything of my own knowledge.

**Helping News-
papers, &c.**
Knows nothing
of arrangements
with Mackintosh.

Helping News-
papers, &c.—
Contract No. 14.

Sent Bain to
Mackintosh for
acceptances.

Acceptances to
amount of \$11,000
given up.

5006. Did you assist in dealing with Mr. Mackintosh as to the return of any money or paper, or anything of that kind?—Yes; I did not go to Mackintosh myself, but I had my father's attorney go to him.

5007. Who was that?—Mr. Bain.

5008. Was Mackintosh here?—No. Mr. Bain was in Ottawa.

5009. Was that Mr. Bain of the firm of Bain & Blanchard?—Yes.

5010. Did you know Mackintosh personally, at that time?—Yes, I have seen him. I think I saw him when I was down there, but I never mentioned about the transaction to him.

5011. Was it done entirely through your attorney and Mackintosh?—Yes; it was done with Mr. Bain.

5012. What was the result of the transaction?—I think he got back my father's acceptances for about \$11,000.

5013. Did you see those acceptances?—I think I have, but I would not be certain.

5014. Were they got back by Mr. Bain at the time that you were there?—Yes; they were got back in December last.

5015. Had they matured before that, or were they running?—I would not be sure, but I think they were running.

5016. Did you say you do not know whether you saw them then or at any time since?—I think I have seen them here at Mr. Bain's office, but I would not be sure; I know he got them.

5017. Who was it retained Mr. Bain at that time?—I think it was a great deal through myself.

5018. Did you take any part in the instructions to Mr. Bain?—Only in this way: I felt that my father had been— I do not know how to put it exactly. He went and got the acceptances back. I knew that the acceptances had been given in this way: when my father was away some of those acceptances would come up here; some of them I would pay, but others I would allow to go to protest. I wanted to know from my father if Mackintosh had other acceptances, and he said he had, but he did not know how much. Mr. Bain and I had talked the matter over as we would any of my father's business transactions, and Mr. Bain, as well as myself, thought it was only right that we should endeavour to get the acceptances back. I do not know that my father said that we were to get them back. Those were matters I very frequently said nothing to him about until I got them made right.

5019. Then you did what you thought was in his interest, sometimes without his authority?—Yes, when I felt that he had been swindled. That is the idea.

5020. Did you say that those acceptances would sometimes come up to be paid by you?—Yes, when my father was away; otherwise I would never know of them at all.

5021. Can you say what all the acceptances given by him to Mackintosh would amount to, judging from what you have seen?—I would not be quite positive; I should say over \$30,000.

Total amount of
acceptances given
to Mackintosh.

5022. Have you any means of knowing how much of them has been paid from your knowledge of your father's business?—I could not say

Helping News-
papers, &c.—
Contract No. 14.

About \$20,000 paid

how much has been paid, but I think something over \$20,000 in round numbers. I may be mistaken; it may be more, it may be less, but I have that idea from what I have seen.

5023. Do you know, or have you any reason to believe, that any gift, or promise, or advantage, was promised or made by your father to any one, on account of this transaction: the contract for section 15?—I do not know of any. Remuneration do you mean?

5024. It may have been a bonus; I am speaking of gifts as well as remuneration, or any kind of advantage?—I do not know. I cannot say that I do.

5025. You are aware that he has given something to Sutton & Thompson and something to Charlton?—Yes; from what he tells me.

5026. And this amount to Mackintosh?—Yes; from what he tells me I know that he has given to Mackintosh, and from those acceptances coming forward to him when I was acting for him.

5027. Did you ever have any conversation at all upon the subject with Mackintosh?—No; I did not wish to have. The only conversation I had about the matter would be with my father, and that was not of a very pleasing character, as I was exasperated at him doing anything so silly.

5028. Was there anything else about this matter upon which you wished to give evidence?—No; I do not know that there is.

WINNIPEG, Monday, 20th September, 1880.

SUTHERLAND

Fort Frances
Lock.

Resident in Win-
nipeg during six
years.

HUGH SUTHERLAND, sworn and examined :

By the Chairman :—

5029. Where do you live?—In Winnipeg.

5030. How long have you lived here?—I have been here off and on for six years, but I did not come here to reside permanently until about a year ago—that is I did not bring my family here until last winter; but still I may say I am resident here for six years.

5031. Was this your headquarters for business purposes?—Yes, this was my headquarters; in the summer time especially.

5032. Where was your principal residence before a year ago?—In this country. Of course I was travelling backwards and forwards through the country and down to Ontario.

5033. Were you engaged on any business connected with the Canadian Pacific Railway at any time?—Nothing, unless the Fort Frances Lock is included in that. That is the only thing.

5034. Assuming that to be a portion of the works of the Canadian Pacific Railway, then you were?—Yes.

5035. When were you first engaged in that?—I think I first took charge of that work in 1875.

5036. What time of the year?—About the opening of navigation.

5037. In what capacity were you engaged?—I suppose it was in the capacity of superintendent of the different works—really inspector.

Took charge of
work at Fort
Frances Lock at
the opening of
navigation, 1875.

Fort Frances
Lock.

5038. Inspector of what?—Of various public works. Fort Frances Lock was a portion, and the Government Buildings west at Battleford and Fort Pelly.

5039. Do you mean that you were engaged inspecting works of other persons, and managing works?—Not being permanently located in any one place I look on my capacity as more inspector than local manager. There were men appointed under me, and it was my duty to go from place to place and report.

Character in which he was employed.

5040. Had you power to direct the operations as well as inspect them?—Yes; I had power to direct the operations in anything that came within my instructions.

5041. Then whatever may have been the name of the office, it was in fact manager as well as inspector?—I presume it was; it would be more that of general manager, I suppose.

5042. Had you any written instructions when you first took charge of the Locks at Fort Frances?—Yes; I always received written instructions from time to time on what to proceed with.

Received written instructions from time to time.

5043. From whom did these instructions come generally?—Generally from the Secretary of the Public Works Department, upon the authority, I suppose, of the Minister. It generally comes from the Secretary.

5044. You assume, of course, that they were properly authorized?—Yes; I suppose so.

5045. Did you report to the Engineer-in-Chief, Mr. Fleming, at any time?—No, I think my reports were all sent to the Secretary of the Public Works Department, because it was from that Department I got instructions; of course I reported to him.

Always sent his reports to Secretary of Public Works.

5046. Were the operations directed by the Engineer-in-Chief?—Sometimes he was consulted.

Sometimes consulted Engineer-in-Chief.

5047. By you?—Yes, occasionally I consulted him; but I always understood that my directions came from the Department. I did not know whether there was any difference. My instructions came from the Secretary. I do not know whether they came through the engineers.

5048. You did not consider yourself a subordinate of the Engineers' Department?—No; I had nothing to do with the engineers at all, except some person who was appointed specially for my work.

5049. Was any person appointed to take charge of engineering matters on that work?—Yes.

5050. Who was that?—I believe the first one appointed was Mr. Mortimer, a civil engineer.

Mortimer appointed as engineer.

5051. What was his duty?—He located the works at Fort Frances and surveyed them; then Mr. Hazlewood personally inspected them and gave instructions. After that Mr. Mortimer was sent away somewhere, and subsequently Mr. Rowan did anything that was required in the engineering line.

On his departure Rowan acted.

5052. Do I understand that Mr. Mortimer resided at the Locks when he was employed there?—No; he was surveying in the vicinity of the Locks before we commenced to have a local engineer in that part of the country. This work was assigned to him until he was removed to some other place, and then Mr. Hazlewood took charge.

**Fort Frances
Lock.**

5053. Did Mr. Hazlewood reside there?—No, he resided at Thunder Bay; but he was very often over the line.

5054. Over what line?—The Dawson route to Fort Frances.

5055. Who succeeded Mr. Hazlewood?—I think Mr. Rowan followed Mr. Hazlewood.

5056. Did he reside there?—No; he resided here. Mr. Rowan visited the place too.

No engineer in charge of the works; Mortimer, Hazlewood and Rowan exercised each a partial supervision.

5057. Was there any engineer in charge of the works?—No, there was no other engineer in charge of works; there was a leveller sent there for a short time, but he was there under Mr. Hazlewood or Mr. Mortimer. I think Mr. Mortimer, Mr. Hazlewood, and Mr. Rowan are the only three engineers that had anything to do with it.

5058. What proportion of the time do you think Mr. Mortimer spent at these works?—He had his headquarters there, and his office and his survey parties were out not very far from there, in different directions. That was his headquarters, so he spent a considerable portion of his time there.

5059. When Mr. Mortimer left, how far had the work progressed?—Really I cannot say just now. He first surveyed the work, laid out all the works, put down all the pickets, made sections of it, drew the plans; then he was sent off for a while and came back again—he was back and forward. I could not tell when he left there, but Mr. Mortimer and Mr. Hazlewood were sometimes there together. The way I understand the thing—Mr. Hazlewood was chief man and Mr. Mortimer was carrying out his instructions.

5060. You think that Mr. Mortimer left the place before the actual works of construction were commenced?—No; he was there a long time doing works of construction. After laying the work out he went away for a short time, came back again, and he was there a considerable time during the progress of the work that year or next year; but it is pretty hard to say from memory: people change about so often there from one place to another.

