

**Railway Construction—
Contract No. 48.**

First 100 miles west of Red River.

Schreiber saw that ballast was better than Manitoba mud for making a track.

Fifteen feet width of road-bed according to specification.

Actually made ten and a-half feet wide.

The road will not cost more and will be better.

Witness's proposal to supply a gravel road bed of ten feet at the same price as an earth bed of fifteen feet, still under consideration of Department.

About twenty-five miles of road finished.

7671. That will have the effect of increasing the total cost considerably?—I don't know that it will. I do not think it takes as much ballast to make the road as this Blackberry mud. I think a yard of ballast is better than a yard of mud; it will make more road. I think one of the reasons that the Chief Engineer advised me to do it that way for, was, he saw the state the road was in here last spring on the Pembina Branch. The ties went down through the mud, and it was almost impassable, and he saw that it was a mistake to make the bank of a foot and a-half, or two feet high, on this prairie mud, as it would not hold the track up. He thought it was the better plan.

7672. What was the width of the road-bed at the formation level originally intended by the specification?—I think fifteen feet, if I am not mistaken.

7673. How wide are you making it with ballast?—We are making it to be only half a yard, outside of the tie; that would be probably ten and a-half feet.

7674. So that your ballasted road-bed is narrower than the intended road-bed?—Yes; it always is.

7675. Do you think that the effect of this change from earth road-bed to ballast road-bed will not increase materially the whole cost of the road?—I do not think it will.

7676. And do you think it will be a better and more lasting work?—I do, decidedly.

7677. Has there been any discussion or dispute between the Department and you on this subject?—Yes; we have had some discussion about it. I told the Department that I could not afford to haul gravel twenty or thirty miles for the same price that I could put on earth from the side ditches; but if they would give me what the grading would actually cost, at my figure, I would make the whole line with gravel.

7678. But you mean, I suppose, gravel at a narrower width? Do you mean a gravel bed of fifteen feet at the formation level?—No; it would be probably about ten feet.

7679. You mean, then, that you proposed to supply a gravel road-bed of a narrower width, at the same price as the whole earth bed would have cost at a greater width?—Yes.

7680. You mean the base of that earth road-bed to be calculated upon the quantities originally intended in the specifications?—Yes.

7681. Has your proposition been accepted or refused?—I do not know.

7682. Is it still under consideration of the Government, as far as you know?—Yes; it is still.

7683. Was there any other material change in the character of the work from what was intended by the contract?—No.

7684. How far have you finished the line?—I have the track laid about forty-three miles; it is not finished that far.

7685. How far is it finished?—There is probably half of it finished, and twenty or twenty-five miles ballasted.

7686. Is that all the way from Winnipeg?—No.

7687. You have not ballasted one continuous portion of the road?—
No.

**Railway Construction—
Contract No. 48,
First 100 miles,
west of Red
River.**

7688. Have you understood that the line has been finally located for the whole distance?—Yes; so I am told.

Line finally located for the whole 100 miles.

7689. Have you been notified to that effect?—Yes; I saw the profile.

7690. At what rate are you now progressing towards the finishing of the road?—We are laying about five miles of track a week.

Rate of progress: five miles of track a week.

7691. Have you formed any opinion about how far you will be able to finish this fall?—I hope to get it through altogether before I stop. I hope to keep on track-laying until I finish.

7692. Does the winter season make any difference in the rate of progress?—Of course, it is slower and more expensive.

7693. For what reason?—The cold weather.

7694. How does that affect it?—The men cannot work the same then, as they have to wear buffalo coats at work, and the days are shorter. The weather is very severe in winter; in fact some days we cannot work at all.

By Mr. Keefer :—

7695. You propose to continue on until the work is done, without stopping in the winter?—If possible. I mean until the track is all laid at all events. Of course, we cannot do any ballasting in winter time.

By the Chairman :—

7696. Have you built any of the station-buildings?—I have just started yesterday, or the day before, to build them. We expect to build four of them this year.

7697. How many will be on your line, as far as you know?—Seven; there were, at first, twelve or fourteen, but I think they have dispensed with half of them.

Seven stations on line.

7698. Is there any other matter connected with this contract which you wish to explain?—No.

7699. Have you been interested in any other work of the Pacific Railway?—I made a temporary bridge across the river here—myself and some other parties.

**Contract No. 64.
Temporary
Bridge across
Red River.**

7700. When was that?—This year; we finished in July.

7701. That is no part of this contract?—No.

7702. Was that work let by public competition?—Yes.

7703. Invited by advertisement?—Yes; I think so. Yes; I am quite sure it was.

7704. When did you make that contract?—I think it was in March or April, or some time in the end of the winter.

Contracted to build temporary bridge in March or April.

7705. What was the total amount of the sum involved?—\$7,350. I was not alone in it. Mr. Whitehead and Mr. Ruttan were in it.

Sum involved \$7,350.
Contractors: Ryan, Whitehead & Ruttan.

7706. Was yours the lowest tender?—Yes; I think so.

7707. Has the work been finished?—Yes.

Work finished.

**Railway Construction—
Contract No. 64.
Temporary
Bridge across
Red River.**

7708. And taken off your hands?—Yes; I think so. I have not heard anything to the contrary. They are running trains over it.

7709. Was there any difficulty with the Government about the charges you made?—No.

**Railway Ties—
Contract No. 59.
Contractors:
Whitehead,
Ruttan & Ryan.**

7710. Is there any other matter in which you are interested connected with the Pacific Railway?—Yes; I got out some ties for the second 100 miles west of here. Mr. Whitehead, Mr. Ruttan, and myself were interested in it.

7711. Has the work been completed and taken off your hands?—Yes.

Work completed but money not yet received.

7712. And closed up?—Yes; as far as I know. I know I signed the final estimates the other day, but I have not got the money yet. I suppose it is all right, and I signed the receipt.

7713. Is there any other matter in which you have been interested on account of the Pacific Railway?—No.

7714. Is there any matter which you wish to explain in connection with the railway?—No.

Never negotiated on behalf of any other contractor with any of the officers of the Government.

7715. Have you at any time had any negotiations on the part of any other contractor, with any of the officers of the Government?—On this road: the Pacific Railway?

7716. Yes?—No.

7717. Have you taken part in any of the bargains made in the purchase of any other person's tenders, or contracts, either for yourself or any person else?—No.

DRUMMOND. HENRY M. DRUMMOND, sworn and examined:

**Nixon's Pay-
master-and-
Purveyorship
Accounts.**

By the Chairman:—

7718. Where do you live?—In Winnipeg.

7719. How long have you lived here?—Since 1872.

7720. Have you been connected with any of the business of the Canadian Pacific Railway?—No; merely as auditor of things passing through my hands.

7721. Have you had to fulfil that duty in connection with Pacific Railway matters?—Yes; part of it.

Has taken part in auditing Canadian Pacific Railway accounts since 1873.

7722. When did you commence those duties connected with the Pacific Railway?—I suppose it must have been—speaking from memory—since the office was open here. I think it commenced about 1873.

7723. Do I understand that you have taken part in auditing accounts since about that time?—Yes.

7724. That is Pacific Railway accounts?—Yes.

Duty to see that cheque and account corresponded.

7725. Can you describe to me what duty you had in reference to the accounts?—Merely as to the issuing of cheques. They brought the cheque with the account along with it, and it was my duty to see that they corresponded.

7726. Do you mean to see that the amount of the account and the amount of the cheque corresponded?—Yes; and of course that it was a proper voucher.

7727. You mean that the account was accompanied by a proper voucher?—That the account was in the proper form, that it could be sent to Ottawa; and, as far as I could see, that there was nothing wrong with the account.

7728. Would it be necessary for the person signing the cheque to explain to you the reason for running the account and incurring the debt?—No. The way the accounts are worked here is: there is a certain credit given to a party, whoever it may be, and our duty is to see, as far as we can, that no improper cheque is made against that credit.

7729. When you say an improper cheque, do you mean so as to exceed the credit, or do you mean that in itself it should be a proper transaction?—Well, both.

7730. Was Mr. Nixon connected with the works or business in any way since you have had that duty?—Yes.

7731. All the time?—Before Mr. Nixon it was Mr. Jones.

7732. Was it when Mr. Nixon commenced that you were in the office?—Yes.

7733. Then you would have knowledge of matters passing through his hands from the time he began?—Yes; to a certain extent.

7734. Do you know what his office was?—Purveyor, we called him.

7735. Did he perform the duties of paymaster as well?—Yes.

7736. Then, as you understand, did he fulfil the duties of purveyor and paymaster?—Yes.

7737. Did he sign cheques in connection with that office?—Yes; and gave credit.

7738. Do I understand that those cheques were also signed by you?—Yes; they were countersigned by me.

7739. The matters would first pass through his hands, subject to his judgment, before they came to you for countersigning?—Yes, he did everything; and then he gave the cheques, and the party to whom they were payable brought the cheque with the account to me for countersigning, and then I retained a copy of the account that was brought to me.

7740. Is that your recollection of the practice that prevailed at that time during the Nixon paymastership?—I think that was the system from about the beginning.

7741. Do you know whether the practice was that those accounts would be made out in more than a single copy?—They were supposed to be all made out in triplicate.

7742. And the one copy would be left with you?—Yes; one copy was left with me.

7743. So that the person to whom the account was payable would first of all settle with Mr. Nixon as to the amount to be paid to him?—Certainly.

7744. And that same person would go to you and get you to countersign the cheque which Mr. Nixon had previously made?—Yes; producing the voucher at the same time.

**Nixon's Pay-
master-and-
Parveyorship
Accounts**

Witness saw nothing of accounts until presented to him, and had no supervision over the details of accounts.

7745. Do you remember whether it was the practice for you and Mr. Nixon to discuss the propriety of the accounts being paid before he gave his cheque, or was it the practice that he alone would decide upon them and sign the cheque ready for your countersigning?—Yes, ready for my counter-signature; I did not see anything of the accounts until they were presented to me.

7746. You and he did not exercise a joint supervision, or was there a supervision over the accounts?—No, I had no supervision over the details of accounts or prices; I only saw that the account was in proper shape, as far as I could judge.

7747. Would you be able to judge whether the items which were in that account would really be due to the party?—No.

7748. Was that a matter upon which Mr. Nixon alone exercised his judgment?—As far as I knew.

7749. At all events you exercised no judgment?—No.

7750. Then your jurisdiction seemed to be more of ascertaining whether it was in the proper form?—Yes; you see our business was more in the shape of getting these accounts in and charging them up to the different appropriations.

Principal duty of witness book-keeping.

7751. Your principal duty was for the purpose of book-keeping?—Yes.

7752. Not investigating the merits of transactions?—No.

7753. Do you know whether there was any person, except Mr. Nixon, whose duty it was to investigate the merits of the different transactions for which he gave cheques?—Not that I know of. He was certainly the only one accountable to us for the accounts.

May have countersigned cheques when no voucher accompanied them.

7754. Did it sometimes happen that you countersigned his cheques without having certificates from him at all—that the mere production of the cheque would be sufficient evidence to you that it was proper to countersign it?—When we started there may have been that.

7755. Did you ever find it necessary to object to countersigning any of the cheques first signed by Mr. Nixon?—I could not say—not that I remember just now. We might have made some slight objection, but I do not remember; it might have happened.

Up to two years ago gave accounts back to Nixon at end of each month.

7756. Are the accounts presented to you, in the way you describe, from Mr. Nixon's office still in your charge?—No; I sent them all down to Ottawa. Each return that I make to Ottawa I send the accounts with the cheques. By the way, I might say at that time I gave them back to Mr. Nixon at the end of each month.

7757. Do you know how long that continued, that you gave them back without sending them to Ottawa?—I do not know how long that was. I think it was almost up to within a couple of years ago; I really forget now.

7758. Are you able to say now where those cheques could be found?—In the Finance Department at Ottawa.

7759. Is there anything within your control which would throw any light upon the transactions of Mr. Nixon in this office as paymaster to the railway?—In so far as the transactions go, I have the books over in the office yet.

**Nixon's Pay-
master-and-
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Accounts.**

7760. That would show simply the entries after each of these transactions was consummated?—Yes.

7761. So as to show the particular account to which each expenditure was charged?—I could give you the party to whom each cheque was payable.

7762. I mean to see earlier in the transaction than that?—No.

7763. It would only be the amount paid to each party, and the account to which that payment was charged?—Yes; and what it was for.

Books only showed the amount paid to each party and the account to which each payment was charged.

7764. I suppose you mean the nature of the articles which were furnished, such as provisions, wages, &c.?—Yes; in general terms.

7765. Look at this account of May 6th, 1875, and say whether the cheque to pay that account would be certified differently from what this copy is (handing an account to witness)?—No; I think if I remember rightly I remarked it at the time, and I think it was just exactly the same as this.

Account of May 6th, 1875.

7766. Then there was no certificate or voucher of any kind, except Alloway's receipt?—No; I remember I remarked that account at the time.

No voucher except Alloway's receipt.

7767. Did you observe several accounts in that shape from Alloway?—I think there was only one other—for horses—in the same way or very much the same.

7768. Can you say now, upon refreshing your memory, whether the principle was when the dealings with Alloway commenced that Alloway's accounts were paid without any certificate from Mr. Nixon?—I think so; I think this was the shape in which they were put through.

In the beginning Alloway's accounts paid without certificate.

7769. Without any certificate?—Yes.

7770. The only evidence to you at that time of the correctness of the transaction was Alloway's bare receipt?—No; I think not. I think that Mr. Nixon certified to it, or put his name in some way on it. I think it was certified "correct" on the copy that came to us.

7771. Do you mean, besides the name of Mr. Nixon on the cheque, that there was some other certificate on the account presented in those instances where they attracted your attention as being different from others?—No; I do not think so. I do not think there was anything different from the accounts of Alloway's and any others. I think that Mr. Nixon certified to them as a rule.

Thinks Nixon as a rule certified to Alloway's accounts.

7772. Here are several other accounts paid to Alloway; please look at them and say if it was the usual practice with all persons at that time, or whether the absence of certificates was peculiar to these accounts?—At this late date I really could not answer that question.

7773. Was it the practice to produce to you certificates from the engineers, or other persons who would certify to accounts, in addition to Mr. Nixon's signature to the cheque?—Yes, if I remember rightly it was; certainly it is now; but I think at that time anything that the engineers got they approved for payment.

7774. Do you say now, looking at these accounts which contain several large items furnished to engineers, that they were accompanied by certificates from those engineers; or, at that time, was it sufficient to

At that time cheque sufficient with the voucher.

**Nixon's Pay-
master-and-
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get Mr. Nixon's signature in your estimation?—At that time with Mr. Nixon the cheque was sufficient for us, with the voucher.

**Nixon's dealings
in no way revised
by witness.**

7775. Would it be the voucher or the person who made the claim—for instance, would Alloway's receipt be a sufficient voucher, in your estimation, to justify Mr. Nixon's cheque going through? In other words, did you revise Mr. Nixon's dealings with the subject in any way? If it satisfied him did you accept that as sufficient?—Yes.

**Practice at present
to have the
certificate of en-
gineers' to whom
goods have been
furnished attach-
ed to the voucher
accompanying
cheque.**

7776. Then it would not be necessary to show you the engineer's certificate, if those certificates had been first shown to Mr. Nixon?—Of course now, at this late date, I almost forget; but certainly now the engineer's certificate is attached to the same voucher that goes along with the issue of the cheque. For instance, the engineer has written across "approved for payment" or "certified as correct," as the case may be.

7777. Do you remember how far back the present system has been established; has it been since Mr. Nixon has given up connection with the office, or was it established before that?—I think before that.

7778. Could you say how long before?—No.

**Thinks present
system was
established spon-
taneously.**

7779. Do you remember whether the system which you say is now more certain, was established in consequence of direction from the Finance Department, or was it your own management which led to it?—I think it was our own management; we wanted to get into as perfect a check as possible on all parties.

7780. You mean the officers in the office at Winnipeg?—Yes.

7781. Who were the officers?—Mr. McMicken was auditor at that time, and I was chief clerk in the office.

7782. How long have you been auditor?—The last two years, or a little more than two years.

WINNIPEG, Saturday, 25th September, 1880.

MCTAVISH. GEORGE L. MCTAVISH, sworn and examined :

**Railway Con-
struction—
Contract No. 666**

By the Chairman :—

7783. Where do you live?—At Winnipeg for the last two or three years.

**One of the firm
building second
100 miles west of
Red River.**

7784. Have you been interested in any of the works of the Canadian Pacific Railway?—Yes; I am one of the contractors for the second 100 miles west.

7785. When did you become interested?—In May last, when the contract was signed.

7786. Was the work let by public competition?—Yes.

7787. Did you tender for the work?—Yes; I and some others tendered.

7788. Were you interested in the tender?—Yes.

7789. Your name did not appear?—No.

Railway Construction—
Contract no. 466

7790. But the tender was made on your behalf as well as the others?
—Yes.

7791. Who were the others?—Captain Bowie, Malcolm McNaughton, and George Bowie.

Partners:
Captain Bowie,
Malcolm Mc-
Naughton and
George Bowie.

7792. Do you know whether their tender was the lowest?—We were told so. I was absent at the time when this was going on, at Lake Huron, and had nothing to do with it. The whole thing was signed, sealed and delivered before I got back, and a certain amount of security put up to make the 5 per cent. I knew nothing about it until I came back from Lake Huron and found the contract signed. I have always understood it was the lowest tender. They could not reach me by mail, or telegram, or anything else.

Contract signed
in absence of
witness.

7793. Did you take part in any other negotiations with parties tendering on the contract than appear on the paper?—Nothing whatever.

7794. Do you know whether any of your partners negotiated with any other persons in order to procure this contract?—No; I am not aware of it.

7795. Was there any time named in your contract for finishing the work?—Yes; the 31st December, 1881, I think it is, we are to finish the track-laying.

Time to finish
31st December,
1881.

7796. Do you remember the date of the contract?—The 3rd of May, 1880.

7797. Have you commenced the work yet?—We have.

7798. Have you done much?—We have cleared about three miles and a-half of timber, and when I was up the other day I suppose there was half a-mile graded. They commenced to grade ten miles from the western boundary of the Province, and the work is progressing easterly at present—that is as far as the line is located. Two projected lines start from where we have commenced. The location of the line has not been completed beyond where we have commenced working, ten miles from the boundary.

Progress of work

7799. How long has that portion of the line been located?—They were just commencing to work when we got there on the 17th of August.

The locating just
commenced as
contractors got
on work.

7800. Do you mean that that was the first time the line was located, so far as you know, so that you could commence work?—Yes. It may have been a few days before that. We told the resident engineer that we were going to work at a certain time, and he said that would suit him. We have commenced at what they call Big Plain, to work east. That is as far as it is located—the commencement of Big Plain.

7801. How many men have you at work at the present time?—Twenty. We brought more from Montreal, but they deserted on the way up. Although they were under contract, we could not keep them. We paid their passages up, too. I got a telegram from the Honourable Mr. Langevin the other day, to say that sixty Swedes were coming out, but we cannot employ them in winter.

Number of men
employed on
work.

7802. If the line had been located earlier in the season would you have made any further progress?—No; we would not have made any further progress this fall.

**Railway Con-
struction—
Contract No. 466**

7803. So that the delay in locating the line is not, so far, a delay to you?—No.

Non-receipt of rails, and non-completion of first 100 miles causing inconvenience.

7804. Is there any other matter connected with this transaction which you would like to explain?—I would like to record that the non-receipt of the rails and ties, according to contract, is causing us a great deal of inconvenience; and I have notified Sir Charles Tupper to-day regarding the fact: that is, that the non-completion of the first 100 miles is a serious inconvenience to us on account of the state of the roads west, which makes it almost impossible to get supplies in.

7805. If the line had been completed by the 19th of August, what difference would have been made in the progress of your work?—We could have put on a hundred men this fall.

7806. Up to what time is it likely that you could have worked?—This year, I fancy, we cannot work beyond the 1st of November. As soon as frost sets in we shall have to give up work, as it will be hard to remove the sod, and we could not work to advantage.

First 100 miles was to have been completed on 19th August.

7807. Do you know if there is any time named in your contract at which the Government were to have the rails at the east end of your section?—The 19th of August. They do not bind themselves, but Ryan's contract was to have been completed on the 19th of August.

Government has not broken any part of contract.

7808. But your contract does not contain any clause with reference to that subject?—It refers to that at page 13 of the contract, section 12. It says: "The Manitoba section of the railway from Winnipeg, one hundred miles west to the point where this section begins, is under contract for construction to be completed on the 19th of August, 1880; but some delay may probably arise, and the Government will not be bound to give access over that portion of the line by the date fixed."

7809. Then your expectations have been disappointed?—Certainly.

7810. But you do not consider that the Government have broken any portion of the contract?—No, decidedly not; this has been an unusually wet season; the roads have been worse than they have been known for years, and I have had to pay double what is usual to get supplies for this autumn up to the contract.

7811. Is there any other matter which you wish to state?—No; not that I know of.

JAS. RYAN.

JAMES RYAN, sworn and examined :

**Exploratory
Surveys—
Party K.**

By the Chairman :—

7812. Where do you live?—At Winnipeg.

7813. How long have you lived at Winnipeg?—I am here since 1872.

Chain man to first exploration to the height of land between Thunder Bay and Red River.

7814. Have you had any business connections with the Canadian Pacific Railway?—I was chain man on the first party that came to explore from Ottawa to the height of land, and after that was finished I came to Winnipeg.

7815. What was the length of that first survey?—I could not tell you the number of miles. It was from Red Rock to the height of land.

**Exploratory
Surveys—
Party M**

7816. The height of land where?—Between Canada and Manitoba.
7817. There are several places where there is a height of land?—That is the dividing line between the two Provinces.
7818. Do you mean the height of land between Thunder Bay and Red River?—Yes; this side of Thunder Bay.
7819. Where did that exploration start from?—It started from Red Rock, on Lake Superior.
7820. Who was the engineer in charge of that party?—Henry Carre, engineer in charge.
7821. Do you remember from what point you got your supplies?—We got them from Fort William. Supplies.
7822. Who was the officer in charge there answerable for giving you the supplies?—He was a Hudson Bay Co.'s servant named McIntyre.
7823. Was Mr. Rowan there at that time?—No; he did not get there at that time, he had gone back to Ottawa.
7824. Who was the proper officer on behalf of the Government?—The proper officer was Alph. Jones. Alph. Jones the commissariat officer on behalf of the Government.
7825. What was his duty?—He was bringing the supplies from Collingwood and Toronto and leaving them at Prince Arthur's Landing, and they were sent from that out to the working parties on the survey, and he had charge of the steambot down there on the lake.
7826. Do you remember about the size of the party upon that occasion?—I would not be sure about the size of the party there. They were picked up now and then, and the numbers would change from time to time. At one time there were forty in the party. Size of party.
7827. How long were the party out upon that work?—I think they were out two years, in and out; we went in to Prince Arthur's Landing sometimes and went back again.
7828. Did they include some of the explorations near Lake Nipigon?—No; we did not go to that lake at all. It was all from one point to the other on the straight line.
7829. Do you think you were two seasons on that exploration?—Yes; I know we were two winters. Out two winters.
7830. Did you remain out in the woods during the winter?—Yes; both winters.
7831. How did the supplies hold out?—The supplies held out pretty good, because they had some twenty or forty dogs on the road from Prince Arthur's Landing out to the line carrying supplies.
7832. Was Mr. Carre with the party most of the time?—He was, until he got sick; then he went up to Prince Arthur's Landing and remained there. Carre with party until he got sick, when he went away for a couple of months.
7833. How long was he away from the party at that time?—He was not away more than a couple of months. The party were nearly finished when he got sick, and they followed him.
7834. Was there any suffering from want of proper supplies, or did the work progress as it ought to have done?—No; there was no want of supplies. No suffering from want of supplies.

Nixon's Purveyorship—Carrying Mails. Tendering.

7835. Have you had any other connection with the railway?—No; that is all up to 1873. I had no more connection with it until I got here.

Tendered for contract to carry mail from Winnipeg to Cross Lake.

7836. After you got here had you any?—After I got here I saw a notice in the *Free Press* calling for tenders to carry the mail from here to Cross Lake and Rat Portage.

7837. Did you answer the advertisement by making a tender?—I tendered for it and drew up the tender, and went to friends of mine and spoke to them about it, and they said: "All right, you are just the person for it."

Put tender into letter box in Nixon's office.

7838. What did you do after that?—I put the tender into a letter box in this man's office that called for the tenders, and I waited for some time.

7839. What office was that?—The Canadian Pacific Railway Paymaster's office.

7840. Who was he?—Thomas Nixon.

7841. Where was the letter box?—The letter box was in his office door; it is there yet.

Advertisement for tender.

7842. Can you produce a copy of the advertisement which you saw?—Yes; this is it. (Exhibit No. 103.)

7843. Did you put it into that box before the time named in the advertisement?—I put it in the box before the time named in the advertisement.

Contract given at \$500 a month; witness tendered at 45 cts. a mile, which would have amounted to only \$240 a trip.

7844. Did you hear anything more of the tender?—I heard in a few days afterwards. The time was so short my friends said to me: "There is no use in you expecting to get it; he has made the time so short that there is no use in tendering; he will have it arranged for some friends." I arranged with a friend of mine for the horses, and by-and-bye I found out that the thing was given out for \$500 a month. I tendered for 45 cts. a mile in and out.

7845. How much would that have amounted to for each trip?—It would amount to \$240 a month, I think.

7846. Do you know at what rate the contract was actually let?—I do not know, only I heard it was given for \$500 a month.

Nixon said he had not received witness's tender as did Capt. Howard.

7847. Did you ever hear any reason why your tender was not accepted?—He told me he never received it. I went there and asked him; there was a friend of mine in the office at the time, Capt. Howard, and he said he never saw it. I told him that I had put it in the letter-box, and at the same time, for fear of it going astray, I put a stamp on it. Then I asked him how he gave it to a man without a tender, and he said it was none of my business.

7848. Who said that?—Mr. Nixon.

7849. I mean who was it spoke to him in that way?—I went to Mr. Nixon to enquire what became of the tender, and told him that I had heard that a man had got \$500 a month for carrying the mail in and out. He said that he had not seen my tender; and then I told Capt. Howard about it. Capt. Howard was Mr. Nixon's book-keeper.

7850. You were talking to Mr. Nixon in the presence of Capt. Howard?—Yes; both of them were together.

7851. Do you know whether there were any tenders besides yours?
—I could not say.

7852. Did you ever hear there were?—I did hear there were two tenders there.

7853. Whose tenders?—I think one was from a man named Spence, and the other was from a man named Burke. I only heard so.

7854. Was this letter-box an open letter-box? I mean had it an opening on the outside of the door?—The box was on the inside, but the opening was on the outside—just the same as in the post-office here.

7855. Did you consider that it was made for the purpose of receiving letters for that office?—Yes; I put several letters in that box before that and since.

7856. Were they received?—There was only a tax-notice that I put there for Mr. Rowan, and he says he never saw it. I put that in as I was sworn to deliver every one of them, but he told me afterwards that he never got that assessment paper. I told Mr. Rowan that the box was a very awkward arrangement. I told him that I had put the tender there and they never got it, and I put his assessment there and he never got it. He said the box was all right. I said: "If it is all right you ought to get your papers all right."

7857. Do you remember whether there was any person else in the office doing work there, except Capt. Howard, at that time?—Yes; John Parr did work there.

**Nixon's Purveyors-
hip—
Carrying Mails.
Tendering.**

Heard there were other tenders besides his.

The box in which he put his tender, a letter box in which he had put several letters.

John Parr in office as store-keeper.

7858. In what capacity?—Store-keeper, I think.

7859. Was he in the employ of the Government?—He was.

7860. Was there any one else besides Howard and Parr?—That is all, I think; but there used to be a lot of people in and out there. I could not say if they were working there—only Howard and Parr.

7861. Then you have no means of knowing whether your tender was actually received or not?—No; I have not.

7862. You have Mr. Nixon's word that it was not received?—Yes; and Capt. Howard told me he had not seen it.

7863. Have you any doubt that you delivered it in that box?—I am sure I put it in the box, because I had made arrangements for the horses, as I thought I would have got the contract; and the parties who got it told me afterwards: "You could not furnish horses to take that mail there." I said "What is to hinder me? I have got as many horses as you have got."

7864. Who told you that?—Mr. Alloway; he is a gentleman in town. I asked him how much he got for it? and I said: "I will take a sub-contract from you." He said: "I have already given it to a half-breed."

7865. Is there anything further about this matter which you wish to explain?—No; nothing more.

7866. Have you had any other business transaction on account of the Canadian Pacific Railway?—No; none.

7867. Had you any other tenders?—No, I had not; only the one.

Witness has no means of knowing whether tender was received or not.

Offered to take a sub-contract from Alloway who told him he had given it to a half-breed.

**Nixon's Purveyors-
Supplies.**

ANDREW STRANG, sworn and examined :

By the Chairman :—

7868. Where do you live?—In Winnipeg.

7869. How long have you lived here?—Twelve years.

7870. Have you had any business transactions on account of the Canadian Pacific Railway?—Yes; several.

7871. Of what nature?—Selling goods.

Engaged in selling goods but not on his own account.

7872. Have you been engaged in the business of selling goods?—Yes.

7873. On your own account?—Not on my own account altogether.

7874. Have you been interested in the results of these sales of which you speak?—Not here.

7875. Did you get part of the profit?—I do not know whether I can answer that question or not.

7876. Do you know any person who can answer it better than you can?—I do not. I do not think so.

7877. Those transactions were on account of the Pacific Railway?—Yes.

Bannatyne's book-keeper.

7878. Then I wish to know whether you were dealing as an agent or for any other person?—I was Mr. Bannatyne's book-keeper.

7879. Were those transactions on his account?—Some of them were.

Some transactions in name of witness but not on his account.

7880. And were the others on his account?—No; some of them were not on my own account, but they were in my name.

7881. Were those which were in your name on account of some one else?—How do you mean?

7882. Did some one else bear the profit or loss?—Yes.

7883. Through whom did you transact those matters?—Do you mean through what Government agent?

Sold goods to Nixon, Sutherland and other Government employes.