5061. Did you get a plan of the Lock from Mr. Mortimer?—I did.

5062. Do you know where that is now?—I might be able to find it. I do not know whether one of the engineers or my assistant, who was left in charge, has it. I do not think there would be any difficulty in finding it.

Character of engineering supervision.

5063. During all the time that those works were going on was there any person resident at that place who had charge of Government interests, as far as engineering was concerned?—Not always; there were just the engineers I have mentioned who were travelling about from place to place. Sometimes they were resident there. Mr. Mortimer had his headquarters there; and Mr. Hazlewood frequently came over the line, he made his headquarters there in his progress west. I think further this way Mr. Rowan had charge of this end. That was the extent of his route, from Thunder Bay to Fort Frances.

No permanent engineer in charge.

5064. What proportion of time after the works were commenced do you think that any one representing the Government interests was constantly at the works—I mean Government interests in engineering?—I could not say, but I could say this: that there was no permanent

Fort Frances
Lock.

engineer in charge. It would be very hard for me to sum up the time that all these men were there.

5065. Do you think that one day in the week was spent there by some Government engineer, putting all the days together?—It might be possible.

5066. I mean to ask if you can tell?—No; I did not keep any record of their time.

5067. Then at present you are not able to say that any person stayed as much as one day in the week at the works inspecting the engineering?—No engineer was.

5068. In the absence of any engineer, who looked after the engineering portion of the work?—That was left to the foreman over the works. Of course, the engineering of that work was not very great anyway. There was nothing very difficult about it, and after the plans were once drawn out and the levels all taken, it was not a very hard matter to get along, because it was very plain work; and if we at any time had any doubt about it being at the proper levels, we always had access to some of the engineers, Mr. Hazlewood at one end and Mr. Rowan at this end. On one occasion we sent for Mr. Rowan to come out there. We thought there was something wrong with the levels, and he went out and settled it. There was not much difficulty after all.

In the absence of engineer, foreman superintended engineering work.

In cases of difficulty engineers had recourse to either Hazlewood or Rowan.

5069. When you say "we," who do you mean?—Myself, if I happened to be there, or the foreman of the works, Mr. Thompson.

5070. How much of the time did you happen to be there?—I had, of course, to travel about 1,200 miles. I suppose I made two or three visits during the summer there, and then up to Saskatchewan.

5071. How long would each of those visits be?—I would remain there sometimes a week, sometimes two weeks; it just depended on how much there was to unravel, and how much I had to do. If I thought they were getting along well I did not stay long, and if they were not I used to stay until they were all right.

Character of supervision of witness.

5072. How long used these visits to be?—Sometimes a week—I have been there only a day or two—and sometimes two weeks, if not longer; it would depend on the distance of my visits. The longer I was away the longer I used to remain at the Lock when I returned.

5073. In the absence of the engineer, you say the foreman would take charge of the works?—Yes.

5074. Who was he?—Matthew Thompson.

Matthew Thompson, foreman.

5075. Where does he live now?—At West Lynne.

5076. Had you any authority to direct the works in preference to Thompson—I mean had he higher authority than you, or a lower one?—He referred any matters to me, and generally when I arrived there I went over the whole thing with him and gave him advice; gave decisions in anything that was not engineering. Of course, in that case, he always had access to the engineers at this end of the line or the other.

5077. Where had you lived before you got this situation?—At Orillia.

5078. What was your business there?—I was a contractor.

**Fort Frances
Lock.**

Engaged all his life in general contracting.

5079. Had you any practical knowledge of works?—Yes; I have been at works all my life.

5080. What sort of works?—General contracting: both on railroad works and buildings.

5081. Contractors are sometimes only parties who contract to build, but take no active part in the work; had you any actual knowledge of the work?—Yes; I sometimes contracted for work. I might be considered a practical contractor, because I worked at it from the time I was fifteen years of age in various branches.

5082. Had you any practical work on locks or canals?—No.

5083. But you were put in charge of this work, I understand, in order to direct others?—Yes; that was so far as carrying out of plans was concerned. Of course I had not the drafting of any plans. The plans were put in my hands and I was asked if I could carry them out. I said, of course. Of course the engineering difficulties were settled by engineers.

5084. Besides the management of the Locks, did you look after any other interests of the Government?—Yes.

5085. What other interests?—The Government buildings at Battleford, Fort Pelly and Swan River.

5086. Had you charge of any expenditure at the Locks?—There was a paymaster appointed for paying everything.

John Logan,
paymaster.

5087. Who was he?—Mr. John Logan

5088. Where does he live now?—He lives in Ontario; I do not know exactly where. The last place I know of him residing was at Walkerton. He was at Walkerton at the time he was appointed by the Government.

Manner in which payments were made.

5089. Do you mean that money was placed into his hands to be expended as he might direct?—No; I had to countersign his cheques. He was accountant; he examined all accounts as to their validity, recommended all payments in connection with the works, and made out the cheques. Of course we had certain periods for paying: and when I went into Fort Frances this was part of my work, to countersign these cheques and make out a statement and pay the men. It was principally confined to wages. The accounts for supplies were certified and sent direct to the Department; the Department issued cheques directly to the parties from whom supplies were purchased.

Supplies.
How supplies were procured

5090. Who certified to supplies?—I certified to them, or Mr. Logan certified to them. A portion of our supplies—I may say, in fact, a very large portion of them—were purchased by the purveyor of the Canadian Pacific Railway.

5091. Who was that?—He is now a Police Magistrate down below, Mr. Bethune.

5092. Where does he live now?—I do not know; I understand somewhere at Cornwall; he is Police Magistrate at Cornwall, I think.

5093. Where did he live then?—His head office was at Prince Arthur's Landing; he was purveyor of the Canadian Pacific Railway.

**Fort Frances
Lock—
Supplies.**

5094. Who informed him as to the quantity of supplies which would be required for this work?—I presume the order would go from me. I presume the list would be made up by somebody else.

5095. Did it happen that supplies were sometimes ordered when you were away?—Yes; no doubt that is the case.

5096. How did those orders go from you?—They would be sent to Mr. Bethune at Prince Arthur's Landing; if they were short of anything he had instructions to send anything that they were in need of.

If witness was away orders for supplies was sent direct to Bethune at Prince Arthur's Landing.

5097. Then those orders would not go through you?—No; if I happened to be away they would not go through me.

5098. But you say there were orders sent for supplies at times when you were away?—Yes. They had a Government store at Prince Arthur's Landing from which they dealt out supplies.

5099. I am not speaking of dealing them out at the landing, but of getting them from Mr. Bethune, to be dealt out at the Locks. Who was responsible for orders going to Mr. Bethune? You say that you were if you happened to be there?—I think I gave the greater portion of the orders.

5100. Supposing there was only one order given when you were away, who was responsible for giving it?—Mr. Thompson and Mr. Logan generally consulted: the paymaster and foreman. If they came to the conclusion that they were going to run out of any particular line of provisions, then they made out an order and sent it down to Mr. Bethune.

5101. If you were present, who would give these orders besides yourself?—I would give them, I suppose, or I would endorse their order; perhaps, in both cases.

5102. Was there not some person there who was responsible for ascertaining the supplies required, and who would bring their report to you?—Yes.

Thompson responsible for ascertaining the supplies required.

5103. Who was that person?—Mr. Thompson.

5104. In getting supplies from other persons besides the Government purveyor at Thunder Bay, what was the system?—The system was, where we had an opportunity, to take prices from different parties and buy from the cheapest.

5105. When you say "we," who do you mean?—I am speaking of myself and the Government party.

5106. Do you mean, in speaking of supplies ordered from Mr. Bethune, that you individually decided on the articles required and arranged for their purchase?—Yes; I think so. I think that I gave the orders. There may have been some small orders, but I did the principal part of it myself. Generally they made arrangements in the winter for the summer supplies. They went around taking prices for flour, groceries of different kinds, &c., and gave the order for about what they thought we would require.

5107. Where would you go to get prices?—In Toronto and different places.

Witness as a rule gave orders and got his prices at Toronto and elsewhere.

5108. Would you go there to get prices?—Every winter I had to go down to Ottawa, and after I would get my first instruction about how

**Fort Frances
Lock—
Supplies.**

many men I would have, I could make out all these lists myself. I knew from practical experience how much we would require, and made out my orders in that way. Then I would get prices and give some person an order, and certify to this account when the goods were shipped.

Before certifying for supplies would have shipping receipts before him.

5109. When you certified to those accounts for supplies, would you have knowledge of your own whether they had been supplied or not?—We would have shipping receipts of railway or steamboat, or whatever way they were shipped.

5110. And were these receipts based on your certificate as to quantities supplied?—Yes; of course we had a further check. If there was anything short we had the opportunity of following it up and seeing whether it was shipped at all or not, and corrected it in that way.

5111. When those supplies reached the Locks, who had the custody of them?—Mr. Logan, at first.

5112. Was he called paymaster?—Paymaster and store-keeper; but he could not perform the duties of both offices, they were too much for him.

A building devoted to keeping supplies.

5113. Was there a building devoted entirely to the keeping of these supplies?—There was.

5114. A separate building?—Yes.

5115. And had Mr. Logan charge of that as store-keeper at first?—Yes; but he had an assistant. He supervised it.

5116. Who was his assistant?—He had different clerks there. I could give the names of several, Messrs. Warren Marr, Bentley and Wilson, that is all I recollect of being in the Store Department.

5117. Where does Marr live now?—In Ingersoll, I think.

5118. What is Bentley's first name?—L. R.

5119. Where does he live?—I think he is in Chicago.

5120. Did he live at Orillia?—No; never. He was a hardware merchant here for years.

5121. What is Wilson's first name?—G. M. Wilson; he lives here.

5122. Who engaged these men as clerks to the paymaster?—I engaged them.

5123. Where did Marr come from?—Ingersoll.

5124. Did you engage them down in Ontario?—Generally; I had applications in writing from different parties, when I would go down below. Then, before the navigation opened, I had always to engage a certain number of men, because I had to discharge the men in the winter, and I had some point for them to meet me at.

5125. Do you remember where Bentley came from?—He came from here, I engaged him here.

5126. Do you remember where Wilson came from?—From Toronto.

Character of expenditure: for labour and supplies for workmen.

5127. The expenditure, then, was directly on account of labour for work and on account of supplies for persons engaged on the works?—Yes.

5128. Do you remember any principal branch of expenditure?—
 Wages was the principal branch of expenditure; the principal amount of money that was paid out by the paymaster was paid for wages. In nearly all cases, as far as possible, we sent the accounts to Ottawa; we were instructed to do so. **Fort Frances Lock—Wages and Supplies.** *Wages principal branch of expenditure.*
5129. Do you mean accounts for labour?—For supplies. Of course we could not do that for wages, as men had to be paid the same as other people, from time to time, and that could not be done any other way.
5130. You think supplies would be paid for at Ottawa: I mean those supplies not furnished from the Government stores at Thunder Bay?—
 Yes.
5131. Did you pay yourself for any supplies furnished?—No; unless there would be some small quantity for a travelling outfit, or something of that kind.
5132. Who had charge of the principal office at the Locks, where the books and accounts were kept?—I suppose the principal office would be the paymaster's office, that is Mr. Logan's. **Book-keeping and Banking.**
5133. Who was head book-keeper?—My brother. *Witness's brother Jas. Sutherland, head book-keeper.*
5134. What was his name?—James.
5135. What would his duty be?—He kept the books—all the accounts; the men's time; in fact, he kept all the accounts.
5136. Was there a separate set of books for Lock works?—Certainly.
5137. When was he engaged?—I think he was engaged with the first outfit.
5138. Did you engage him?—Yes.
5139. Had he charge of the moneys?—No, the paymaster had charge of the money; he could render whatever assistance the paymaster wanted in making out the accounts. **Paymaster has charge of money.**
5140. But I understand his duty was only to make entries of transactions accomplished by other persons?—Yes.
5141. Had John Logan charge of the money?—The money was deposited to my credit in the Ontario Bank; but it could not be drawn without a cheque drawn by Mr. Logan, paymaster, and countersigned by myself. We had forms of cheques. **Money deposited to credit of witness.**
5142. What bank was that?—We first commenced, I think, in the Merchant's Bank, and then the account was changed to the Ontario Bank.
5143. Do I understand that no Government money was taken from the bank, except to pay some of those matters to which you have alluded, that is, either wages or supplies?—That comprised the principal expenditure. **Wages and supplies principal expenditure.**
5144. And the manner of taking it would be by cheques, signed or countersigned by you and signed by Mr. Logan?—Yes.
5145. Which bank had the first account?—The Merchant's Bank at first; but I do not think they had anything to do with the Fort Frances account. I think it was the Ontario Bank. The Fort Frances accounts were kept in the Ontario Bank altogether.

**Fort Frances
Lock—
Payments.**

5146. Did it remain at the Ontario Bank until you had finished the works at the Locks?—It did.

5147. Was there any change in the paymaster—did any person succeed him before the work was finished?—No.

5148. Then he revised all payments made out of Government money, on account of wages?—Yes.

5149. And on account of those small supplies which were not paid at Ottawa?—Yes.

**Alleged Mis-
conduct.**

Witness while employed by Government carried on no private business, but might have speculated in lands.

Purchased no pine limits.

5150. During the period that you were employed on behalf of the Government, during the years that you named, did you carry on any private business?—No; none.

5151. Nor speculations?—I might have purchased some land or something of that kind, but I did not carry on any regular business.

5152. Did you purchase pine limits?—No.

5153. Are you interested in any pine limits purchased during that period?—No.

5154. Did you at any time send men to look up pine limits or any other kind of land?—Not during that time.

5155. Not while you were in Government employment?—No; except for Government work.

5156. For the timber required for the Locks, do you mean?—Yes.

5157. Were men employed at the expense of the Government to hunt up timber?—Yes.

5158. Did you become interested in any of the land that these men found?—No.

Payments.

Manner of payments.

5159. Was the money paid out of the Ontario Bank in sums just sufficient to meet the cheques of Mr. Logan and yourself, upon the expenditure you have described?—Yes.

5160. In what shape would the money go through for these purposes—I mean would it be by cheque or by letter?—Large sums: we would pay these by cheques; but in paying the men we had to carry money out there; sometimes I carried it out and sometimes the paymaster would.

Manner in which funds were obtained from Ottawa.

5161. In what shape would the money go to the Ontario Bank for you from Ottawa?—In the shape of a warrant.

5162. To what account would the amount of the warrant be credited?—Fort Frances, if it was for Fort Frances.

5163. Was that the name of the account?—Yes; Fort Frances Lock. My name would be attached to it, of course, as superintendent, and perhaps Mr. Logan's, I do not know. I never saw the bank account, but our cheques were headed Fort Frances Canal, Department of Public Works, &c. We would make a requisition from time to time for this money—Mr. Logan and myself—to Ottawa; we would request them by a certain date to put so much money to our credit, and stating what we wanted it for as near as we could.

Sums drawn for payment of wages generally carried to Locks by Logan.

5164. You say that the money you would draw out sometimes in large sums, for the purpose of paying wages, &c., would have to be carried down to the Locks?—Yes.

5165. By whom?—Generally by Mr. Logan or myself.
5166. I suppose that would appear in the books of the establishment?
—Yes; but we made out a cheque in that shape, and we would say, to pay wages of men, because any man who would take a cheque for his account we would give it to him, but if they would not take cheques we would have to have money; some men would not take cheques.
5167. Did any of these moneys that came from the Government for these public purposes ever pass to your private credit?—No.
5168. Was the account always kept in an official shape?—Yes.
5169. Was there any person at the Locks who had a private store of goods, and who sold on their own account?—Yes.
5170. Who was that?—Mr. Fowler, the Hudson Bay Co., Mr. Wilson, Mr. Phair and Mr. McKinnon had stores; those are all I recollect of just now.
5171. Is this the same Wilson who was clerk to the Government establishment?—Yes.
5172. He was not carrying on this business at the same time?—No; he resigned his position with the Government, and opened that store.
5173. Was the Government store carried on after he resigned?—Yes.
5174. For how long?—Until the work was closed. He had a store of his own.
5175. Is he any connection of yours?—No; none whatever.
5176. Had he any business transactions with you?—Nothing further than I knew him for a number of years to be a good business man. He was in business in Orillia at one time, and it was on the strength of that I gave him the position.
5177. Who would be answerable for the labourers performing a proper amount of labour while they were under pay?—The foremen over the different branches of the work. There was a foreman for each branch. There was a rock foreman and a timber foreman.
5178. Do you remember who was the rock foreman?—R. R. McLennan.
5179. And the other?—Warren Oliver was the timber foreman.
5180. You not being there much of the time, you could not, of course, exercise much supervision on that subject?—No. Of course they had the plans and specifications to conform to as well as I had. Everything was supposed to be done under plans and specifications, and these foremen were to see that the men performed their duties.
5181. Who made the arrangements for the procuring of meat for the men, and necessaries of that kind?—Anything outside of the two departments I have mentioned, these would come under Mr. Thompson.
5182. And the details of the providing of necessaries, such as hay, potatoes and oats?—That was managed by Mr. Thompson, the general foreman.
5183. Was Bentley under Logan, the paymaster, all the time that he was there?—No.

Fort Frances
Lock -
Payments.

No public money
ever passed to
witness's private
credit.

Supplies.

Private stores at
Locks.

Wilson resigned
his Government
situation and
opened store.

Management of
work.

Foreman respon-
sible for execution
of work.

R. R. McLennan,
rock foreman.

Warren Oliver,
timber foreman.

**Fort Frances
Lock—
Management of
work.**

5184. I understood you to say that Bentley was a clerk to Logan?—He was; but when he had not anything to do in the store he kept the time of the men and assisted at the office, or at anything that was to be done. Of course, there were times when there was a great deal to be done in the store, and there were times when there was very little to do in the store.

Supplies

**Sometimes
bought or borrow-
ed provisions
from stores.**

5185. Do you remember about the time that Wilson became interested in the store of his own?—I cannot give the date.

5186. After he became interested on his own account, do you know of any transactions by which supplies ordered for the Government were disposed of to him, by sale or exchange, or anything in that direction?—No; nothing further than we had ran several accounts with all those traders, as we called them there. If we were short of tea, sugar, rice or anything of that kind, we would have to buy them to the best advantage until our own supplies were obtained. We borrowed them sometimes.

5187. Did you take part in any transaction by which he became owner of any property first ordered for the Government?—Yes.