7884. Yes?—There have been several engineers and Mr. Nixon and different other Government employes—some of them through Mr. Sutherland.

7885. What kind of goods did you dispose of?—General groceries, provisions and stuff of that kind. I think that was principally the whole thing.

Generally tenders were asked for.

7886. Were these sales made by public competition or by private arrangement?—In nearly every case they were by public competition: at least we were asked for tenders, not always by advertisement; but we were asked to give prices on a certain line of goods, and I understood whoever was the lowest got it.

7887. In transactions of that kind would there be a fixed time at which every person must have made their offer before a decision was made?—Yes, generally at a certain time; noon, or a certain time of the day, was named.

7888. Do you mean named verbally?—When it was by advertisement of course it was mentioned in the advertisement; and we were told to have this list in by a certain time. If we were handed a list and asked to tender on it we were told to have it by a certain time next day, or something of that sort.

**Nixon's Par-
veyorship—
Supplies.**

7889. Were these printed lists of articles to which you were asked to attach prices?—I do not know that they were printed. Some engineers would come in with a large list of supplies written out—several copies of them—which would be supplied to the principal dealers, and they would be asked to tender on them.

7890. And Mr. Bannatyne being one of the principal dealers, your establishment would be asked to make an offer as well as the others?—Yes.

7891. Do you know, of your own knowledge, the practice which was adopted towards other establishments?—I think it was similar.

7892. Do you know?—No further than I surmise that it was the same.

7893. You assume it was the same?—Yes; that everybody was on the same level.

7894. But you have no means of judging, of your own knowledge, how it was really managed?—No; except from hearsay.

7895. Besides these transactions in which you took part in your own name, were you familiar with other transactions in Mr. Bannatyne's name?—Yes; it is some length of time since. Latterly there were a lot of transactions in Mr. Bannatyne's name. It amounted to the same thing, whether it was in his name or in my name.

Business transac-
tions with Govern-
ment latterly
in Bannatyne's
own name.

7896. Were the goods from his establishment and the transaction for his benefit or loss, as the case might be?—Yes.

7897. Were those transactions which took place in Mr. Bannatyne's own name conducted in the same manner you have described as those conducted in your own name?—Yes.

7898. What other establishments were considered to be leading establishments at that time?—Lyon, Higgins & Young, Sutherland, the Hudson Bay Co., and Snyder & Anderson, were the principal ones.

7899. Besides the transactions between Mr. Nixon and Mr. Bannatyne, on the Government account, are you aware of any transactions upon private account?—Between Mr. Nixon and Mr. Bannatyne?

Transactions on
private account
between Nixon &
Bannatyne.

7900. Yes?—They have had transactions on private account.

7901. Are you aware of any advantage which Mr. Nixon obtained in consequence of his dealing with Government matters?—No; I am not.

7902. Not any advantage?—Not more than any other business men would have got in the same transaction. That is to say, any purchases that Mr. Nixon made from Mr. Bannatyne he would pay for as any other person would pay for them.

Nixon paid for
purchases on his
private account
from Bannatyne
at the usual rates.

7903. Do you mean to say that he always paid the value or price of the goods which he got in full?—Yes.

7904. Was there never any reduction made because he was a Government officer?—I do not know that he was specially a Government officer. He used to run a private account, and get 10 per cent. discount as we have allowed to other private persons. We have allowed boarding-houses the same rate. They were charged at full prices, and he was allowed 10 per cent. discount—that is, on purchases on his own private account.

Allowed Nixon 10
per cent. discount.

**Nixon's Pur-
veyorship—
Supplies.**

7905. Do you say that the discounts made on his private transactions were no greater than the discount on other person's private transactions to similar amounts?—Yes; I say that.

Nixon allowed 10 per cent. on private account.

7906. Do you remember to what extent these discounts were made?—About 10 per cent., and nothing more than that. I have not looked up anything lately; but that is my recollection of it.

7907. And do you say that at the time it was the practice of leading establishments to make discounts on private transactions to that extent?—I say that we were in the habit of supplying other people who bought largely during the month, and giving at the end of the month 10 per cent. on the settlement.

7908. Do you mean such as Mr. Nixon bought on his private account, or such as he purchased on the Government account?—No; on his private account.

7909. Are you aware whether at that time he was in any business on his own account?—I do not think so.

7910. Then his expenses or purchases would be those of a private individual of his standing as far as you know?—Yes, for his house: his butter and groceries, and all that sort of thing.

7911. Have you any idea what would be the ordinary purchases of a man in his situation, for a year, of that kind of goods?—I do not know. What I could judge from would be from my own expenses, I suppose.

7912. You could judge from the actual fact of his expenses?—I do not remember now exactly what they were. I could not tell you from recollection whether they were \$20 a month, or only \$10, or \$50. We have not had any dealings for seven or eight months, I suppose, or a year.

House Rented.

Rented Govern-
ment a store-
house.

7913. Did you ever have any other transaction with the Government, either on your own account or in your own name?—I rented them a store-house.

7914. Rented to the Government?—Yes.

7915. Where was that store-house?—Just back of here.

7916. On which street?—On Annie street.

\$36 a month.

7917. At what rate did you rent that?—\$36 a month.

7918. Was it a written lease between you and the Government?—I think I did give them a written lease. It is several years ago now, and I forget.

7919. Do you remember who signed it on the part of the Government?—I would not be sure whether Mr. Nixon signed it on their part or not.

Made arrange-
ments with
Nixon.

7920. With whom did you negotiate the terms upon which it was to be rented?—With Mr. Nixon.

7921. He decided, on the part of the Government, what rent would be given?—He accepted the rent which was charged.

7922. Did you propose the amount of the rent?—I do not remember now, I am sure, but I suppose so.

**Nixon's Pur-
veyorship—
House Rented.**

7923. How long did it remain rented in that way?—It must have been a couple of years, or nearly that, or perhaps more; I would not be sure.

7924. Was the rate of the rent changed during that period?—No.

7925. After that arrangement ended did you rent it to any person else?—No.

7926. Has it been rented since?—Stobart & Eden own the property now. They paid, I think it was, \$4,000 for it.

Stobart & Eden paid Nixon \$1,000 for store.

7927. While you had the power of renting it, did you rent it to any one else after the Government ceased to be your tenant?—Not while I had the power of renting it.

7928. Do you remember how long you had the power of renting after they ceased to be your tenant?—No.

7929. Do you remember how long after that Stobart & Eden became interested?—No; I could not remember just now.

7930. While this arrangement between you and the Government lasted, who was the person interested in the amount of rent paid?—The building belonged to Mr. Nixon.

While arrangement between witness and Government as to this store-house lasted, the building belonged to Nixon.

7931. Then knowing that, whom do you suppose was interested in the amount of rent paid?—I suppose he was.

7932. Do you know any person else who was interested in the amount of rent paid?—No.

7933. Then have you any doubt about the person who was interested?—No; I have not.

7934-5. Was it Mr. Nixon?—Yes.

7936. Did any person else, on the part of the Government, take part in the arrangement that you made as to the amount of the rent to be paid?—I do not think so. I understood Mr. Nixon to say that he had reported to Ottawa the amount of it: that he had been paying more for some other building on Post-Office street than that, previous to the time it was rented to the Government.

7937. How did it happen that you had the power of renting it when Mr. Nixon was the person interested?—He leased it to me, and I leased it to the Government.

Nixon leased the property to witness, and witness leased it to the Government.

7938. By a written lease?—Yes.

7939. Was that before you made the arrangement to lease it to the Government?—Yes.

7940. About how long before?—Not very long before.

7941. Was it understood between you and Mr. Nixon at the time that you took that lease from him that you were to lease it back to the Government?—Yes.

At time of taking lease from Nixon it was understood that witness was to lease it to Government.

7942. That was part of the arrangement?—Yes.

7943. Do you know how long he had owned the lot before that?—No; I really do not. It may have been six months or more before that. I do not know exactly.

7944. Do you know from whom he had bought it?—He bought it from Mr. Bannatyne.

Nixon had bought lot from Bannatyne soon after arriving in Winnipeg.

**Nixon's Proprietorship—
House Rented.**

7945. Was that after he had been managing the affairs of the Government that he had bought it from Mr. Bannatyne?—It was shortly after he came here he bought it.

Price paid by Nixon for lot with frame building, \$1,500.

7946. Are you aware of the price that he paid?—\$1,500.

7947. Was it a bare lot, or had it any buildings on it when he bought it?—It had a sort of a frame or shell, and he afterwards fixed it up and improved it, and fenced the lot.

7948. Have you any knowledge of the amount that would be required to be laid out to put it into the shape in which it was when it was rented to the Government after he bought it?—Perhaps \$400 or \$500 would be the amount.

7949. Do you think there would be as much as that required?—The building had just the roof on it, and the posts to the walls. There was no weather board, and it was not painted, or fenced.

\$400 would have fixed up the building as it was when rented to Government.

7950. Knowing the circumstances as well as you do, what do you say would be the expense probably required to fix it up?—I suppose \$400 at the lowest.

7951. It would require as much as that?—I think so.

7952. Do you say that Mr. Nixon told you that he had reported to the Government that he was the owner of this property?—I did not say that. I said that he had reported the price that it was rented for.

7953. The price he was paying to you?—Yes; and it was a better building than the one that had been used before, and for which they were paying, I think, \$40 a month, if I recollect rightly. It was used for the Mounted Police, Pacific Railway, and all the general Government stores.

7954. Pacific Railway supplies among other things?—Yes, a lot of the goods were delivered there; and they had generally a lot of Mounted Police accoutrements and other things on hand, and the store was generally pretty well filled. The Indian Department, I think, for a while used it.

7955. Is there any other matter connected with the Pacific Railway which you would like to explain?—I have nothing to explain.

MANNING. ALEXANDER MANNING, sworn and examined :

**Tendering—
Contract No. 42.**

By the Chairman:—

7956. Where do you live?—In Toronto.

7957. Have you been interested in any transactions connected with the Canadian Pacific Railway?—I am interested in section B, contract 42.

7958. Was that work let by public competition?—Yes.

Became interested with Fraser, Grant & Pitblado.

7959. Were you interested in any of the tenders made for it?—I was; I subsequently became interested in a tender of Fraser, Grant & Pitblado.

7960. Were you not also one of the original tenderers?—Yes; our tender was higher than theirs.

Tendering—
Contract No. 42.

7961. Then your own tender did not become the successful one?—
No.

7962. A lower one, which you say was made by Fraser, Grant & Pitblado, was successful?—Yes; they got the contract.

7963. Did you become interested in their contract before it was awarded to them?—No; I had very little to do with them. When it was known that there were two or three tenders below my tender, I did not interest myself much. In fact, I never took a great deal of interest in getting the contract; I merely entered into it to help other people—old Mr. McDonnell. I would never have tendered on any portion of the Pacific Railway at all, had it not been for those parties soliciting me to join them.

Did not become interested with Fraser & Co. until after they had got the contract.
Motive which led him to seek to get the contract: benevolence towards other persons.

7964. Which parties do you mean?—Alexander McDonnell and his nephew, and Mr. Isbester. I had intended to retire from that kind of business altogether; I had not been feeling very well.

7965. As to this tender which was successful; did you not become interested in it before it was actually known to be successful?—No.

7966. I understood one of the gentlemen who is present—one of your partners—to say that an arrangement was made with them—that is Fraser and Pitblado—that if they became the successful tenderers that you and your partners were to share in it, and that an arrangement was made before it was known whether it was successful or not?—That I do not know. Of course I was very little in Ottawa; I do not like going there much, and unless the matter came right up to me direct I did not meddle with it at all.

If any arrangement was made on the speculation that the contract would fall to one of the two firms witness knew nothing of it.

7967. Then if there were such negotiations, they were carried on by other persons?—Yes.

7968. And you took no part in it yourself?—No further than this: I was introduced to Mr. Fraser and Mr. Pitblado in Ottawa, and we talked then; the others had brought about this meeting. When I was down there at one time they showed what their tender was, and I thought their prices were pretty fair; and it was suggested then would it not be possible to form a partnership in the event of the work coming to them, and they seemed as being favourable to it.

Met Fraser & Pitblado who showed what their tender was. He thought their prices pretty fair. Suggested that a partnership might be formed.

7969. That is the Nova Scotia men seemed to speak favourably of it?—Yes; they thought it would be all right.

7970. Did that result in any positive arrangement on the subject?—Of course the other parties were very much interested in getting this work, I was not.

7971. You mean your other partners?—Yes, Shields and McDonald; they were interesting themselves a great deal to get the work. It was a matter of indifference to me whether I got it or not—in fact, I would just as soon not have got it.

A matter of indifference to witness whether he got contract or not.

7972. Did you understand that any negotiations had ended in a bargain before you left Ottawa?—No; there was none at all then. The first I knew of it was, I think, Mr. Shields either telegraphed, or wrote me, that he thought those parties were wanting to back out of it; that they were not disposed to enter into any agreement or writing on it; that they were wishing to leave it an open question. I had heard that they were negotiating with other parties.

Received telegram from Shields that Fraser & Co. were trying to back out.

**Tendering—
Contract No. 42.**

Did not understand that his partners had become interested until they put up the money.

7973. Who were negotiating with other parties?—Fraser and Pitblado; I had not seen Grant at all.

7974. At what stage of the affair did you understand that your partners became absolutely interested?—Never, until we put up the money.

7975. Before that it was only an open proposition which might be accepted or not?—Yes; that might be broken off or not. Of course when they sent for me to come down, that the arrangement was going to be carried out, I went down, and brought down my share of the security then. At that time Fraser was the only man who was there.

7976. He was the representative of the Nova Scotia firm?—Yes; and his firm had not come, and he was in a great state of excitement for fear that they would not get here, because that was the day it had to be on or off. I got down in the morning, and he said the thing had to be completed at once or he would get other parties.

Securities put up.

7977. That was the last day given for putting up the securities?—That was the last day; and I sent to Mr. Fraser that I was prepared. McDonald was not quite prepared with his part of the security, but Shields had his security all but a small sum, and I made up the difference for Shields to put up his share. During the interval Fraser did not know that the money had been put up, and he said at twelve o'clock the matter would be off. That was what I understood.

Fraser stood aloof. Witness informed that he wanted to get rid of arrangement, and had gone to Goodwin to get security.

7978. You heard it from Fraser?—No, he stood aloof rather; I thought he wanted to get rid of the arrangement; and I was informed that he went off to get Goodwin, of Montreal, to put up the security, and that Goodwin had put up a hundred and some odd thousand dollars.

7979. Probably it is Goodwin, of Ottawa, you mean?—Yes; Goodwin, of Ottawa, the contractor. I had very little to do with it, as I very seldom go to Ottawa. I only go as seldom as I can possibly help.

7980. Then you were absent from Ottawa during these preliminary negotiations, which ended in no bargain, until the day the securities were put up?—Yes; that was the time there was anything definite.