**How certain
Government
property came
into Wilson's
hands.**

5188. What were those transactions?—At first we were supplying our men—the Government I am speaking of now—from the Government store, with tobacco, boots, clothes, &c. There was a necessity for it, in the first place, because there was no store or place there where you could get those things except from the Hudson Bay Co., at very high prices; but after I had worked it that way for a while I found that it entailed a complication of accounts, and there was a great deal of dissatisfaction. The men had the idea that because the stuff belonged to the Government, they should get it for nothing, so I thought I would stop the whole thing, as there were traders coming in there to supply stuff. I made a proposition to the paymaster to get rid of what little stuff we had left, to sell it out to some trader there and take other stuff for it—take such stuff as we could eat, and to give them boots, tobacco and other things in exchange, and have them valued at a fair price. Wilson was the man who took it. Mr. Thompson and Mr. Logan took an inventory of what stuff we had, and made the exchange with Wilson in that way, and got back stuff from him. After that the men could buy their boots and tobacco and clothes wherever they liked, as there were other stores there then. I considered that was the best way for the Government.

**Thompson and
Logan valued
the goods inter-
changed between
Wilson and
Government.**

5189. Who were the two men who valued the stuff?—Thompson and Logan.

5190. Did they value what was sold to Wilson as well as what was got from Wilson in exchange?—Yes.

5191. Were there entries of these goods exchanged made in the books?—Yes; it is all as clear as a pike staff. There was a very great deal of misapprehension about that, and I am very glad that you asked the question.

5192. Have you ever prepared any statement for the Government from those books, showing this transaction among others?—I think it is likely. All our statements of accounts, I think, were sent from time to time to the Department. Of course that would come under Mr. Logan's charge particularly.

Fort Frances
Lock-
Book-keeping.

5193. But it would probably be certified by you before going to the Department?—No; no certificate would be necessary unless payment was required.

5194. Do you remember at one time you were asked to make up a statement from the books?—Yes; I was asked on several occasions. Do you mean of the general business?

5195. Yes; and the results of the business?—Yes.

5196. When you were asked to make up that statement it is not likely that Logan would make it up?—Yes.

5197. Was he the person asked by the Government?—No.

5198. Did you not finally prepare a statement of the books and send it to the Government?—I do not remember.

5199. Do you not remember that when Dr. Bown wanted the books you said you could not give them because you had to prepare a statement for the Government?—Yes.

Refused to give books to Dr. Bown, because he had to prepare a statement.

5200. Did you prepare that statement?—Yes.

5201. Did that statement show the particulars of that transaction?—That transaction would be reported long before that.

5202. That statement that you speak of having prepared would not be made by Mr. Logan only?—He would make it up in all probability, and I would sign it. If it related to stores, of course it would come under him.

5203. Will those books show all the transactions that were done under him?—I think so; I have never looked at them since.

Thinks Logan's books would show the transactions which took place under him.

5204. Where are they now?—Mr. Logan has all the books of the store.

5205. Had he books of his own as well as the Government books?—They were Government books. Of course when he went away from here he took all his books with him.

Logan took the Government books with him.

5206. Did he remain in the service after you did?—Yes; he was about the last man on. He was left of course as paymaster, to settle up all the little accounts.

Logan the last man on the work.

5207. Had you any books showing these transactions kept by James Sutherland?—Yes.

Other books kept by James Sutherland show these transactions.

5208. When was that?—We always kept books.

5209. I thought James Sutherland was in the employ of the Government?—Yes; we kept such books.

5210. Had you private books of your own?—No.

5211. Then any books which James Sutherland kept were Government books?—Yes.

5212. Was he employed at this time in any private capacity as distinct from the Government employ?—No.

James Sutherland while in Government service employed in no private capacity.

5213. So that if he had any books, or made any entries in them, it would be on behalf of the Government?—Yes; his books were a check to a certain extent on Logan's books. Of course Logan kept such books for himself; there were two sets. We had to keep track of Logan's

Fort Frances**Lock—****Book-keeping.**

work as well as our own, in order to show a statement of the whole thing.

5214. Then the books that James Sutherland had charge of would be books in which the transactions of Logan would appear as minor transactions?—Yes; the books that my brother kept would contain, in all probability, not all of Logan's work, but as far as matters such as time of men, money paid to them, and all that sort of thing was concerned.

5215. Would they not contain entries about supplies?—Yes.

5216. Would there be any portion of the business recorded in Logan's books which ought not to appear in James Sutherland's books?—I am not exactly clear about that just now. You see it is so long ago, and I have so much other business on hand, I am not sure; but, of course, it would be very easily ascertained.

5217. What I mean is this: the transactions of Logan were only a part of the transactions of the whole concern?—Yes.

5218. And that proportion of the transactions ought to appear in the same shape in the general books?—Yes, I think so; and I think they did.

5219. So that the books in possession of James Sutherland would really contain a record of the whole transaction of Logan as well as others?—Yes.

5220. Logan has possession of none of those books which James Sutherland had custody of?—No.

5221. Then as to those general books that James Sutherland had charge of, where are they?—They are here in Winnipeg; but copies of all of these accounts have, I presume, been filed in the Department.

None of the books kept by James Sutherland lost as reported.

5222. Have you the custody of these books now, or has James Sutherland custody of them?—I suppose we both have, as we are in partnership; they are boxed up somewhere and put away in the store. I suppose they can be found, there has been none of them lost as has been reported.

5223. Has it been reported that they had been lost?—Yes; it has been rumoured to that effect.

Alleged misconduct.

5224. Have you heard any other rumours about anything improper having taken place about the management of the Locks?—Yes; I have heard a great many rumours, but it would only be idle talk to go over them.

5225. It might help us if you wish to be asked about any of them?—I dare say you have heard more of them than I have.

5226. Have you heard that Wilson sometimes got property of the Government at a low price, or without accounting for it at all?—Yes; I have heard a great deal of improper conduct attributed to Mr. Wilson and to me.

Believes rumours as to improper conduct by which the Government suffered unfounded.

5227. But you were not present at the Locks all the time?—If he got any property at a very low price, or without accounting for it, he would be responsible for it. Of course I depended upon Mr. Thompson, the local manager, to have everything properly carried out. I believe he did. I know of nothing improper.

**Fort Frances
Lock—
Expenditure.**

5228. Do you know, in round numbers, the amount of money that came through your custody on account of the Locks?—Really I could not say now; it is a long time ago, and I have a large business to look after, and a number of matters that bother me a good deal.

5229. Do you remember, in round numbers, whether the amount of labour was more the first or second year?—No; I do not.

5230. Would the books show that correctly, as far as you know?—Yes; I am inclined to think, though, without refreshing my memory (I have never looked at those books since I closed that work, although I might have done so if I liked), my impression was that the first year was larger than the second. I think there was a stoppage of the work at one time, and it strikes me it occurred the second year.

5231. As far as can be gathered from the books now at Ottawa, the first year required about \$37,000 for supplies, and about \$39,000 for wages—that is, the supplies cost about as much as the labour, so that the cost of keeping a man appears to be as much as he got for his labour?—No.

Comparison between amounts paid for supplies and wages.

5232. The two sums are very nearly equal?—But that includes all the plant and machinery as expenditure.

5233. What sort of plant?—We had steam engines, boilers, hoisting rigs, and implements of all kinds. I dare say it represented not the whole. I do not know how much the first year; but I have no doubt it represented altogether as much as you have put down there for supplies, \$37,000.

5234. In the second year when there was no demand for that kind of expenditure, the payments made, apparently, for supplies would be \$35,000, and wages less than \$20,000; so that in the second year a sum much more than the amount of wages was expended for supplies. Now, on your theory, how do you account for that?—An additional supply of machinery was, no doubt, purchased the second year. I did not say it was all purchased the first year.

5235. I understood you to mean that it was all purchased in the first year?—No; the first year's operations we could not decide upon until we came into actual contact with the work, and until we knew what was required. The nature of the rock and all that sort of thing had to be looked into.

5236. When you purchased supplies in Ontario in the way you have described, how did you arrive at a knowledge of the transaction which would be most favourable to the Government? Was it by tender or by personal communication with the sellers?—By tender. Very often by tender. Generally by tender. Generally, if there was no time to tender, I would go round and take prices from merchants myself.

Supplies.
Supplies purchased generally by tender.

5237. Were these tenders invited by advertisements?—Yes; all these tenders and advertisements and everything was put on file in the Department.

Transport a principal item of expenditure.

5238. I suppose a considerable portion of the expenditure was for transport?—Yes; a very large portion was for transport. It was one of the principal items in carrying on work in this country.

**Fort Frances
Lock—
Supplies—
Transport.**

5239. Do you remember how you managed that?—Well; the transport would be principally performed here. Are you speaking of overland transport now, or rail?

Nixon included supplies for Lock in his advertisements for tenders for transport for Canadian Pacific Railway.

5240. Of land transport?—Mr. Nixon, who was purveyor here for the Canadian Pacific Railway, invited tenders for his transport, and my supplies were given nearly to the same people, and he included mine and took the lowest tender.

5241. Do you think that the supplies for the Locks were transported by the same contract which carried the supplies for other portions of the Pacific Railway?—In some cases; yes.

5242. And do you say that Mr. Nixon managed those when they were united?—Yes.

Relations with Nixon further explained.