7981. Do you remember now that you were given to understand, before you went to Ottawa that day, that there had been a positive, binding bargain between Shields, J. J. McDonald, or either of them, on the one part, and Fraser, Grant & Pitblado, or any one of them, on the other part, as to a partnership being arranged between you?—The only thing that I understood—I do not know that I am right in saying what I understood—

7982. Were you informed by any of those people—Pitblado or any of them?—No; I did not see Pitblado but once.

7983. But your partners might have written to you about it?—No; the only thing I understood was from Shields, in Toronto. He mentioned to me that if the contract was awarded to them the Government would not object to our being associated if the parties were willing themselves.

Never understood Fraser, Grant & Co. were willing to join witness's firm until the transaction was closed.

7984. Then you had not been led to believe the parties themselves were willing and had agreed to it?—I never understood it until we closed the transaction; in fact I thought it was the opposite way.

Tendering—
Contract No. 42.

7985. I do not know whether you are aware of it, but it appears in one of the Blue Books that a letter was written to the Minister, stating that he had made an absolute agreement?—I do not know anything of that.

7986. If so, you have never been informed of it?—I have no recollection of it at present.

7987. The letter reads :

“ OTTAWA, 29th February, 1879.

“ SIR,—We beg leave to inform you that should the contract for section B of the Canadian Pacific Railway be allotted to us, on our tender, we are prepared to associate with us Messrs. Manning, Shields & McDonald.

“ Yours respectfully,

“ FRASER, GRANT & PIELADO.

Knew nothing of the letter from Fraser, Grant & Co. to Minister proposing to associate with them. Messrs. Manning, Shields & McDonald.

“ Hon. C. TUPPER, C.B.,

“ Minister of Public Works.”

What date was the contract?—On the 5th March, 1879, the money to be put up on Saturday, the 8th March. I was not down in Ottawa then, and, of course, I could not have known of this letter at that time.

7988. Unless by some communication?—I do not think there would be any communication sent to me. I have no knowledge of any, only that there was that understanding that I tell you—that it might happen that the Government would be favourable to it, if such a thing took place; but these men expressed great doubt about Fraser carrying out any arrangement.

7989. It was possible that, having that doubt in their mind, this letter was written so as to remove it?—Very possibly; I dare say these men wanted that done to bind them to it.

7990. I understand you left it in the hands of Shields and McDonald, to look after the interests of the whole firm at Ottawa?—No; I cannot say that; in fact I did not meddle with it. I knew that these men were very much interested in getting it, and I knew that they would leave no stone unturned if it was possible to effect it.

7991. Had you any negotiation or conversation with any Member of Parliament, or any one connected with that Department, before you went down on that Saturday to put up the security?—No.

Influencing
Clerks, &c.

Had no negotiation with an M.P. or any Departmental officer before going to Ottawa to put up security.

7992. No negotiation on the subject?—No; I never approached a member of the Government on the subject at all. I never did; or in any contract that I ever had with the Government.

7993. Had you any communication, directly or indirectly, with any person connected with any of the Departments?—No. I may have talked to persons that I was tendering for the work. I know a great many officers in the Department, and I am on intimate terms with them for the last thirty years. Of course if I met them I would shake hands with them and talk with them, but not on this work, unless I was tendering, or something of that kind.

If tendering he might have talked with them.

7994. Did you take part in any negotiation by which this contract, or the awarding of it to Fraser & Grant or any member of your firm, was made more likely than it would have been but for such negotiation?—No.

7995. Did you leave it to be awarded in the regular course?—Yes.

**Tendering—
Contract No. 42.**

7996. I think you said that you left Ottawa when you ascertained that there were several lower tenders than yours?—Yes.

7997. Do you remember who was considered to be the lowest at that time?—I really do not know.

7998. By the Public Accounts Morse & Co. appear to be the lowest; does that refresh your memory on the subject?—There were several lower tenders. Marks & Conmee had a lower one than mine, and Morse & Co. were the lowest of all, as far as I can remember.

Did not know before the contract was awarded that Close was to have been one of the sureties for Morse & Co.

7999. Do you remember whether it was understood, before the contract was awarded, that a gentleman in Toronto, Mr. Close, was to be one of the sureties for Morse & Co.?—I did not know it at the time.

8000. Did you not know it before the awarding of the contract?—No; I knew it afterwards by the printed report that was submitted to Parliament. I saw his name down as surety.

Shields mentioned to Manning that he wanted Close to have an interest.

8001. Were you aware of any arrangement by which his putting up this security for Morse & Co. was prevented or delayed?—No; what I do recollect was (I believe that Shields alluded to it here in his evidence who the party was, whether it was Andrews, Jones & Co.) that Morse & Co., I understood, were ruled out, and that the contract went to Andrews, Jones & Co.; but it appears to me that the day Mr. Shields spoke to me I was in at his place of business, at five o'clock in the evening, and he mentioned to me that he wanted Mr. Close—in case we got this work—to get an interest. He said that Mr. Close was to have been a surety for some of the parties, but that the time had expired that day. That day was the last for putting up the security, and Mr. Close came into the office, into this room—while he was there and he mentioned this. He said he was not going to be security for them, but if we would give him, if we got the contract, an interest with us, that he would like to join in with us. Mr. Shields had mentioned this before Mr. Close came in, and, of course, Mr. Close mentioned this matter himself. I told Mr. Shields before “what difference does it make about bringing Close in.” I did not know whether the other parties would assent to it. At any rate Shields was very pressing to get Close in, and from our intimate acquaintance we agreed to give Close a twenty-fourth interest.

Close came into office and mentioned matter.

Agreed to give Close one twenty-fourth interest.

8002. Upon that occasion that agreement was made?—Yes.

8003. You say that was the last day for putting up the security for the firm for which he was to be a security?—Yes; I think the time had expired.

8004. That day?—Yes; that day. I am certain what I understood Close to mention was that they were making him offers that he would have all the supplies and some other things if he would go security for them.

Thinks the time to put up security by Close for Morse & Co. had expired at the time witness and his partners made agreement to give him one twenty-fourth.

8005. Do you think the time for putting up the security for the firm for which he had arranged to be security had expired that day?—Yes; it had expired that day. I think, according to the reports published, the security was to have been up that day at three o'clock.

8006. And was this after three o'clock?—It was after five o'clock.

8007. Then at the time of that conversation you understood that his principals had no longer any chance of becoming contractors?—Yes; I felt convinced of it.

8008. Had there been any negotiations from the beginning that your firm was to give a share to Close?—Never, until then.

**Tendering—
Contract No. 42.**
Until then no negotiations to give Close a share.

8009. Had it not been understood, as far as you know, between some of your firm, either Shields, McDonald and yourself on the one part, and Close on the other part, that if he should perform certain conditions that he would always be entitled to come in and take a share?—No; not up to that time.

8010. Do you know anything about the negotiations by which a Mr. Smith, or some person of that name in New York, was induced to withdraw from his proposal to put up security for Andrews, Jones & Co.?—I do not.

Knows nothing of negotiations by which Smith of New York was induced not to put up security for Andrews, Jones & Co.

8011. It has been said by some of the witnesses here that there were some negotiations of that kind at Ottawa; do you know whether you were there at the time of these negotiations?—No; I have already stated that I was not down at Ottawa at that time.

8012. Were you made aware of that transaction and that the firm were to bear a portion of the expenses?—Of what transaction?

8013. The transaction by which Mr. Smith was silenced or induced not to put up the security for Jones & Co.?—I did not know anything of it. I have heard since.

8014. At what time do you think you first heard it?—Some time after the contract was allotted—some considerable time afterwards, I think. I was very much surprised to hear it.

Some time after contract was allotted heard of this matter.

8015. Have you taken any active part in the management of the affairs of the contract yourself?—Not on the works. I look after the getting of supplies forwarded, and all the monetary transactions.

Looks after the supplies and finance.

8016. Others of the firm are upon the work looking after the active management of it?—Yes.

8017. Is there any other transaction on account of the Canadian Pacific Railway in which you have been interested?—No; unless that with Mr. Close. The condition on which Mr. Close entered into that was that he was to put up his share of the money—that is, provided Fraser & Grant and those would approve of it. I did not like it myself, but it was so pressed; but I have had my idea since that because of the relations—business relations—between Close and Shields. His business conditions had changed very much from what I supposed they were at the time the contract was entered into. I found out shortly after the contract was entered into that he had failed, and I suppose his business relations with Close got me to get Close to join the partnership and put up his share of the money and do his share of the work.

Condition on which agreement made with Close.

8018. Is there any other matter connected with the Pacific Railway, except this contract 42, in which you are interested?—No.

8019. Have you any other matter concerning the Pacific Railway which you wish to explain to the Commission?—No; nothing that I know of. In fact I never charged my mind. If I had supposed that an examination of this kind was to take place, I should have taken care to have noted it down. I have a large business of my own, and sometimes my memory, like others getting up in years, is not so good, and I do not keep these things in my mind unless I note them down. I have

**Tendering—
Contract No. 42.**

generally a pretty good memory, but matters that do not particularly interest me I do not quite follow. If I had considered for a moment I never would have entered into that contract with Close. I may say myself that I never had a contract with the Government of any kind that I did not get because I was the lowest tenderer. I have never approached any person to give me any favour or assistance out of their Departments, and I am only sorry to say that I read in the paper that there is a charge made against an officer of the Government. I can only tell you, gentlemen, if I had been examined here upon it, if I had got information of that kind, I would never have told it. I would have taken the consequences of it first.

**Influencing
Clerks, &c.**

If witness had obtained knowledge through an officer in the Department he would never have revealed it.

8020. Then are we sure that your answer is correct when you have given an answer to a similar question?—I am now on my oath.

8021. And the gentleman who gave that answer was on his oath also?—I think if I got private information from an officer of the Government he was doing me a kindness.

**Obligation of an
oath.**

8022. You think that a witness under oath is not bound to tell the truth upon such matters?—It just depends how far it is relevant to the matter under examination.

8023. But if it has relevancy he is bound to answer?—Yes.

8024. Are you giving your opinion as to the relevancy of that answer?—I am, and I am very much annoyed.

8025. I was not asking you for your opinion under oath on that matter. I have no objection to record what you have said, and you must take the responsibility of recording your measure of the value of the oath?—I appreciate the value of the oath, and if on any matter I am called upon fairly to give my evidence under oath—— I am very much annoyed at what has taken place.

8026. As you have stated that while giving evidence, of course it is the duty of the reporter to record it. Is there any other matter which you wish to explain?—No.

**Railway Con-
struction.
Progress of work.**

8027. You do not know about the progress of the work?—Yes; I know pretty generally about the progress of the work.

By Mr. Keefer :—

**Difficulties en-
countered.**

8028. Are you getting on with reasonable dispatch, and what time do you expect to get it done?—So far as we have been enabled; we have been under immense difficulties. When we tendered for the work we were given to understand that in November of last year the track would be laid to Rat Portage. When we commenced in May last, a year ago, and first started up there to work, before we could get an opportunity to get into that country, we had to make portages and take a round of ninety miles through the Lake of the Woods; we had to build boats, to get them on the different points on the water stretches, and we had to take in what we supposed would feed the men, while building houses through these portages, at an enormous cost. Last winter we found, as the road had not been done, or any likelihood of its being done this summer, that if we were to do any work at all during this year we must adopt some other plan to get in our supplies, or we could not do the work at all. So that we were compelled to make a new road of forty-six miles in length on the north side of section 15, from Cross Lake to Rat Portage, and we had to team in all our stuff

Railway Construction—
Contract No. 42.

at an enormous cost—enough supplies to last all this summer. A great deal of our stores cost us \$4 per hundred weight. The rails alone to lay down a track to work the steam shovels cost us \$8,000 to team them in.

8029. How many men have you got employed out there now?—All told, the last return I got over for August, 1,500 men.

1,500 men employed, two steam shovels, one locomotive.

8030. How many steam shovels?—Two steam shovels and one locomotive.

8031. With this force, how long before you expect to finish?—It is pretty hard to tell; it is a dreadful work. The line has been changed and there are several lakes to fill; there is one, I understand, of about 200 feet in depth, and some of them are 100 feet, seventy feet, and so on. It will take an immense quantity of filling. We calculate it will take between six or seven millions; in fact, to get in, it was by sheer brute force.

8032. At what places are those fills so deep?—I think it was called Narrow Lake. It was very fully reported in the *Globe*. A short time ago a reporter went over it. In changing the work from rock filling, which they are doing to some extent, we were to have a large amount of rock-borrowing, and in trying to do that it involves a large increase of earth filling, which can only be done from May to December, after which we are to shut up unless we have some work to do in the winter. It only gives us these months to work in. One of the steam shovels cost us \$800 to team it from Cross Lake to our work, and there will be several of them employed.

By the Chairman:—

8033. You cannot say, then, what time you expect to get it done?—No; it will depend a great deal upon what course is pursued with regard to these fills.

Cannot say when work will be finished.

8034. Have you not received a definite order with regard to those fills?—No.

8035. You do not know whether it is to be bridge work, or all solid embankments?—It is not to be bridged; you could not bridge it. In some of those big fills you could not put piling down; there would be no hold for them in places. There may be parts in which there may be a temporary trestle work to get out to deeper water, but where there is a shrinkage with sand filling, which, as you are aware, will shrink from 20 to 30 per cent. when placed in water, and then with an enormous pressure of a great body placed on top, it will keep pressing it out, as it did at Cross Lake. There is no saying what quantity it will take to fill those places, and there are eight or nine of them to be filled, besides fillings across muskegs, which are very deep.

Large fills.

The witness was then asked whether he had derived his knowledge upon these matters on the ground, or by hearsay from others, and he answered that it was from others, as he had not been on the ground.

WINNIPEG, Monday, 27th September, 1880.

HUGH O'DONNELL, sworn and examined :

By the Chairman :—

8036. Where do you live?—Pembina, Dakota Territory.

Never engaged in connection with Canadian Pacific Railway.

8037. Have you been at any time engaged in any matter connected with the Canadian Pacific Railway?—No; I have not.

8038. Are you aware of any of the transactions of persons who were engaged, so far as they related to the Pacific Railway?—No.

NIXON.

THOMAS NIXON, sworn and examined :

Paymaster and Purveyorship.

By the Chairman :—

8039. Where do you live?—At St. Boniface West, near Winnipeg.

Paymaster and purveyor for Canadian Pacific Railway from spring of 1875.

8040. Had you at any time any connection with the Government interests, so far as they related to the Canadian Pacific Railway?—I had; I was paymaster and purveyor for the Canadian Pacific Railway.

8041. From what time?—From the spring of 1875, I presume; I did not come here in the interest of the Canadian Pacific Railway.

8042. You were here before that?—I was here before that in the Mounted Police. I forget what month it was. It was in 1875, I think, that I was appointed. I came here, I think, in 1874—one sometimes forgets dates.

8043. Until what time were you holding that office?—Until a year ago last January.

8044. The beginning of the year 1879?—Yes; the beginning of the year 1879.

Duties: purchases for engineers out on surveys; payments; transporting.

8045. Can you describe generally what your duties were in connection with the Pacific Railway?—I had to make all purchases for the engineers who were out on the survey, and make all payments to the men, and for those purchases, and do the transporting.