5243. Do you know, of your own knowledge, by what system he arrived at the prices?—For instance, I was at Ottawa in the spring of the year. I was receiving my instructions for the summer's operations; and in order to get supplies down cheaply the contract for transport should be let by a certain time in the spring. Where there is a large quantity of supplies going together, of course it is done more cheaply. I would write up to Mr. Nixon to say that I had a considerable amount of supplies. If I did not know the amount I would guess at it; and knowing that he would advertise every year, I would say: "advertise so much for me." If the application happened to be too late he would advertise for me specially. If I happened to be here myself, of course I would do it myself; but whoever made the lowest tender for supplies for the Canadian Pacific Railway to Mr. Nixon generally got my work.

5244. Have you given the prices actually paid for transportation any consideration?—I do not understand you.

5245. Have you considered whether it was a fair price, or too low, or too high at any time?—I depended more upon Mr. Nixon's judgment than my own on that, because he had more experience; I presume he always took the lowest tender. I do not think the price was higher than other people paid.

5246. I mean have you considered that question at any time?—Yes; I know in one case (I think it was the first time I came here) I would not accept the tenders at all that were given, I thought they were all too high, and I went on to perform the work myself; but by the time I got half through with it, the same parties who tendered came to me and offered to undertake the thing for a little less, and I gave them the balance of the work.

McKay and Alloway got most of the work of transporting supplies.

5247. Who was the person who got most of the work of transporting supplies?—The Honourable James McKay and Alloway.

Alloway got most of the work.

5248. Was it pretty evenly divided between them?—No; Alloway got the most of it. I do not know but they were in partnership.

5249. You know it was said that they did share in equal proportions, or in some way, either as partnership or by some other arrangement?—I think they did the first year, and that is why I objected.

5250. Do you mean that they were not really competing tenders?—I do not think Alloway put in a tender at all at that time, but I thought McKay was putting up a job on me, as it were. My time was very limited, I could get but very few tenders at all, and thought McKay

was influencing other parties to bid high, and then I went in hiring men myself. When he saw I was likely to succeed he offered to take it cheaper, and I am satisfied in reference to that, that I got my supplies out considerably cheaper than supplies were taken out for the Mounted Police to the same place.

5251. Who managed that?—Capt. Clarke was in charge that year.

5252. Do you mean that he managed the rate for transportation?—Yes.

5253. Do you remember the transaction about nitro-glycerine—I think there was some left after the work was completed?—Yes.

Fort Frances
Lock—
Supplies—
Transport.

Nitro-glycerine
sold to White-
head.

5254. What was that transaction?—The Government sold it to Whitehead.

5255. Who managed the sale?—I managed this sale, I think.

5256. Do you remember about what proportion of the actual cost you received for that?—Very nearly the actual cost.

5257. Including transport?—Including transport to Lake of the Woods.

5258. Mr. Mowbray's name appears in the accounts at Ottawa; was it purchased from him?—Yes.

5259. Do you know whether that sale to Whitehead was made available to the Department in anyway?—Yes.

5260. In what shape?—Department retained it, I think, from his estimates. I certified to the account and sent it down to the Department, and the Department collected it in some way, I do not know how.

5261. Would you be good enough to have that box of books sent here for investigation by the Commission?—Yes.

II. F. FORREST, sworn and examined:

FORREST.

By the Chairman:—

Exploratory
Survey—
Party B:
Mahood's.

5262. Where do you live?—At present at Tilford.

5263. Where is Tilford?—Four miles and a-half this side of Cross Lake, on contract 14.

5264. Have you been employed in connection with the Canadian Pacific Railway?—I have been employed since 1872.

5265. What time in that season?—In March; I was on the Intercolonial Railway since 1868, but was transferred to the Canadian Pacific Railway in March, 1872.

5266. In what capacity were you first employed?—As subordinate.

5267. You do not mean as one of the labourers?—No; as assistant leveller, but not as one of the assistant engineers of the party.

5268. Was that upon exploration?—I was assistant engineer on an exploratory survey running from the North Thompson towards Chilicotin Plains in British Columbia.

Exploration from
North Thompson
to Chilicotin
Plains.

Exploratory
Survey—
Party M. I.
Mahood's.

By Mr. Keefer :—

5269. Whose party was it?—Mr. Mahood's.

By the Chairman :—

Survey described.

5270. Please describe the termini and course of that survey in such a way that it can be mentioned in the notes?—It is so long since—six years—that I hardly recollect the points. We started from a point on the North Thompson, above its junction with the Clearwater, and ran to the valley of the Blackwater Creek to Lake Mahood and Canim. I think the western terminal point was about eight miles west of Lake Canim. In connection with that survey there was a second line run up the valley of the Clearwater to Lake Canim.

5271. In which you took part?—Yes. It was merely an alteration. The first portion of the Blackwater was found impracticable and we backed out. It seems to me it was known as Blackwater survey.

5272. At what time of the year did you commence operations?—I think it was the latter part of May, 1872.

Mahood in the
Rocky Moun-
tains. Witness
temporarily in
charge acting
under instruc-
tions from
McLennan until
Mahood arrived
(in June.)

5273. Were you in charge?—No; Mr. Mahood was in charge; but he was absent in the Rocky Mountains, and I was temporarily in charge, acting under instructions from Mr. McLennan.

Party thirty
in all.

5274. What was the size of your party?—I think about thirty all told.

How party was
organized.

5275. Can you describe the duties of the different members of the party—I mean describe them by their different positions?—Mr. Ireland was running the level; I was running the transit. We had two chain men, picket men and a rod man. The remainder of the party was made up of axe men and camp packers.

5276. How many axe men and camp packers?—I do not recollect rightly; we were about thirty all told, including the staff.

Base of supplies
at junction of
Clearwater and
Thompson

5277. Where was your base of supplies?—At the junction of the Clearwater and Thompson Rivers.

5278. Had they been provided there for you, or did you take part in getting them there?—A large portion of the supplies were there waiting for us. The Government had a depot at that point, and we drew our supplies from there; we also had a certain portion of them at Fort Kamloops.

Party had two
trains, one of six-
teen mules and
one of eighteen
pack horses.

5279. Had you any animals in the party?—Yes, we had two trains: one of sixteen mules and eighteen pack horses.

5280. Where did you first get them?—They were furnished, I think, at Fort Kamloops; I had nothing to do with the furnishing of them.

5281. Do you know where you got them?—No; I do not.

5282. Do you know when you first saw those animals?—I think we only got those animals after Mr. Mahood had joined the party; they were animals that had wintered in the Rocky Mountains.

5283. Where were you when you first saw those animals?—On Blackwater Creek, about twenty miles from Clearwater.

5284. Then those animals took no part in bringing up supplies for you?—If I recollect rightly, we had some six animals with us part of

the time that we were on the Blackwater side ; but I really do not recollect the number. I recollect that we had very few previous to the arrival of Mr. Mahood.

**Exploratory
Survey—
Party R;
Mahood's.**

5285. Where did you get those animals?—I think they must have been furnished at Fort Kamloops.

5286. Do you not know where you got them?—No ; I do not. I went up with the boat, and the animals followed the trail.

5287. Did you decide upon the quantity of supplies that your party should take from Fort Kamloops?—No.

**R. McLennan
decided on quan-
tity of supplies
for party.**

5288. Who did that?—Mr. McLennan.

5289. Who was he?—He was the District Engineer. There was also John McLennan, who was in charge of supplies.

5290. Was he one of your party?—No, he was not ; but he furnished those supplies, or saw after the getting of supplies for Mr. McLennan.

5291. Had you a commissariat officer attached to the party?—No ; there was a depot clerk at Clearwater.

5292. Was he one of your party, or was he attached locally there?—He was not one of my party.

5293. I am asking you whether you had a commissariat officer attached to your party?—No ; we had not.

5294. Then, do you mean that your first duty connected with that party commenced at the junction of those rivers?—I was placed in charge at Yale, by Mr. McLennan, to take charge of the party going up to the junction of the Clearwater.

**Witness placed in
charge at Yale.
His duties did not
cover arrange-
ments regarding
supplies.**

5295. Did your duty cover any arrangement about supplies?—None whatever.

5296. How long were you occupied in that examination or survey?—Until November, if I recollect rightly.

5297. What would you call the mileage of the country which you examined, in round numbers?—I am unable to say at this long date—probably forty miles.

**Mileage of coun-
try examined
about forty miles.**

5298. At what time did Mr. Mahood join your party?—The latter part of June.

**Mahood joined
party in June
and took charge.**

5299. Did he then take charge?—He then took charge of the party.

5300. And you became a subordinate?—I became first assistant subordinate.

5301. What was the nature of that survey?—An exploratory survey.

**Nature of survey:
exploratory with
transit and level.**

5302. Instrumental?—Yes ; with transit and level. It was merely a trial line.

5303. Had there been a bare exploratory survey before that?—Mr. Mahood had passed through the country, I believe, in the winter time, or late in the previous fall, and thought that a line might possibly be had there.

**Mahood had pre-
viously passed
through country.**

5304. Had you any difficulty about supplies during that operation?—No ; none worth mentioning.

**Exploratory
Survey—
Party R :
Mahood's.**

5305. What became of the animals at the end of the work?—I think the animals were sent to Kamloops; I do not recollect positively.