8046. Were special instructions given to you with regard to the Pacific Railway as distinguished from your duties towards the other Departments?—Yes.

Received written instructions.

8047. Were they in writing?—They were in writing.

8048. Have you any copies of them?—No; they are in the office, or they should be; I left all the documents in the office.

Book-keeping.
Set of books kept for Canadian Pacific Railway transactions.

8049. Do you remember whether a separate set of books were kept for the purpose of Pacific Railway matters?—Yes; a separate set was kept.

8050. In that set no transactions ought to find place which were connected with any other Department?—No; nor do I think they did.

8051. Did you keep books yourself?—No; I had an accountant.

Conklin, and D. S. Currie, book-keepers.

8052. Who was he?—E. G. Conklin, of this city, and D. S. Currie, of this city, also an accountant. Only those two.

8053. Which was the first?—Mr. Conklin.

**Paymaster-
and-Pur-
veyorship-
Book-keeping.**

8054. Had you been accustomed to keep books yourself?—None; except for my own private business.

8055. Had you been engaged in any business?—Yes.

8056. What kind of business?—I was a general merchant in Newmarket—groceries and dry goods. I was also engaged in business in Toronto, in wool and hides.

8057. Had it been necessary for you to keep books in those different branches of business for yourself?—Yes, certainly; I had book-keepers.

8058. Did you exercise any supervision over the books yourself?—I did from time to time.

8059. Are you acquainted with the general requirements of book-keeping: I do not mean any particular system, but with the substantial matter which ought to be shown by a set of books?—I should say so. Acquainted with general principles of book-keeping.

8060. Had you any particular system which you thought desirable to adopt, so far as the Canadian Pacific Railway was concerned?—No, I think not; no particular system.

8061. Do you know what system of book-keeping was adopted?—Yes, Mr. Conklin did not keep the books by double entry, but rather by single entry; and I pointed out to Mr. Currie that I did not like the way in which they were kept, when I employed him, and I wanted him to be more particular than Mr. Conklin appeared to have been, and we opened a new set of books under Mr. Currie.

8062. Before the employment of Mr. Currie had you been satisfied with the manner in which Mr. Conklin had kept the books?—I was not. Conklin's manner of keeping books unsatisfactory to Nixon.

8063. In what respect did they not satisfy you?—I did not like the way in which he kept them all through. I saw no errors; but I did not like the manner in which the books were kept—persons accounts sometimes not being closed as I thought they ought to have been.

8064. Did they fail to show matters which you thought the books ought to show?—Rather; still I had supervision myself because I signed every cheque. In that way I had a double check; first nothing was ever purchased by him under any circumstance except for the stables, and for the horses, without requisitions from the engineers; under no circumstances either for freighting or any supplies which they required. I had that then as a check myself personally, because those came to me and not to my accountant. But Nixon exercised supervision.

8065. Do I understand that you were satisfied with his showing the substance of transactions as he did show them in his books?—No; I was not satisfied.

8066. Did his books fail to show the substance of any transactions?—He never gave me a balance sheet at all. I received no balance sheet from him; still I always knew the balance which I would have, when I was out of money, or how near I would be out of it. That was always under my own cognizance, but all our accounts went to Ottawa. No balance sheet but always knew balance.

8067. But besides showing the receipts and expenditure of money, the books ought to show the details of different accounts?—Certainly.

8068. I am asking whether you believed or understood that his books contained the accounts in such a shape as to show the substance

**Paymaster-
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veyorship-
Book-keeping.**

of all the transactions on the part of the Government?—I think in general they might.

8069. You said you were not satisfied with the way in which he kept the books?—No; I was not.

8070. Did that dissatisfaction begin as soon as he was employed, or did you arrive at it later?—Later on.

8071. Could you tell when?—Scarcely; I do not remember now how long he was in our employment.

8072. I think that Mr. Currie's books commenced on the 1st of January, 1877?—Mr. Conklin must have been out of the office a couple of months previous to that, whilst I was away for Mr. Currie to come on off the line. He was one of my sub-agents.

**Capt. Howard
book-keeper
between Conklin
and Currie.**

8073. Who kept the books between the time Mr. Conklin was dismissed and Mr. Currie began?—Capt. Howard, of the Indian Department.

8074. It may be that Mr. Currie did not come so soon as that. If he came later would that make any difference in your idea of the time Capt. Howard had charge of them?—No; I had not long to wait for Mr. Currie, I think, because Mr. Conklin remained a month after his dismissal. In fact that was one of the things he was doing after he was dismissed; he was trying to close up his books for a month.

8075. Do you remember who dismissed him; did you, or was it done by the Department?—I dismissed him.

8076. Do you think that Capt. Howard commenced to keep the books in January, 1877?—Yes; if you had not showed me the book I would not have given that as the date, as I did not know it was the end of the year.

**Administra-
tion.**

Staff in office.

8077. What staff had you in the office?—Only the book-keeper and the store man, and there was a messenger for the general offices.

8078. Do you mean that you had a store man for the Pacific Railway stores alone?—No; for the three departments.

8079. What officers had charge of the Pacific Railway matters alone?—This store man and the accountant. I had no other, but he had the other two as I have stated.

**Agents in charge
of Canadian
Pacific Railway
interest.**

8080. Who had charge of the Government interests connected with the Pacific Railway away from the office?—My sub-agents; that is the name which they received from the Government.

8081. Do you remember who they were?—Mr. Currie was one.

8082. In what locality?—He was to the east of Rat Portage; John A. Rowand was one at Rat Portage also, and there was one Arthur Stewart, who was my sub-agent also. There was also John Brown for the west, J. J. Bell for the west, and Valentine Christian for the west.

8083. Were Mr. Currie and Mr. Rowand located at the same time, or did one succeed the other?—I forget now whether one succeeded the other, but I think not. I think they were employed at the same time, but they were connected with different staffs of engineers.

**Generally each
party in the field
had with it an
agent subor-
dinate to Nixon.**

8084. Had each party in the field, either surveying or exploring, a sub-agent connected with it?—Yes, if the party was numerous; some-times there would only be the engineer and two or three men, and they

**Paymaster-
and-Pur-
veyorship-
Administra-
tion.**

would have no sub agent. The cook would be held accountable because there was so little goods with them.

8085. The distribution of the supplies would be confided to the cook in small parties?—Yes; but it would only be where there would be two or three men. For instance, I had a Mr. Hamilton to provide for at Bird's Hill and sometimes on the way to Emerson. He had no sub-agents. There were two or three instances where there were only an axe man and cook and the engineer himself.

8086. Besides the general office, in which the interests of these different Departments were managed, I understand that there was a store which contained the property of the Government which might be required for the Mounted Police, the Pacific Railway, and the Indian Department?—Yes.

8087. Who had charge of that store?—My store man, John Parr,—
under me—and myself. Store in charge of
John Parr.

8088. Who had the active management of it?—I and John Parr. Managed by
Nixon and Parr.

8089. Do you mean that you were generally present when anything was taken in or given out?—Yes; pretty nearly always. We did not keep, as a general thing, goods. I did not buy any in advance of my requirements; except in one instance I never bought any in advance of my requirements.

8090. Then what would be in the store?—Goods that would be returned when those engineers would come back, and Mounted Police stores which would be returned; the goods sent in by the Mounted Police, damaged goods, sometimes; sometimes goods that they were through with, and supplies for the Indian Department which would be sent under contract at a certain date preparatory to their being distributed to the points which I had to send them. Only returned
goods kept in
store.

8091. As far as those goods which you have last mentioned, the building would be used merely for temporary storage?—That is all.

8092. Not for keeping stores as occasion might afterwards require?—We received from Mr. Provencher, the previous Indian Commissioner, a lot of axes and some pork, and I think some tobacco, which I had to store. Stores received
from Provencher
the previous
Indian Commis-
sioner. 217.

8093. The only occasion which you speak of as being the exception to the general practice, was it about flour?—Yes.

8094. And you considered the price was likely to rise, and that it was desirable to store the same?—Yes. I went and bought some fifty bags of it, if I remember right. Exception to rule
not to order more
goods than was
needed; fifty
bags of flour.

8095. The goods that you took over from Mr. Provencher were those debited to any account?—I think not. **Book-keeping.**

8096. Did you keep any record of them?—Yes; we did.

8097. In what way?—We distributed them on requisitions from Mr. Graham, who was Mr. Provencher's successor. He knew what we had.

8098. I am not speaking of the distribution, I am confining myself to the receipt of them, and the entering of them. I understand that when you were at the office, you took over from some one, who had been previously connected with the Government, a lot of supplies

**Paymaster-
and-Pur-
veyorship-
Book-keeping.**

which were then on hand—was a list of these supplies furnished?—Yes ; and a receipt given.

8099. Was it recorded?—Yes.

8100. Where was it recorded?—By my store man, in the store-book.

8101. Then was there a book separate from the book in the general office which you would call a store-book?—Yes.

8102. Was that handed over by you at the time you gave up?—It was. Mr. Parr, I have no doubt, will be able to lay his hands on it.

In store-book—
only numbers,
not values
entered.

8103. Do you remember whether in that store-book the values only of the stores were entered, or only the numbers?—Only the numbers ; never the values. We could not arrive at that if we were inclined to do it, because the goods were not always new.

No valuation of
goods taken over
from Provencher
made or recorded.

8104. Was there any value attached to these goods at the time you took them over?—No ; reports of the goods remaining on hand were furnished the Government from time to time, persistently, throughout my course.

8105. How would these statements be made up : would it be by deducting the quantities on hand from the quantities which had been previously in store, or was it based on the values of them?—No, not at all ; on the values.

8106. Then was a record kept of the quantities or amounts of each kind of article?—Yes.

8107. Look at your letter-book, page 95, and say if that is a statement, as far as you remember, of the goods which you took over from the gentleman you named in the beginning?—Yes.

8108. That was the basis then of the store-book from the time you commenced to hold office?—Yes, but that is not the store-book ; that is my report to Ottawa.

8109. But what would be the first transaction recorded in your store-book?—April.

First transaction :
a lot of dogs taken
from Jarvis.

8110. I think you said the first was taking over these stores during the month of April 1875?—No ; the first thing I took in was a lot of dogs from Mr. Jarvis, that were returned from British Columbia. They may be properly regarded as almost the first record of stores, but I do not know what engineer they came from.

G. BROWN. GEORGE BROWN, sworn and examined :

**Fort Frances
Lock-
Bank Account.**

By the Chairman :—

8111. Where do you live?—In Winnipeg.

Manager of
Ontario Bank.

8112. What is your occupation?—Banker ; bank manager.

8113. Of what bank?—Ontario Bank.

Had Government
account under
late Government.

8114. Have you had the accounts of any of the officers connected with the Government since you have been manager?—We had the Government account here under the Reform Government.

8115. Have you any book showing the account of Mr. Hugh Sutherland from the time of its commencement in connection with the Locks at Fort Frances?—We have an account of the Fort Frances Canal, not with Hugh Sutherland. I produced the ledger, and the first entry bears date May 1877.

Fort Frances Lock—Bank Account.
Account of Fort Frances Canal. First entry May, 1877.

8116. The first entry appears to be a credit of \$8,000 to the account headed "Fort Frances Canal Works?"—Yes.

\$8,000 to the credit of Fort Frances Canal Works.

8117. Do you remember whether the practice was that money should be drawn from the account and passed to Mr. Sutherland's private account, or whether the general practice was that it should be paid out in small sums to other parties?—Of course the cheques were signed by him and countersigned by Mr. Logan the paymaster. I could not say what became of the money; I never saw anything of that kind.

8118. Unless it was passed to his private account?—Then it would go through the hands of the teller, and I would not see what the details were.

8119. You would not know by what process it would go to his private account?—No; I would never know what that credit of \$3,000 was if it went to his private account.

Nixon's Paymaster and Purveyorship—Bank Account.
Kept account for Nixon as paymaster.

8120. Did you keep the account of any other of the Government officers; had you an account with Mr. Nixon as paymaster of the Pacific Railway?—Yes; but not in this ledger. It was in the Government ledger.

8121. Had you different ledgers?—Yes, very much the same; only a smaller ledger containing the amounts: the debits and credits.

8122. Did you keep an account of any other officer of the Government, besides Mr. Nixon, in connection with the Pacific Railway. For instance, had you an account for any of his sub agents?—No; only a private account; that is all.

Kept no account in connection with Canadian Pacific Railway or with anybody but Nixon.

8123. Not any official account?—I do not think so.

8124. Suppose he gave a cheque to Mr. Christian, who was one of his sub agents, in order that Christian might disburse it for Government purposes; do you remember whether Mr. Christian would keep that as an official account or private account?—I do not know that anything of that kind ever came up.

8125. Is it your recollection that Mr. Nixon's is the only account which you had as an official account connected with the paymaster's office of the Pacific Railway?—I think so. I do not remember any just now. It was some time ago, and a great many accounts have gone through

Fort Frances Lock—Bank Account.
Fort Frances Locks considered a Government account.

8126. Was not this account of the Fort Frances Locks considered to be a Government account?—Certainly. Usually all Government accounts were placed in the Government ledgers altogether.

8127. This account was not put in the Government ledgers?—No; it was sent in a different form. If a letter of credit was given it would be put in the Government ledger. If a cheque was sent it would be sent probably to them.

Reason why Fort Frances Canal account not in Government ledger.

8128. Do you know why this account was not kept in the Government ledgers, if it was entirely for Government purposes, and only

**Fort Frances
Lock—
Bank Account.**

checked by cheques countersigned by Government officials? Is there any reason why it was not kept in the Government ledgers?—A Government account would be credit advices. We would get advice to put so much to their credit from the Finance Department.

8129. Were these credits advised in this way?—No; they were sent by cheques.

Thinks credits were sent by cheque payable to bank for Sutherland and Logan.

8130. Payable to whom?—I imagine payable to the bank for them. It might either be sent to the bank, or sent to Mr. Sutherland to go to his account. The majority of them were telegraphed.

8131. Do you mean that the credits for the canal works were advised in a different way from the Pacific Railway accounts?—For Mr. Nixon's account they were.

8132. What would be the difference in the method of advices?—It is so long ago that I do not remember. It is so complicated. It was such a small distinction: one was a letter of credit. There was this difference: one was charged direct to advances and the other was charged to Dominion expenditure.

In effect the way in which money came from Government into the hands of the bank made no difference in the way the accounts were managed.

8133. In effect, I suppose, it made no difference in the accounts?—No; it made no difference.

8134. No difference in the way in which you managed the accounts and disbursed the money?—No; when it went through the Government ledgers all the cheques went back to the auditor here.

8135. In this matter did the cheques go back down to Mr. Sutherland and Mr. Logan?—Yes, of course; they had them for vouchers.

8136. I suppose the difference is really this: that the other Government accounts were subject to cheques payable by the official here, countersigned by the particular auditor on the spot?—Sometimes they were audited and sometimes they were not. I think the first ones of Mr. Nixon were not audited—then afterwards they were audited by the Departments.

8137. I think that Mr. Drummond's recollection is that they were always audited for the Canadian Pacific Railway?—Then the Mounted Police cheques were not.

Cheques connected with Fort Frances countersigned by Logan.