5306. Were supplies furnished in a satisfactory manner?—Yes; we had nothing to complain of.

5307. Were there any supplies over at the end of the season?—I think there were, because there were other parties operating in the Rocky Mountains who were also furnished from that depot.

5308. Do you know what became, at the end of that season's operations, of the supplies which you took with you?—I do not. If I recollect rightly we had no surplus supplies, because they were rather short when we drew towards the western terminus of the survey.

The line surveyed was practicable but not favourable.

5309. What was the result of the operation? Did you discover a favourable line?—The line was practicable, but not favourable.

5310. Did you make up any reports connected with it?—I did not.

5311. Would that be the duty of your superior officer?—Yes.

5312. Did you remain in the employment of the Government after November?—I have been in the employ of the Government since.

5313. What did you do after November?—I remained in the office at Victoria until January, when we returned to Ottawa, and were in Ottawa until the following June, when we went on an exploratory or trial survey south of Lake Nipigon.

Making plans in office at Ottawa connected with survey.

5314. Did you assist in making out the plans connected with this first survey while you were in Ottawa?—I was engaged all winter making out plans of that survey, but they were burned before completion.

5315. Then you had not completed them before you went to the Nipissing district?—No, they were never completed; the books and everything appertaining to that survey were burned.

5316. Did you take them down between 1872 and 1873?—Yes.

5317. Did you complete them before you started out on a new trip?—They were very nearly completed before the building took fire, and they were destroyed.

5318. After your season's work, would it be your duty, during the ensuing winter, to make up your plans in the office?—Yes.

5319. I am asking whether you did make up your plans and do that necessary work before starting out on the operations of 1873?—I did complete them; I must have completed them wholly. I was under the impression that the fire had destroyed them, but it was not the plans of that year.

**Carre's Party,
1873.**

In 1873 engaged in survey from Nipigon River to Sturgeon Lake.

5320. Then, in 1873, you started out to make a survey on the Nipigon River?—Yes; from Nipigon River to Sturgeon Lake.

5321. Was it to meet a survey by any one else?—There were parties working westward. Not to make any immediate connection with the survey west.

5322. Do you remember the distinguishing letter of that party?—I do not.

Surveys—

5323. Did you give the letter of your party in British Columbia?—
It was letter R.
5324. In this survey of 1873, who was engineer in charge?—Henry Carre's Party.
Carre.
5325. Where was your base of supplies?—I think at Red Rock, at the entrance of the Nipigon River—Hudson Bay Post at Red Rock.
5326. What was the system by which you got supplies with you?—
We had a certain number of canoes and canoe men. The supplies were brought by water the greater part of the distance and packed the remaining portion. System of supply.
5327. Do you mean that the engineer bought supplies wherever he wanted?—I do not know how that was arranged; I had nothing to do whatever with the supplies.
5328. Was there any difficulty with you about supplies in that operation?—There was; occasionally we went short, but nothing to stop the work.
5329. Nothing to create discontent?—No; I think not.
5330. At what time did that survey end?—I think we left Nipigon about the beginning of November; we left on one of the last steamers. Survey ends in November.
5331. Did you do any more surveying that year?—Not that winter.
5332. What did you do after you left the work?—We were engaged in the office at Ottawa making up the plans of that survey. Engaged making plans.
5333. How long did you remain in Ottawa?—Until the following June.
5334. And then where did you go?—I then came to this country.
5335. What do you mean by this country?—I was on the survey under Mr. Carre, on trial location from Rat Portage towards Broken-head River, contract 15. Railway Location—
Contract No. 15.
5336. Mr. Carre was your engineer in charge during the season of 1874?—Yes.
5337. Where was your base of supplies for that year?—I think the supplies were brought from Winnipeg to the North-West Angle. North-West Angle must have been our base.
5338. Did you take any part in the arrangement for supplies that season?—None whatever.
5339. How long did you remain on that survey?—We completed that survey about the 15th of the following June. This work over on 15th June.
5340. Did you remain there over the winter?—I was engaged on other trial lines during the winter. Engaged during winter on other trial locations.
5341. Did you begin that when you left this in January 1875?—Yes; a few days after. I ran a line to Shoal Lake, under instructions from Mr. Carre—from Shoal Lake to Red River. Our initial point was Shoal Lake, and we ran towards Red River. It is the Shoal Lake west of Red River. Ran a line to Shoal Lake and from Shoal Lake to Winnipeg.
5342. What time of the year did you begin that survey?—We began it about the middle of January, 1875, and completed it in the following month.

**Railway Loca-
tion—
Contract No. 15.**

**Witness in charge
of survey when
Carre not present.**

**Character of
country.**

**Length of survey
from Shoal Lake
forty-five miles.**

**Country about
one-half swamp.**

**About half fit for
agricultural
purposes.**

**Instructed by
Carre to run a
track from White**

5343. Mr. Carre being still your engineer in charge?—He was in charge, but not present.

5344. Who was in charge of the survey when he was not present?—I was in charge of the survey.

5345. Do you know where Mr. Carre was occupied at that time?—Taking soundings of the crossing of Red River.

5346. Then you were at work during the winter months?—Yes.

5347. How near did you come to the western terminus at Red River?—About four or five miles. Another party had to run out to our party.

5348. What kind of a country did you go through?—Part of it was very swampy, the rest was dry poplar ridges.

5349. Was it good agricultural land, any part of it?—Very little, if any.

5350. About what was the length of that survey, from Shoal Lake eastward?—About forty-five miles.

5351. Do you know if this was about where the telegraph line was?—The telegraph line was run previous to the survey, we ran on the telegraph line; it was to straighten a line that was previously run.

5352. Do you remember about what proportion of the country was swamp?—I do not know; it was in the winter, and there was considerable quantities of snow on the ground; but I should say it was one-half swamp.

5353. Did you not put down pegs to mark your centre line?—Yes.

5354. Could you not tell from that, what kind of country it was, solid earth or swamp?—The pegs were only put down temporarily, only put in in the winter and over the bogs.

5355. You say about one-half would be swamp?—I think about that proportion.

5356. Would all the rest be light soil, or could you not tell?—I could not tell, on account of the quantity of snow on the ground. The timber was generally poplar.

5357. What size?—Quite small.

5358. Are you able to form any opinion in winter of the nature of the soil over which you pass, from either the trees or any other indication?—It is very difficult to do so. Of course we can form an idea whether the land is dry, to a certain extent, or whether it is gravel or stiff clay; but it is very difficult to form anything like a correct opinion as to the nature of the soil.

5359. Did you think that portion of the country was one likely to be settled by farmers for agricultural purposes?—A portion of it.

5360. About what proportion of it?—I think about half of the country might possibly be settled, but I fancy not for some time to come.

5361. About what time of the year did you end that survey?—The second week in February, 1875.

5362. And then where did you go?—I then received further instruction from Mr. Carre to make a track survey from Whitefish Bay, of the

Lake of the Woods, towards Sturgeon Falls, an arm of Rainy Lake, working about south-east.

Railway Location—
Contract No. 15.
Fish Bay to Lake of the Woods.

5363. Did you take charge of that party?—I was in charge of the party, personally acting under instructions from Mr. Carre.

5364. What was the size of your party?—About thirty-six all told.

Size of party about thirty-six in all.

5365. Where was the base of your supplies?—North-West Angle.

5366. Did you take any part in the arrangement for supplies for that work?—No; the supplies were to be at North-West Angle waiting for me when I arrived there.

5367. Were they there?—Some; a large proportion had not yet arrived.

5368. How long were you occupied in that work?—I completed the work on the 26th of March, and returned to Winnipeg on the 6th of April.

Completed work on 26th March.

5369. Had you any difficulty about the supplies on that work?—It was necessary to utilize the dog trains, that we had intended to move camp with, to move our supplies from North-West Angle to the head of Whitefish Bay, the contractors having failed to deliver them.

Difficulty about supplies.

5370. Who were the contractors?—I think it was Mr. Stayner. Mr. Norman McLeod had been left in charge by Mr. Carre to see after those supplies.

5371. Was the work more expensive on account of having to use the dog trains in the way you describe?—But very little more expensive. We were only one month running seventy miles.

5372. Then there was no serious delay or loss in consequence of the supplies not having been forwarded?—Nothing serious. Of course we were on short allowance and might have got through a week sooner, but there was no serious delay.

No serious delay.

5373. Then you reached Winnipeg about April?—The 6th of April.

5374. What did you do then?—I remained in Winnipeg until the following June making out the plans of the track survey. Mr. Thompson was then appointed in charge of contract 14, and instructed me to locate the first fifty miles of it in the month of June.

Contract No. 14.

5375. The first fifty miles in which direction?—East from Red River.

5376. Did you take charge of the party to do that?—I was in charge of the party.

5377. Did you say under Mr. Thompson?—Acting under instructions from Mr. Thompson.

5378. Who was Mr. Thompson?—He was the engineer appointed to take charge of contract 14.

5379. Is that before there was a contract or after?—There was a line run by Mr. Brunel, and the contractors were working on that line.

5380. That is, the piece of the line which was nearest to Red River?—Yes; I merely made a final location of the line already run.

Made final location.

5381. Who had made the previous survey?—Mr. Brunel, if I mistake not.

**Railway Location—
Contract No. 14.**

5382. Of which you afterwards made the final location?—Which I afterwards made the final location of, with the exception of five miles from Red River east. That portion was new line.