8138. However, this particular account was subject to cheques countersigned by a different individual?—Yes; by Mr. Logan, the paymaster, and the superintendent.

8139. That may be the reason you put it into a different ledger?—Yes; and it might not have been considered a Government account. I did not know what the reason was.

NIXON.

THOMAS NIXON'S examination continued:

**Paymaster-
and-Pur-
veyorship—
Book-keeping.**

By the Chairman :—

8140. When supplies were bought by you for the purpose of distribution very soon afterwards, would they appear in your store-book?—The supplies themselves, those that I sent out?

8141. Yes; that is what I mean?—No.

**Paymaster-
and-Pur-
veyorship-
Book-keeping.**

8142. I understood you to say that sometimes the store would contain goods which had been obtained by you for the purpose of immediate distribution?—No; that would relate to the Indian Department and not to the Canadian Pacific Railway Department. We had to keep stock for the Indian Department, because Indians would be coming in here constantly, and we had to supply them, or I supposed we had to supply. My business was only to supply what was requisitioned for.

8143. The Indians took the goods from the store themselves?—Yes; it was not sent to a distant point to be distributed. As a rule they were purchased for distribution abroad; but the requisition came to me, say for fifty barrels of pork more than they would require. They might require one thousand or two thousand to send abroad, but they would requisition for fifty more perhaps, and the overplus would go into store.

8144. Would that overplus be charged at once to your store account and be entered either in the store-book or on some other record?—Yes; Commissioner Graham would know what overplus I always had.

8145. Who was Commissioner Graham?—The Indian Agent here. He succeeded Mr. Provencher; he was in the office with Mr. Provencher when Mr. Provencher was Commissioner.

8146. But no stores were at any time put there from your purchases for the Pacific Railway?—Other than the fifty bags of flour I have mentioned—that is of purchases. When the party returned, the cook's and sub-agent's business was to return me any of the stores which they brought back.

No stores purchased for Canadian Pacific Railway other than fifty bags of flour ever put in store. When surveying parties returned, the duty of cooks and sub-agents to return witness whatever stores were left.

8147. Do you think that your Pacific Railway books ought to show the store charged with those fifty bags of flour?—Yes; they would be purchased from a merchant in the city.

8148. The merchant would be credited with the whole amount that he had sold, and charged with a cheque or whatever other way the payment was made?—Yes.

How the fifty bags of flour would appear in Canadian Pacific Railway books.

8149. And the different surveys charged with the portion they took out?—Yes.

8150. And the balance you say would be charged to the store?—Yes.

8151. Do you think, that your books contain an account for your store so as to show a debit of the fifty bags of flour?—I do not know that the general books did other than in the way we say.

8152. Did the Pacific Railway books?—I mean that we kept a separate store-book.

8153. But the merchant who supplied the goods would be credited with not only the portions that were sent out to the surveys but with this portion that was sent into the store?—Certainly.

8154. Do you understand then how the books would be right without charging the portion that went into the store to some account, whatever account you might call it?—If purchased from Bannatyne, for instance, it would be credited to Bannatyne's account.

8155. That would be right as far as Bannatyne is concerned; but besides that you want to debit some person with the whole amount of those goods?—The store would be debited with them, and credited when we issued them.

**Paymaster-
and-Pur-
veyorship-
Book-keeping.**

8156. Do you think the store is debited with these goods?—Yes.

8157. In the Pacific Railway books?—I do not know which of the books, but we kept a special store-book.

8158. But do you not understand that the Pacific Railway books could not be correct unless you debited some account with the total amount?—Yes.

**System of book-
keeping, hypothet-
ical case**

8159. I am asking by way of illustration: assuming that a merchant sold you \$500 worth of goods; section 14 required \$100 of them; you would charge section 14 in your books with that \$100?—Yes.

8160. Section 15 required \$100 more, and you would charge section 15 with that \$100?—Yes.

8161. McLeod's survey would require \$100 more, you would charge him with that \$100?—Yes.

8162. That would make \$300; Mr. Lucas' party would require \$100 more; you would charge Mr. Lucas with that \$100: now, if the other \$100 went into store, would you charge the store with that \$100?—There was no such thing. Nothing of it went into the store, beyond my necessities, than the fifty bags of flour.

8163. Did you charge the fifty bags of flour to any account in your books?—I do not know that it was charged to any account.

Store-book.

8164. If you did not charge it would the books show all that they ought to have shown?—Certainly, because there was a store-book.

8165. But that was not part of the Pacific Railway books?—No; I did not say so.

8166. But you said it belonged to the Mounted Police and Indian Department and Pacific Railway?—No; we kept a separate book for each. The store man was a general store man for all parties, but not that store-book.

8167. But that book in effect forms, I suppose, part of your ledger?—Yes; in effect I so understood it, because it came under my own direct cognizance.

8168. Then the ledger does not show all the transactions without the presence of the store-book?—No; it would go to make up.

8169. Supposing horses were returned to you from some survey which had been previously charged to that survey, would any entry be made in your store-book as to these horses?—Certainly; and a receipt given to the person who handed the horses to the store man.

8170. So that everything which came into your possession on account of the Pacific Railway, and remained in your custody for any length of time—even for a short time—would appear in your store book?—Yes.

**Everything that
came into his
possession and
remained there
for any length of
time would ap-
pear in store-book**

**Administra-
tion.**

**Shipments of
goods consigned
to sub-agent or
engineer.**

8171. When shipments were made to parties at a distance, to whom would they be consigned?—To my sub-agent out in the North-West, on the Rat Portage, on the eastern line, generally speaking to the engineer in charge. Sometimes, however, it would be to the engineer who required the goods; but he would only get them by requisition from his chief, the man in charge.

**Paymaster-
and-Pur-
veyorship-
Administration**

8172. Had you adopted a system by which those sub-agents kept store-books upon the same principle upon which your Pacific Railway store-book was kept here?—Yes.

8173. Have you yourself examined those store-books from time to time?—I have, very carefully.

8174. Were they returned to you before you left the office?—They were.

8175. And they were handed over by you to your successor?—There were no sub-agencies for a considerable time before I left office; a new system was adopted.

Sub agency system abolished some time before Nixon left office.

8176. What was the new system?—The engineers got board-wages, and therefore sub-agency was done away with.

New system: engineers got a specific sum per month and boarded themselves.

8177. What does it mean?—They were paid so much a month and boarded themselves. I had to do the freighting to them; that was all.

8178. Did that apply to the men also?—Yes.

8179. And those employed by the Government?—Yes; but we had no exploratory party in the field.

8180. They got a money compensation instead of being supplied with board?—Yes.

8181. And they got the supplies the best way they could without coming to you or any other purveyor?—It was supposed that I should purvey to them, but they asked the liberty of purveying for themselves, and I was only too glad. I had to freight the goods, however.

Wherever they bought, Nixon had to freight goods.

8182. When you sent out any portion of supplies to a sub-agent, would his account, either as a store-keeper or as a sub-agent, be charged with those supplies?—I think so. Mr. Conklin would be a much better witness on that than myself.

Book-keeping.

8183. Do you remember how long after Mr. Conklin took charge of the books it was when you became dissatisfied with his system?—No; I do not remember.

Does not remember when he became dissatisfied with the way Conklin kept books.

8184. Do you remember that you recommended him for an increase of salary, because he was a very efficient book-keeper?—Yes; I do. Mr. Conklin came to me as a person who had conducted a commercial college at Hamilton, and was recommended very highly; therefore I took it for granted that he was pretty good.

Remembers recommending Conklin for an increase of salary.

8185. Was it because he was so recommended that you asked for this increase?—No; I employed him myself at the salary. The salary was not stated by the Department, and I thought I did not give him enough. I did not give him as much as book-keepers in this city were getting. I only gave him \$1,000 a year.

8186. But after he had experience for some time as book-keeper you wrote to the Department, did you not, stating that he was a very efficient man?—Yes; but the books were not closed up for a considerable time after he came into my employment. I do not remember the time, but I think I did ask that; I think I do remember.

8187. Do you think you made that recommendation without having looked into the manner in which he kept the books?—At that time the books appeared all right. It was in the closing up of those

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accounts—for instance, at the year 1876—when I came to look over the books I found that account after account had not been closed up as I thought they ought to have been.

8188. Do you remember, as a matter of practice, whether your sub-agents had separate accounts in any bank here?—I think not.

How money paid to and by sub-agents.

8189. Did they give cheques?—No; I think they paid the money. I will explain: on going out on the survey, say Mr. Lucas would requisition for \$2,000 for the sub-agent that would go with him, and Mr. Ruttan for \$1,000 or \$2,000, according as he thought other things would be required for the agent that would go with him. That money would be drawn out by cheque and given to the sub-agent, and they took it with them. I do not think they ever issued any cheques, nor was there anything placed to their credit by me.

No subordinate officer entrusted with a credit at the bank.

8190. Was there any other subordinate officer entrusted with a credit at the bank and given power to draw cheques?—No.

8191. Had you not an assistant purveyor?—I had for a short time, but he had no such authority—Mr. J. J. Bell. He was sent up by the Department.

In one case a subordinate had a bank account, but in the form of a private account.

8192. Do you remember whether he had power to draw by cheque? Do you remember sending out a cheque-book to one of those subordinates, directing him that the Government had changed his accounts from the Merchants Bank to the Ontario Bank, and that he was to use his new cheque-book instead of the old one?—That is right, I do now; but that was not by an official Government cheque-book.

8193. Then if it was a private cheque book, what difference did it make to him whether the Government had changed their account to the Ontario Bank or any other bank?—Because the engineer, when out on the line, would ask me to place a certain amount—say to the credit of Valentine Christian—in the bank, and I would send him a cheque-book on that particular bank to draw moneys as he might require to pay off the hands which were dismissed at times.

8194. Still you say that that account of Valentine Christian, for instance, would be his private account?—Certainly it would.

Reason why, nevertheless, he changed subordinate's account from one bank to another.

8195. Then why not let him keep it in the same bank in which it was before? Why ask him to change it to the Ontario Bank, because the Government had changed their account?—Because I only did business in the bank in which the Government did their business. I will explain: when it was changed to the Ontario Bank, why would I take the money from the Ontario Bank and walk to the Merchants Bank, to put it to the credit of Valentine Christian in the Merchants Bank?

8196. But if Valentine Christian already had his account in the Merchants Bank, why ask him to change it?—I do not know that he had.

8197. Do you remember who it was?—I think it was Valentine Christian, because I remember seeing his name on the blank cheque-book returned to me, but it might be one of the others—John Brown. But any moneys they had of that nature would be entirely under their control.

8198. Their single cheque, without any previous supervision or counter-signature, would be cashed?—Certainly.

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and-Pur-
veyorship-
Book-keeping.**

8199. It would be just as much in their control as if it were in their pocket?—Yes.

8200. Do you remember whether it happened that Valentine Christian, for instance, squared up his account with you by giving his cheque?—I do not remember; it is probable he did. That is, that he had not expended all the money which was asked for him by the engineer.

Probable that Valentine Christian squared up his account by giving his cheque.

8201. To whom would that money go?—To the Receiver-General, at Ottawa, not to the Assistant Receiver-General here.

8202. Would he make a cheque payable to the Receiver-General's credit?—No, to me; and I would make the cheque payable to the Receiver-General. The cheque would be made payable to my order.

8203. It would go into your individual custody?—Certainly.

8204. Do you remember whether, with any of those subordinates, there was any necessity of settling their account by their giving you cheques for considerable amounts?—Certainly there was; how could they close their accounts if they did not?

8205. I am asking you whether you remember that it did happen that they closed their accounts by giving you cheques, payable to your order, for considerable amounts?—No; I do not think it. I do not think that there were ever considerable amounts in their hands lying over.

8206. Do you think any of them ever had as much as \$2,000 or \$3,000 lying over?—I do not think there was ever so much money lying over, except in one instance, and it might not have been \$2,000. I think that was Mr. Lucas's sub-agent.

Lucas's sub agent a considerable balance on hand.

8207. Who was he?—I am not sure whether Christian was his agent or not. I think Christian was Ruttan's sub-agent.

8208. Look at John Brown's account on page 107 of ledger A, and say how you settled the last balance? Read out the last entry.—“Bank account, \$2,861.28,”—that is an entirely different affair.

John Brown's account.

8209. What is that affair?—That is goods he sold in the North-West, that was not money sent to him and brought back to me; those were goods that he sold—horses, carts, waggons, and provisions—rather than bring them back to Winnipeg.

8210. How would that be, would that be by a cheque? You have marked it, or Mr. Conklin has marked it by a cheque; do you remember the transaction?—I do not remember, but I presume it would be by a cheque. He would, perhaps, place it to my credit. I rather think he gave a cheque to Mr. Conklin, or to me, the proceeds of which would be deposited with the Receiver-General.

Probably Brown gave cheque for \$2,861.28 to Nixon who would deposit it with the Receiver-General

8211. Do you remember, at the time of Mr. Conklin giving up these books, of ascertaining that there was a considerable amount wrong in the balance in some way?—No; I do not particularly remember.

Does not remember that when Conklin made up books \$4,000 could not be accounted for.

8212. Do you not remember that something over \$4,000 could not be accounted for, as far as the books were concerned?—No; I do not.

8213. I think it is so recorded in your book. It may have been—I do not mean that it was—misappropriated; but I mean that the books do not show what has become of it?—You will find receipts from the Department for all these moneys. The receipts are at the Canadian Pacific Railway Office.

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veyorship-
Book-keeping.**

8214. At present I am trying to ascertain whether the system was a sufficient one to show the real state of affairs?—There was a check at Ottawa, because I went down there once and found a man's account that ought to have been in mine, and it was not in mine.

8215. Do you mean John Brown's?—No, the account of John Scott & Co.; so that they kept a perfect check on me at Ottawa, so there could not be anything astray in the money line.

Statement in ledger that books would not balance —\$4,465.83 being short.

8216. Look at page 42 of journal B, and read the foot note?—"Balance account, Dr. \$4,465.83; Note—This is an account opened with the above ~~man~~ ^{amount} in order to close the books and credits in the ledger, on 1st of May, 1877."

8217. Do I understand that you have seen this note before?—I take it for granted I have.

8218. Do you understand, therefore, that at the winding up of keeping of accounts by Conklin, the books did not balance within this amount?—I suppose so, according to that.

8219. Have you ever endeavoured yourself to ascertain why it is that the books showed that discrepancy?—No; I have not. Mr. Currie may, though. You see there is a voucher for every dollar I have expended. We had no contingent account. I took out no moneys for a contingent account. I kept none, and never had any.

8220. But you had an account for general expenses?—No; I had not.

8221. Had you not a general account?—No; I had no contingent account.

8222. But you had what is called a general account?—Yes.

Witness thinks his accounts at Ottawa would be right even though his books might show \$4,000 short.

8223. In which you put all entries that were not to be charged to particular accounts?—Certainly; but they were paid by official cheque. The money did not come into my hands to be paid out from my cash-books; therefore my accounts at Ottawa would be right, even though my books might show \$4,000 short, because my vouchers would go down as against the moneys which they had placed to my credit.