5383. Do you mean, that that had not been previously located by Mr. Brunel?—It had not been previously located by Mr. Brunel. My instructions were to start from a certain lot running parallel with the parish line until I intersected with Mr. Brunel's line,

5384. Then did you locate up to Red River?—We commenced at Red River, or within half a mile of Red River, and located east.

5385. What was the eastern terminus of your work?—For that season it was at station 2616.

By Mr. Keefer:—

5386. Is that on section 14?—Yes.

By the Chairman:—

5387. How long were you on that work?—Until about the middle of July.

5388. That was July, 1876?—July of 1875.

5389. Was that line, as located by you, finally adopted?—Yes.

5390. Did you work it out on the ground?—I staked it out every 100 feet.

5391. The centre line?—The centre line.

5392. Did you cross-section it?—Cross-sections were taken every 500 feet through the swamps and level portions, more frequently on rougher ground; reference stakes were also put in.

5393. Did I understand that you were engineer in charge of that work, or were you assistant to Mr. Thompson, who was engineer in charge?—I was assistant of Mr. Thompson, but was in charge of the party locating. The terminal points were fixed, and I merely located finally the line already run.

4394. Did you ascertain the data upon that work from which to take out the quantities?—I did not. Before the completion of the whole of the distance the books were sent in to the office in Winnipeg.

5395. Had you not ascertained the data then from which some person else could make the calculations?—Certainly; we ran a line of levels over the works, and also took soundings of the swamps.

5396. Did I understand you to say that your work included ascertaining these particulars which would furnish other persons with the means of ascertaining the quantities?—Yes.

5397. And were these particulars contained in books?—Yes; they were contained in books, and they were forwarded to Winnipeg—they were forwarded to Mr. Thompson in Winnipeg.

5398. After that, had you any connection with the fifty miles?—I had, at a later date.

5399. Do you know who took out the quantities of the work you had done?—I do not.

5400. You were not responsible for that part of it?—Not at all.

Line marked by witness finally adopted.

Finally located the line already run.

Furnished data by which other persons could calculate quantities.

Railway Location—
Contract No. 14.

5401. What is the practice on that subject? Do the assistants help to calculate the quantities, or does the engineer in charge take the responsibility?—The engineer in charge takes the responsibility, but the assistants, of course, help under his instructions.

5402. In this case he did not have your assistance in making out the calculations?—Not my assistance.

5403. Are you aware whether the quantities, as made up from your data, have turned out to be correct when the work was executed?—I am not aware whether any quantities were made up from the data furnished by myself.

5404. Are you aware that the contract has been let upon that line?
—Yes.

5405. And that the estimated quantities were furnished to the tenderers?—The estimated quantities were not furnished from the data furnished by myself; they had been made up the year previously on some projected line, if I understood it correctly.

Estimated quantities not made up from data furnished by witness.

5406. Did you find that a projected line had been run over the same ground and staked out upon the ground?—No.

5407. How could they get the quantities on the projected line, without having it staked out?—I presume that they used the data acquired on the trial line of 1874. I was not aware that a projected line had ever been laid down on the plan until I was informed of it the other day. I had never been furnished with the line when I was instructed to run the final survey.

Thinks that in making up quantities they used the data acquired in the trial line of 1874.

5408. Is it possible to make up quantities without the line being staked out?—Not without some line.

5409. Did you find that the line had been staked out before you went there?—There was a line run in the winter of 1874-75 by Mr. Carre. The line which was run west was a continuation of contract 15, trial survey of 1874.

5410. Can you tell me from what line, or what data, the quantities were ascertained and offered to the public when tenders were invited?—Partly from the trial line of 1874, I think.

5411. Was the trial line of 1874 marked by stakes?—Yes.

Trial line of 1874, marked by stakes.

5412. Who did it?—I was transit man on that work.

5413. Who was engineer?—Mr. Carre.

By Mr. Keefer :—

5414. As transit man, you put down the pegs?—Yes.

By the Chairman :—

5415. Did you in your evidence describe the work which you did under Mr. Carre as part of 14?—I think so.

5416. Was it not upon part of 15?—That was run the same winter at the same time; there was no distinction then between 14 and 15; and we ran a line through to near Brokenhead River.

5417. Do you know the name of the station on the railway which is nearest Brokenhead River?—Bon Sejour.

Bon Sejour the station nearest Brokenhead River.

5418. Then that was the furthest point west at which any previously projected line had been run with sufficient data to take out quantities?

Railway Location—

Contract No. 14. —I think not. Mr. Brunel had run a line to the same point that intersected with me.

5419. From Selkirk eastward?—I think he ran from Selkirk, east.

5420. At all events you took no part in making up the quantities from this last survey which you have described?—None whatever.

5421. And you do not know that any one made up the quantities from that?—I do not.

5422. Do you say that, previously, the projected line had been made with sufficient accuracy to furnish the data for quantities?—The trial line had been made with sufficient accuracy to furnish approximate quantities.

Work ended about the middle of January, 1875.

5423. What time of the year did you end the work?—About the middle of January, 1875.

Trial Surveys—Pemb. Branch. Contract 5 A.

Instructed to run line from Selkirk to Winnipeg. See 5446.

5424. Did you remain in the employ of the Government?—Yes.

5425. What did you do after this final location of section 14?—In August, 1876, I received instructions from Mr. Rowan to run a trial line from Selkirk to Winnipeg, for the Pembina Branch, on both sides of Red River.

Witness in charge of party but acting under instructions from Rowan.

5426. Were you the engineer in charge of that?—I was in charge of a party on the ground, but acting under instructions from Mr. Rowan.

5427. What was the size of your party?—The party was a very small one. I do not recollect the number employed.

5428. Could you tell nearly the number?—Probably some fifteen persons. I hardly think as many as that. I think ten would be nearer the number.

5429. How long were you at that work?—We finished either that month or September.

5430. Did you take out the quantities of that work?—I did not.

5431. How were they ascertained?—I do not know that they were ever ascertained from personal knowledge.

5432. That work was not let by public competition?—I think not. These were merely trial surveys. The present located line is not on these surveys.

5433. They were only trial surveys?—That was all.

5434. Did you furnish any data from which quantities might be taken out?—We ran levels over the centre line so that approximate quantities might have been taken out.

Brunel ran line which was adopted.

5435. Who ran the line which was finally located?—I think it was Mr. Brunel.

Railway Construction—

Contract No. 14. Next work on fourth section of contract 14.

5436. What was your next work?—I think my next work was on construction on section 4, contract 14.

Work divided into six sections.

5437. Was the whole work divided into more than four sections?—It was divided into six sections.

5438. Was there an assistant engineer in charge for each section?—There was an assistant for each section.

**Railway Construction—
Contract No. 14.**

5439. Can you describe the locality of your section?—It was close to the Whitemouth River.

5440. East or west?—Three miles west and about two miles east.

5441. What was your duty as to that section?—To lay out work for the contractors, and superintend the work on the part of the Government.

Witness's duty to lay out work for contractors.

5442. What time did you commence that work?—In November, 1875.

November, 1875.

5443. Do you not think it was in 1876?—No; I think not. It was only a short while until I had to leave again.

5444. Was it after the contract had been let?—Yes; it was after the contract had been let.

5445. You think that was in 1875?—I think it was in November, 1875.

5446. You said you ran the Pembina Branch in August, 1876?—In August, 1875.

5447. Who was the engineer in charge of that whole contract 14?—Mr. Thompson.

Thompson, engineer in charge of that whole contract.

5448. Where does he live now?—I think he resides at present in Kingston.

5449. Have you been occupied on that ever since?—No.

5450. How long were you occupied as assistant engineer on that construction?—If I recollect, it was either in the following January or February, 1876, that I received instructions from Mr. Thompson to stop the work. The contractors were then engaged piling, and I was to stop the work and return to Winnipeg.

**Railway Location—
Contract No. 15.**

5451. What time did you get to Winnipeg?—I am not certain; but in January or February I ran a line from station 1660, south of the contract, to about station 2075 on Mr. Carre's south line, contract 15.

February, 1876, ran line from a southern point to station 2075, contract 15.

5452. About what was the length of that line?—Forty-six or forty-seven miles.

5453. Would that strike the present located line east of Red River?—It would strike it east of Shelley.

5454. How far east of Shelley?—Probably two miles.

5455. Was that a trial location, or merely an exploration?—It was a direct line, and I think they ran in a curve so that it might answer for a trial location.

5456. What sort of country did you pass through?—The swamps were very bad, and were very unfavourable as compared with those on the present located line.

Character of country swampy and unfavourable as compared with that of present located line.

5457. How long were you occupied in that work?—Until some time in February. On completing that line I received further instructions to run a line from five and a-half miles west of our intersection with the south line.

Contracts Nos. 14 and 15.

Instructed to run a line from five and a-half miles west of intersection with south line.

5458. How far west from the west end of Falcon Lake?—About five miles west of station 2070 on the south line, contract 15.

**Railway Location—
Contracts Nos.
14 and 15.**

5459. I understand you have described your eastern terminus on the new work?—Yes.

5460. Where did it go?—The western terminus was at station 960, some three miles west of Brokenhead River, on the present located line of section 14.

Character of country.

5461. What sort of a country did you pass over to do that work?—The eastern half was rather favourable—certainly as favourable as contract 14. The western half was run by Mr. Armstrong; I was not over it.

5462. Had Mr. Armstrong been employed before that upon the construction work of 14?—Yes.

5463. You say the eastern portion of that line would be as easily made, at all events, as the same distance on 14?—Yes; such was my impression.

5464. In looking after the works done on 14, would it be your duty to take any part in differences between the contractor and the Government engineer as to the method of doing the work, or the quantities, or would that be left to your superior officer?—That would be left to my superior officer.

5465. Did the section over which you had charge include the Julius Muskeg?—Not section 4; but I was in June, 1877, given charge of section 3, which included the Julius Muskeg.

On last line run by witness none of the Julius Muskeg.

5466. Was there more of the Julius Muskeg upon the line which was actually adopted than on the last line that you ran?—The last line I ran there was none of the Julius Muskeg on it. We escaped the muskeg wholly.

5467. What length of the Julius Muskeg was on the adopted line?—The open muskeg was about 3,000 feet in length, I think.

5468. Do you know anything of the ditch which was run through that muskeg locality? They say that it was some four or five miles long and outside the railway limit?—It would be between four and five miles long.

5469. What length of the muskeg do you say was on the line?—The open muskeg, I think, was about thirty chains, or 3,000 feet.

Causes leading to great length of ditches.

5470. What was it that occasioned the four or five miles of a ditch?—I presume it was to carry off the water of the muskeg.

5471. Did you consider that it was necessary to make it so long? Was there no escape for the water by a shorter way than that?—I think not. I know of no escape myself. There was a creek at station 2068, and the ditch was run to that station.

5472. Is the absence of this muskeg upon your last trial line one of the reasons why you think it was quite as favourable as the one adopted?—Yes.

On last trial location sufficient data obtained to calculate quantities.

5473. Did you ascertain sufficient data upon this last trial location from which to ascertain the quantities?—Yes; we ran levels over it and took soundings.

5474. But not cross-sections?—Not cross-sections.

Nearly level.

5475. Was it tolerably level?—Very nearly so. The greater portion of it was quite so.

5476. Quite a different character from the country east of the Carre location on the south line of section 15?—Yes, quite different.

5477. When did you end that work?—I ended that survey in March.

5478. Of what year?—March, 1876.

**Railway Location—
Contracts Nos. 14 and 15.**

5479. What was your next work after that?—I was instructed by Mr. Thompson to finally locate contract 14, from station 2616 to Cross Lake.

Contract No. 14

Instructed in March, 1876, to finally locate portion of section 14.

5480. Is that to the eastern terminus of 14?—Yes.

5481. How long were you occupied on that?—I think we completed it about the beginning of August?

5482. Then that part of the line on section 14 had not been finally located until August, 1876?—No; there was merely a trial line run in 1874.

5483. When you made the final location in August, 1876, did you cross-section it?—No; the cross-sectioning was done by the assistant engineer after the line was run.

5484. After the previous location of the line?—No; after the final location.

5485. That was after your work was done that you are now describing?—Yes.

5486. Were the quantities taken out from this work that you are now describing?—No.

Quantities not taken out from the work on this final location.

5487. When were they taken out?—They were taken out in 1875, I believe, from some projected line; but I merely speak from hearsay.

5488. Did this line, as finally located in 1876 by you, differ from the trial line previously located?—I know nothing of the projected line. It differed very little from the trial line of 1874. I followed the general course of the trial line, with one or two exceptions.

Final line differed very little from trial line of 1874.

5489. Your final location was the one actually adopted?—Yes.

5490. What was your next work after that?—I think I took charge of sub-section 4 on construction.

**Railway Construction—
Contract No. 14.**

5491. That was returning to the position which you had formerly occupied?—Yes.

Returned to his previous work on sub-section 4.

5492. How long did you remain in that capacity?—Until October, 1877.

October, 1877, transferred to sub-section 6.

5493. And then what did you do?—I was then transferred to sub-section 6, with instructions to revise the last mile and a-half of the contract—that is, the most easterly mile and a-half of contract 14.

Revised most easterly mile and a-half of contract 14.

5494. Did you revise it?—I did.

5495. Did you revise the grade as well as the location of the line?—If I recollect rightly no grade had been decided upon on that end, pending the final adoption of a grade on contract 15 at Cross Lake.

5496. That would govern the eastern end of 14?—Yes.

5497. Had the western end of 15 been finally revised, as to location, at the time that you finally revised the eastern end of 14?—Yes.

**Railway Construction—
Contract No. 14.**

5498. So that you could ascertain with precision the locality of the line?—Yes.

5499. And you did that?—And I did so.

5500. Have you had the probable quantities to finish the eastern end of 14 under your consideration at all?—I have, as far as Cross Lake—my section. Section 6 extended to Cross Lake, but did not embrace Cross Lake.

5501. Did not section 6 come to the end of contract 14?—Yes.

5502. I am speaking of that portion of 14 which was at the eastern end. You are aware that there has been a great deal of discussion about the filling of Cross Lake and the large quantities required to make the embankments; I am asking whether you have given the quantity of filling in that embankment any consideration?—I have the approximate quantities of the material in the several fillings.

5503. Did you make these approximate quantities on the data that you obtained at the final revision of the line?—Yes.

5504. Could you produce particulars of that estimate of the quantities?—Certainly; I have a memorandum of them.

Contractors' Claims.

5505. Do you know the particular fills upon which Mr. Sifton now claims an amount from the Government, because Whitehead did it at a lower rate than Mr. Sifton had contracted for?—Yes.

At one station estimate of quantities for shrinkage and subsidence 29,000 yards allowing 10 per cent. for shrinkage.

5506. As to these particular fills, let me see your estimate of the quantities?—One would be at station 3980. The calculated quantity, adding 10 per cent., was, in round figures, 29,000 yards.

5507. Is that 10 per cent. for shrinkage?—Ten per cent. for shrinkage and subsidence. The whole quantity put in the fill was 51,600 yards.

Actual quantity put in fill 51,000 yards.

5508. Do you mean that 29,000 yards was what you estimated, at the time of your final revision, to be the probable quantity required?—Yes; 51,000 yards was the actual quantity put into the fill.

5509. How do you account for the difference between 29,000 and 51,000 yards?—From the sliding of the material in the bank. It seemed to sink down and raise up a swampy bottom towards the lake to the distance of over 400 feet.

5510. Do you mean that the excess in the quantity has disappeared below the surface?—Yes, disappeared completely below the surface, raising up the swamp in some places to the height of twelve feet above its level.

This particular fill between two rock cuttings.

5511. Is this particular fill in the lake?—No; it is not far from it. It is between two rock cuttings. The lake is about half a mile from the north side.

5512. Is any part of this filling over water?—No.

5513. Is it in muskeg or swamp?—It is in sideling ground, the beginning of the point of swamp that enters between two cuttings.

5514. The embankment was made through this portion of the swamp?—Yes.

5515. Is your explanation of it that the earth as put in has spread out and raised the surface of the surrounding swamp?—Has displaced

**Railway Construction—
Contract No. 14.**

the lighter material and raised the surface of the swamp in consequence of it.

No rock protection walls put in this filling.

5516. Were rock protection walls put in this filling?—No.

5517. The earth was just dumped into the swamp?—Yes.

5518. Could you distinguish, in your original estimate, between the quantity which you estimated above the original surface and below the original surface?—It would be rather difficult to do so, if I understand your question. The whole estimate was above the surface, because it was thought that it was solid ground.

5519. You thought it would be solid enough to support the embankment?—Yes.

5520. But instead of that you found that it was not solid?—The south side was sufficiently solid.

5521. Do you know now how much of the work executed—I mean the quantity put in the work executed—is above the surface?—I could easily find out, but I could not tell you off-hand.

5522. Is the height of the embankment as executed the same height which you used as the basis of your calculation?—The height is the same, but the width is somewhat greater as the top and bottom moved slightly, so that this 29,000 yards would have to be increased by a few thousand yards to cover the amount above the surface.

5523. And all over that slightly increased amount is due to the insufficiency of the foundation that has disappeared there?—Yes.

5524. Then the nature of the foundation would account for nearly 22,000 yards?—Yes; 21,600 is what I make the excess over the estimated quantities to be.

Nature of foundation would account for 21,600 yards excess over estimate.

5525. Do you mean that it is due to the weakness of the foundation: that it disappeared as it went in?—Precisely.

5526. What is the next fill?—The next fill is at station 4010.

Fill at station 4010

5527. What was your estimate?—The estimate, with 10 per cent added, was 114,400 yards.

5528. What was the character of the locality there?—A water stretch, crossing a bay of Cross Lake.

Water stretch crossing a bay of Cross Lake.

5529. Were rock protection walls put in?—No.

5530. Were there not rock protection walls to all earth embankments over water stretches?—Not on contract 14.

No rock protection walls.

5531. What was the foundation actually executed over that water stretch?—At first there was no foundation; the earth was simply dumped in. The bottom seemed to be gravel and blue clay, as far as we could test it with the sounding rod. As the bank progressed it began to spread. The earth was then levelled by the contractors, and a mattress or platform of timber built under it to hold it together.

Character of foundation

5532. To act as a stay as well as a support for the future superstructure?—Yes.

5533. Was it something like a corduroy preparation for a road?—Somewhat similar, except that the timber was crossed.