8224. Would it happen that you would sometimes pay expenses and draw sums against those expenses?—I do not remember that I did.

Item \$250 for Nixon's expenses explained.

8225. I think in one instance I see a cheque of \$250 charged to you, and against that a credit of expenses to yourself?—Yes, that is right; that was for going to Ottawa; that was when I was summoned to Ottawa before the Public Accounts Committee; of course there was no other way to get money but that, and I placed to credit of the Receiver-General, when I returned, the amount that was allowed me, because the Public Accounts Committee paid me, and the amount I took was more than was allowed me, and I placed the balance in the hands of Receiver-General. That is how that is explained.

Item of horse sold to Alloway for \$25

8226. On the 19th of June, 1875, I notice an entry in journal A, that you received from W. A. Alloway: "cash, \$25," for a horse that was sold to him; do you remember the transaction?—No.

8227. There is a memorandum that the horse was severely kicked?—No, I do not remember it; but I suppose the horse was returned by a surveyor, perhaps between this and Portage la Prairie, and sent back.

8228. I do not find any credit in the account that you kept with the bank of that \$25. I mention it now in order that you may have an

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opportunity of looking into it?—I cannot look into it for I have not the documents.

8229. But I will give you the books, and you can see whether it is credited?—You will see that there is a statement made to the Department of that horse. It is credited to Receiver-General when he sent him.

8230. Then, on the 23rd of June, 1875, I find a memorandum in your journal: "deposited to credit of paymaster, in the Merchants' Bank, \$92.50;" would that be to your official account?—No; I do not think it would. Item of \$92.50 deposited to private account of Nixon.

8231. Would it be to your private account?—I suppose it would. That would probably be for some goods sold, and the moneys would not be deposited to credit of Receiver-General until we got the whole together and sent it at the end of the month, or the beginning of the succeeding month; that is, when we got the \$25 we would not send it then. We made our returns monthly to the Receiver-General, of all moneys received during the month. I apprehend that that would be the way that was done; I do not know what it was for.

8232. Then this last entry of the deposit, would that be a private transaction of your own?—I do not know that it would.

8233. Do you think it would be to your official account then?—I had no official account. Had no official account.

8234. Can you explain this entry: "deposited to credit of Paymaster in the Merchants Bank, \$92.50?"—It was probably moneys which came into my hands belonging to the Canadian Pacific Railway, and it was placed to my credit to be afterwards sent to Receiver-General.

8235. Do you know whether that would appear charged to you in the Pacific Railway books?—It should. I should be credited and charged there—at least I ought to be credited and charged: "by amount to Receiver-General."

8236. The books at Ottawa, as far as we have been enabled to understand them, do not show it; but perhaps there is some error?—No; the Receiver-General's books would only show, I suppose, the cheque which I signed;—it might be \$400 or more. That would be embodied in that. I would send a detailed statement to the Department, and not to the Receiver-General.

8237. It is possible, that if you did not send the amount which you received from different sources until after June, in 1875, it will appear in the following year?—I can get it for you if the papers are placed in my possession. I remember sending it, and I will guarantee I will find it for you.

8238. If you look at page 118 of ledger A, you will see that Valentine Christian's account was settled by some entry referring to the bank transaction; can you explain it?—No; bank cheques. I presume those were cheques which he issued to the men when probably they were being discharged. Surmise as to the way Valentine Christian's account was squared up.

8239. You mean payments by him to some one else?—Payments by him on the pay-list to men in the field. I apprehend that would be the way that was. It would be very expensive sometimes to bring men

**Paymaster-
and-Pur-
veyors-
Administration****Engineer made
requisitions for
moneys for par-
ties on surveys.****Engineer always
certified claim of
sub-agent.****Exception to this
rule.****Brown appointed
sub-agent by
Nixon.**

in, if they desired to stay in the North-West, and that would be taken from the pay-lists.

8240. Who would make requisition for moneys which you advanced—for instance, to Valentine Christian?—The engineer only.

8241. It would not be a matter of discretion to yourself to advance the money or otherwise?—No; I would not know what the requirements would be.

8242. Those moneys were supposed to be necessary for using in that particular way?—Yes; they would have to buy provisions at times—sometimes a very large amount—sometimes moccasins for the men—the men were clothed by us more or less.

8243. What sort of expenses would be credited to Valentine Christian under the word “Expenses?”—Freighting, moving supplies from point to point as the engineer would direct him; and that would be done under requisition from the engineer.

8244. Well, when he came into your office to settle for the advance which had been made to him, and would bring in accounts of those expenses, would you always require his claim to be certified by the engineer before you gave him credit for it?—Yes; the engineer certified to the claim.

8245. So that for all those items of credits in the case of a person in Valentine Christian's position, you would have a certificate from the engineer, or some one on the spot?—Yes; the engineer was instructed, by his printed or written instructions, to do that. Of course, in John Brown's instance, he would not be able to tell the goods Brown sold, because Brown was in the North-West for a year, or a year and a-half, under instructions from me to dispose of property there; for instance he had a lot of mules which we got over from British Columbia, and horses and other material.

8246. Did he get any from Moberly's party?—No; I think not. I think it was some old stores of Henry McLeod's, some of which were cached in the North-West before I came here at all, and some were at Henry House or Jasper House, I do not remember which. I think he sold to Barnard, of British Columbia, for \$1,000, a large quantity of supplies that had been there I do not know how long.

8247. Did you appoint Brown a sub-agent, or was he appointed at Ottawa?—I appointed him.

8248. Were you satisfied with his conduct?—I was, always. He was Mr. Fleming's sub-agent before I had anything to do with the Government at all—his right-hand man; he was not a sub-agent, because that name was not known then in the service.

WINNIPEG, Tuesday, 28th September, 1880.

Exploratory
Surveys—
Party G.

WM. W. KIRKPATRICK, sworn and examined:

By the Chairman:—

8249. Where do you live?—At Ostersund, contract 15, Canadian Pacific Railway.
8250. Have you been engaged on any work connected with the Pacific Railway?—Yes.
8251. When were you first connected with it?—From the time the first parties were sent into the woods in 1871. Connected with Canadian Pacific Railway since 1871.
8252. By whom were you engaged?—By the Public Works Department—by the Engineer-in-Chief.
8253. Were you notified in writing?—Yes.
8254. What was your first duty?—Transit man. Transit man to Division G under Armstrong.
8255. To which party?—Division G, under Mr. H. N. Armstrong.
8256. In what locality?—On Lake Superior; to the north of Lake Superior on Pic River, running east and west.
8257. Can you describe the termini of that exploration?—At the Narrows of Long Lake on the west side, was the western terminus; and on the eastern it was either the White or Black River, I forget which, but I think it was Black River. Locality: Lake Superior; terminus of exploration: Long Lake and Small Black River.
8258. Was that a point further east than Pic River?—Yes.
8259. Then you crossed Pic River?—We crossed the Pic River.
8260. About what was the length of that exploration in miles?—About ninety or 100 miles, I should think.
8261. How long were you engaged on that work?—I think it was in June that we went up there; I left the party shortly before Christmas.
8262. What was the size of the party?—It must have numbered about forty men—perhaps forty-five. Size of party: about forty-five men.
8263. How were you provided with supplies?—By a commissariat.
8264. Had you a commissariat officer attached to your party?—There was one, not a regular commissariat officer. There was one at the mouth of the Pic River. Yes, I may say there was, because we were the only party up there, and he was attached to our party. Supplies.
8265. But he was not always with the party?—He was not always with the party.
8266. From what point on this exploration did you start?—About twenty-three miles up the Pic River. Started about twenty-three miles up the Pic River and worked west to Long Lake.
8267. But in which direction did you work at first?—West to Long Lake.
8268. Then was Pic the base of your supplies?—Yes; the Hudson Bay post at the mouth of the Pic was the base of our supplies.
8269. Were you supplied with enough provisions and other articles upon the starting of that exploration?—Yes.

**Exploratory
Surveys—
Party G.
Supplies.**

8270. There was no defect in your arrangements?—Not in the starting.

8271. Was there afterwards?—We were short of provisions very frequently.

8272. Why was that?—Owing to the difficulty of transporting it to the end of the line.

Short of supplies frequently; reason the commissariat officer did not understand his business.

8273. Do you mean that it took a longer time than was anticipated to get your supplies from the Pic to the point required?—No; I rather think that the commissariat officer did not understand the business in getting the supplies in, and in engaging Indians.

8274. Was there any complaint on that account to the commissariat officer?—Yes; we certainly complained.

8275. Would it be your duty to communicate the complaint?—I was not in charge of the party.

8276. Whose duty would it be?—H. N. Armstrong's.

Commissariat officer promised to supply them better in future.

8277. Do you know whether any explanations were received from the commissariat officer while these defective arrangements existed?—Yes; I think he wrote once and there was some complaint made. I forget who the commissariat officer was, but he sent a rather extraordinary letter, stating that if God spared his life and the mosquitoes were not too bad, he would supply us better in future.

8278. What was the result of the defective arrangements for supplies upon the work of the party? I mean, were they hindered in their work or did they progress with it?—No; we settled down to our work. I left the party myself and crossed over to Long Lake, when we were a little more than half-way, and brought in supplies from that direction.

8279. You were detailed for that special purpose?—I volunteered, as there was no person who knew the position in which we were, or knew the country as I did myself, having been up there previously.

8280. In what capacity had you been there previously?—On the geological survey.

Witness brought in supplies from a Hudson Bay post at the north end of Long Lake.

8281. Then, did I understand that you brought in supplies from a point different from the one intended to be your base of supplies?—Yes.

8282. Did you secure the supplies upon that occasion?—I did.

8283. From what point?—From the Hudson Bay post at the north end of Long Lake.

8284. How far was that from where the party then was at work?—It must have been 120 miles.

8285. Did you take men of the party with you?—I did.

8286. How many?—Three or four Indians.

Transported supplies with three Indians.

8287. And were the provisions transported by the party?—They were carried from the south end of Long Lake on our backs.

8288. If these men had not been detached from the party, what work would they have performed with the party?—They were the regular packers. They would have been sent back to Pic for supplies.

8289. So that they were performing the duty for which they were engaged, whether they were with you or whether they returned to the

**Exploratory
Surveys—
Party G.
Supplies.**

Pic?—Yes; we had a number of Indians in camp, for moving camp and packing supplies.

8290. Then the work proper suffered, if at all, only by your individual absence?—That was all.

8291. How long were you absent on that occasion?—Not more than a week. I do not know whether the party were at work during my absence or not. A week absent for supplies.

8292. Could you not tell when you returned whether they had been at work or not?—I think they had done a little, perhaps a mile or two miles.

8293. Do you think the work of the party suffered in consequence of your absence, more than with your individual presence, without supplies?—They had no provisions to live on. They lived on blueberries during my absence.

8294. Then am I to understand that the work was not proceeded with as effectively as it would have been if they had been properly supplied?—Decidedly not. Work and progress retarded by want of supplies.

8295. At the starting of the expedition, was it contemplated that you might have to go to this point for provisions as well as to Pic River?—If I remember correctly, Mr. Armstrong had instructed the commissariat officer to send supplies around by the travelled route to the Hudson Bay post, to the north end of Long Lake, then down to the south end of Long Lake and there to make a cache.

8296. Then was it a part of the arrangements at the beginning, that there was to be a cache at Long Lake, where you would find the supplies?—It was. Pre-arranged that there was to be a cache at Long Lake.

8297. Then your going there for supplies was not contrary to the original arrangement?—No, not to the south end of Long Lake; well, yes, it was, because we did not expect to require the provisions until we got our line through to that point.

8298. Supplies were then to be found there when you reached that point?—Yes.

8299. Were you longer in reaching it than was anticipated at the beginning of the work?—I think not much longer.

8300. I am endeavouring now, to ascertain by these questions, whether the difficulty arose because the party did not make the progress as rapidly as expected, or whether the supplies were not furnished as regularly as expected; to which of these reasons would you attribute the difficulty?—To the supplies not being furnished.

8301. Then, where ought they to have been furnished according to the original arrangement?—Brought after us on the line.

8302. Were they not brought as rapidly as was expected by the arrangement at the beginning?—No, they were not; as frequently we had to stop work and send back our own axe men for the supplies at the cache on the Pic River. The commissariat officer may have been unable to procure packers at the Pic. Of course I do not know how that was; he may have been unable to get them. Frequently work had to be stopped in order to send back for supplies.

8303. Would the absence of those axe men who would be sent back for supplies affect the progress of the work?—Yes. Work delayed in consequence.

**Exploratory
Surveys—
Party G.
Supplies.**

All the axe men
of the party
away.

One cache lost
through woods
taking fire.

Left this work
in December.

Track Survey.

Makes a track-
survey around
north end of Long
Lake.

8304. Delay it very much, or only very little?—It depended upon the number who would be sent off. I think we had six or eight axe men altogether.

8305. Altogether?—The regular axe men of the party whose duty it was to work on the line, and when they were away of course no work could be done.

8306. When they were all away, do you mean?—Yes.

8307. And were they all away at one time getting supplies?—I think so; I think they were away once or twice, if not more.

8308. Would they be accompanied by the packers or Indians?—By all the men that could be spared in the camp.

8309. Why send so large a party to get in more supplies?—The road was so very rough, a man could not carry more than fifty or sixty pounds on his back.

8310. Did that absence of proper supply happen only seldom or frequently during this particular work?—I think it was frequently on that line. I may here state that we had the misfortune to lose our cache at the mouth of the Pic—not at the mouth of the Pic, but at the crossing of the Pic, where we started our line. Everything was burnt by the woods getting on fire; and that delayed us some time.

8311. Was the loss of that supply by fire, the occasion, in your opinion, of the defect in the arrangement afterwards for supply made?—It might partially, for a short time, until other supplies came in.

8312. After that was made up, did the defective arrangements continue?—Yes.

8313. Where is Armstrong now?—I could not tell; I have never heard of him since the following year.

8314. That is not the Armstrong who was doing work on section 14 or 15?—No, he was an American, I think; or he may have been a Canadian; but he came from the United States.

8315. Do you remember who was commissariat officer at the mouth of the Pic?—I do not; there were two of them at first, but who they were I cannot remember. If I heard their names I would, perhaps, remember.

8316. You say you left that work about December?—About November or December; the latter end of November, or the beginning of December. It was shortly before Christmas; it might have been two or three weeks.

8317. Then where did you go?—I proceeded to make a track survey, according to instructions received from Mr. Rowan, around the north end of Long Lake.

8318. How was that survey made?—A rough survey, by taking bearings with the compass and by pacing—counting the paces—or otherwise, judging the distances as rapidly as possible—merely passing through the country and taking notice of the character of the country.

8319. How were the heights taken?—No levels were ascertained.

8320. Was a barometer carried?—I had a barometer, but I took no levels from it because I had nothing to check from, and it was not considered necessary.

8321. That would be called a bare exploration, I suppose?—Yes.
8322. How long were you engaged on that work?—I think I arrived at Red Rock at the mouth of the Nipigon River at the end of February or the beginning of March.
8323. What was the size of your party on that occasion?—About eight or ten men.
8324. You had charge of the party?—I had charge.
8325. Upon that occasion, did you say you started upon the height of land, or about the height of land?—Yes; about the height of land, near the north end of Long Lake.
8326. What was your arrangement about supplies on that occasion?—I took certain supplies with me; but forwarded, previous to starting, three Indians with toboggans, loaded with supplies to be cached at the Long Lake House—at the Hudson Bay post in Long Lake. I took supplies with me from the mouth of the Pic to do me until I got there.
8327. Was that arrangement sufficient to carry you through with supplies until you finished the work?—It was.
8328. What was your next work on the Pacific Railway?—I returned to Ottawa, and on the 1st July, returned to the Nipigon country again.
8329. That would be July of 1872?—Yes; July of 1872.
8330. In what capacity did you return?—In charge of a party.
8331. Do you remember the number or name of it?—I think it was L.
8332. What was the size of that party?—About thirty or thirty-five.
8333. From what point did you start work?—From thirty miles from the north-west corner of Lake Nipigon.
8334. Would that be towards the height of land?—Yes; towards the height of land.
8335. In what direction did you proceed?—To Big Sturgeon Lake.
8336. What was the length of that work?—It was somewhere near ninety miles in length—that line—as well as I can remember.
8337. What was your arrangement for supplies?—They were to be sent up to the mouth of the Wabanoosh, which empties into Nipigon Lake—on the north-west corner of Nipigon Lake.
8338. Then that was near the starting point of the work?—It was within thirty miles of the starting point, I think.
8339. With whom were the arrangements made?—With the commissariat officer, Capt. Robinson.
8340. Where was his station?—He was stationed at the mouth of Nipigon River, at Red Rock. He was the head of the commissariat.
8341. Were the supplies found at the point you expected them?—Yes.
8342. Was there any difficulty about supplies during that work?—Yes; I had a great deal of difficulty in getting them in, as my party was not quite large enough.

**Exploratory
Surveys—
Party G.**

A bare exploration.

Arrives at Red Rock, mouth of Nipigon River, end of February.

Size of party: ten.

Arrangements for supplies.

Party L.

Returned to Ottawa.

July, 1872, in Nipigon country again.

Size of party: thirty-five.

Worked from north-west of Lake Nipigon to Big Sturgeon Lake.

Ninety miles, length of work.

Supplies.

Capt. Robinson, commissariat officer.

**Exploratory
Survey—
Party L.
Supplies.**

8343. So arrangements had been made for transporting provisions, from the point which you have indicated, to the different points of your work?—The commissariat officer I had with me was supposed to have them packed in, or to get them in by some means. If we came across lakes they were supposed to bring them in by canoes.

8344. Then was there a commissariat officer attached to, or accompanying your party?—Yes, two of them; a man by the name of Cole, and McDonald—Duncan McDonald, I think.

8345. Was their business to procure means of transport from the starting point, or this place near the starting point, to different points on the line of work where supplies would be required?—Yes.

**Failure in bring-
ing in supplies
rapidly enough.**

8346. Did they fail to accomplish that?—No; I cannot say that they failed, but the supplies were not brought in as rapidly as they should have been. They did not altogether fail.

8347. Was the work performed satisfactorily by them?—I do not think it was. Not to my satisfaction.

8348. Did you make a complaint upon this subject?—I certainly reported it.

8349. To whom?—To the Assistant Engineer-in-Chief—at that time Mr. Rowan.

8350. Where was he stationed?—He was not stationed at any particular place as far as I can remember; he was supposed to be all over, I think.

8351. Had he no headquarters?—I think not; he had no headquarters that I am aware of.

8352. Do you know whether he received your complaint?—I cannot say.

8353. Did your complaint result in any improvement or in any change?—No; it did not, because he may not have received it for months afterwards. Communication was very hard to make.

**Work less effec-
tive in consequ-
ence of failure in
supplies.**

8354. Did the work of your party become less effective on account of the failure in your supplies that season?—Yes; I think it did. I did not get through that work until, I think, it was Christmas morning.

**Work finished on
Christmas
morning.**

8355. Was that work intended to reach the work going on by any one else?—No; Mr. Jarvis had terminated there some months previously. It was not intended to connect with his line.

**Character of
work: prelimi-
nary survey with
transit and level.**

8356. What sort of examination would you call the work of that season?—A preliminary survey.

8357. Instrumental?—Instrumental, with transit and level.

8358. Do you remember the letter or number of your party that season of 1872?—I think it was what I already stated: L.

**Letters of parties
sometimes wrong**

8359. In the same list I find C. James for 1872, and the letter N opposite your name. Do you know whether it is likely to be correct?—I do not think the letters are altogether followed out there. I know one year that there were two or three K's.

**Preliminary
Survey—
Lake Helen to
Long Lake.**

Returned to
Ottawa.
Spring of 1873 ran
line from north
of Lake Helen to
north of Long
Lake.

Work done sixty
miles in length.

Preliminary
survey.

Object: to con-
firm witness's
previous work.

Size of party:
thirty-five.
Supplies.

Goes to Ottawa.

WILSON.

**Fort Frances
Lock—
Supplies.**

Books showing
account with
Government.

First entry to
credit of Govern-
ment \$1,738.32.

8360. After this work what was your next step?—I returned to Ottawa that winter, and again returned to Nipigon the following spring and ran a line from the north end of Lake Helen, towards the north end of Long Lake.

8361. That would be in the general direction of your exploration in the winter of 1871-72?—Yes.

8362. About how long was that work—I mean in distance?—About sixty miles of the line I ran. I think it was something nearly 100 miles; but we never completed it.

8363. What kind of examination was that?—An instrumental survey—a preliminary survey.

8364. Had there been any exploration of that particular line before the instrumental survey, as far as you know?—None but mine, that I am aware of.

8365. What distance was that from your own?—I crossed it with my track survey various times; but it was along in the general direction. It may have been run very far, though.

8366. Then it was to some extent for the purpose of confirming your previous work?—Yes.

8367. Were you in charge of the party?—I was.

8368. What was the size of the party?—About thirty or thirty-five.

8369. What was your arrangement for supplies that season?—They were brought in by the commissariat from Red Rock.

8370. Was Red Rock the base?—It was the base of supplies.

8371. Had you a commissariat officer going with your party, or accompanying it?—Yes.

8372. Do you remember who it was?—I do not.

8373. Were the supplies brought in to your satisfaction during the progress of that work?—Yes.

8374. At what time did you end that work?—Late in the fall, in time to get out by the steamers.

8375. Did you go to Ottawa?—I did.

8376. Upon each of these occasions, upon your going to Ottawa, did you do the office work connected with the field work of the previous season?—Yes; I made up all the plans and profiles.

G. M. WILSON's examination continued :

By the Chairman :—

8377. Will you produce your book of accounts, showing the account with the Government?—Yes. (Book produced.)

8378. What is the amount of the first entry to credit of Government?—\$1,738.32.

8379. What was that for?—That was for the furnishings purchased from the Government, and then in stock.

**Fort Frances
Lock—
Supplies—
Accounts.**

8380. Were they actually delivered at that time?—They were delivered at that time.

8381. Was a schedule made out?—Yes; and regularly invoiced.

8382. Who certified to that on the part of the Government?—Logan and Thompson.

8383. Were prices attached to it?—Yes.

Next item to
credit of Govern-
ment \$2,288.49.

8384. What is the next item to credit of Government?—\$2,268.49.

8385. At what date?—That was August 31st.

8386. What was the date of the previous item?—In June 30th.

8387. Can you say about the time that the arrangement was made that you should purchase those supplies?—It would be along in June some time.

Arrangement to
purchase the sup-
plies made with
Sutherland.

8388. With whom was the arrangement made?—With Mr. Sutherland, the superintendent.

8389. How does it happen that so late as August you should be able to credit them with so large an amount as \$2,200?—For the simple reason that they had some goods purchased in Ontario before the sale was made, and those goods were on the way at the time; but I was to take possession of them when they came.

8390. It was part of the arrangement that those goods of the kind that you purchased were to be included in the sale made to you?—Yes.

Goods taken over
were scheduled
and priced.

8391. When they arrived, was there a schedule made of those which you took over?—Yes.

8392. With prices attached?—Yes.

8393. How were the prices ascertained?—From their invoices, I suppose.

8394. Did you take any part in the ascertaining of those prices?—I did not.

8395. Then you do not know whether the same prices were fixed as were shown by their invoices?—I suppose that they were; I have no reason to doubt that they were.

8396. You supposed that they were, but you did not know?—Yes.

8397. You were willing to take their statement without looking at the invoices to corroborate them?—I suppose I knew that they were right, because I had seen the invoices before.

8398. Did you verify the prices by looking at the invoices, as far as you remember?—As far as I remember I did; I cannot say that I did, but the chances are that I did.

\$131.36 to credit of
Government.

8399. What is the next item to the credit of the Government?—\$131.36.

Assumed
accounts.

8400. What was that for?—That is for assumed accounts.

8401. Do you mean that you assumed the payment of some account due to the Government?—Yes.

8402. Whose was that?—Edward McCroskie.

8403. What was the next item?—\$12.34.

**Fort Frances
Lock-
Supplies.
Accounts.**

8404. What was that for?—That was an error in making up the invoice, of £2,268.49.

8405. What was the next item?—The next item is an item that really should not appear here, because there is a cross-entry for it. It was an item of \$144 which was charged to the Department, but which should not be charged to Department, but should have been charged to the paymaster, and there is a cross-entry on the opposite side to correspond with it.

8406. That corrects the error?—Yes.

8407. The next item?—\$540.86.

Item \$540.86 for transporting supplies.

8408. What was that for?—Transporting supplies; transporting 72,115 lbs. of supplies.

8409. From what point?—From the North-West Angle to Fort Frances.

8410. By what means of transportation?—By tug-boat; what they call Hudson Bay boat.

8411. Did you know what was the fair freightage at that time for such transportation?—Yes; an arrangement was made with Capt. Wylie. He was the party who fixed the freight, and he was to carry for 75 cts. a hundred, for other persons, and for the Government.

8412. Thus the real understanding was that you paid the same rate as was charged to other persons?—Yes.

8413. Did you, at any time, have any goods transported, for which freight was not charged to you?—I had not.

Always paid freight on goods carried for him.

8414. Were all dealings with you about such matters upon the same basis as with strangers?—Yes.

8415. Had you no advantage from dealing with any of the officers of the Government?—No.

8416. Whose writing is this in the journal?—It is mine.

8417. What is your next item?—My next item is \$1,850.

\$1,850 for provisions lent witness.

8418. What is that for?—For provisions loaned to me by the Department.

8419. Was that a quantity loaned at that particular time, or was it the aggregate of many loans?—It was a regular invoice rendered to me by the Department of stores loaned to me up to that date at different times.

8420. It was not a loan on that particular occasion?—No.

8421. Do you know for what period this system of loans had been going on?—You might say it was during the whole time I was there—loans backwards and forwards.

During whole period a system of mutual loan existed.

8422. Then these were loans between the time you commenced to have a store of your own and the entry of that item?—Yes.

8423. What date is that entry?—May 31, 1878.

8424. So that that would be the amount of the loans during the period of about eleven months?—Yes.

8425. From time to time, as those loans occurred, was any record kept of them in your books?—Coming in?

**Fort Frances
Lock-
Supplies.
Accounts.**

8425. Yes?—I think there was; I kept a memorandum of them.

8427. Where would that be?—In an account of a petty-book; but I of course expected the Government store-clerk to keep a straight account of it.

8428. Did you compare the statement, furnished at the time that this aggregate was given, with the statement which appeared in your book about those loans?—I think I did.

8429. Do you remember?—I do not remember.

8430. You think so because it would be likely, but you do not remember the circumstance?—No.

8431. Who kept that statement on the part of the Government?—The Government clerk.

8432. Who was he?—Mr. L. R. Bentley would be the party at that time, and Mr Logan, I suppose. Mr. Logan was the store-keeper, and Bentley was his assistant.

8433. You are aware, I suppose, that there were rumours that you had some advantage in the obtaining of those loans?—Yes; I am aware of it.

8434. Have you that statement now of the item which you have credited?—I have not; it was furnished to me by the Department. I will just state that I came very near not having anything. When I left Fort Frances I had no way of getting out I had my own dunnage, and had to bring out my stuff in that way; and I had decided at one time to throw away all my books and papers, as I had no further use for them; but on second thought I picked up my books, and some of my accounts with my creditors, and brought them along, in order that if anything arose I might be in a position to look at all of them. I wished them at the bottom of the lake many a time.

8435. Then you have no record of that statement of loans?—No; I have not; I have looked for it. I thought I had them, but I find I have not.

Item of loans
appears as a lump
sum.

8436. The item is in a lump sum as it appears in your books?—Yes.

8437. Did I understand you correctly, on a previous occasion, to say that you had never disposed of any live cattle which had at any time been the property of the Government?—Yes. I will give you a statement of that after a time, if opportunity is allowed me.

8438. What is the next item?—The next item is \$5 which should not appear here. It is a mere cross-entry to correct a previous error in my business. I think it was some cotton that was got out of the store, and should have been charged to Thompson, the foreman, instead of to the Department.

\$162.42 credited to
Government for
transportation.

8439. What is the next item?—The next item is \$162.42.

8440. What is that for?—For transporting supplies from Barrie station, on the Dawson route, to Fort Frances.

8441. By what means of transportation?—By the Government tug.

8442. Is the price the regular price charged to strangers?—I do not think at that time there was any freighting done for strangers at all.

**Fort Frances
Lock—
Supplies.
Accounts.
Price, a fair price.**

8443. Is it a fair price?—It is a fair price. The way it was arrived at was by charging the time of the men and expense and making up the freight in that way. It was made by Thompson, the foreman of the works.

8444. Is that item the whole charge of the Government, or is it after making a deduction for something that you did for them?—It is after making a deduction of three loads of freight that I paid for to the Department from Thunder Bay to Shebandowan.

8445. So that your whole allowance for the work done for you is more than the amount of \$162?—Yes; \$207.42, I think it is.

8446. What is the next item?—The next item is \$341.56, an assumed account, assumed account, the same as the one before.

8447. What is your next item?—The next item is \$5.50—which is a similar transaction to the one mentioned before—some tobacco that was got by Mr. Oliver and charged to the Department, instead of being charged to him directly.

8448. So that this entry is to correct a previous error?—Yes.

8449. The next item?—It is for \$262.13.

\$262.13 for freight.

8450. What is that for?—That is for freight.

8451. Between what points?—Transportation of 7,000 lbs. of supplies from Savanne, a station on the Canadian Pacific, to Fort Frances Lock, and also the transportation of 23,492 lbs. of freight from the North-West Angle to Fort Frances, at 75 cts., making a total of \$298.69, less an account of Capt. Wylie's of \$36.53.

8452. Why did you deduct Capt. Wylie's account from the credit of the Government?—The Government owed Capt. Wylie at that time, and I was coming away from Fort Frances at the time and could not see Capt. Wylie, and I just turned the account over to the Department.

8453. Was that consented to by Mr. Sutherland, or any one on behalf of the Government?—Yes; by the foreman.

8454. Were these prices for transportation the usual prices allowed for the same work?—They were the same as other parties were getting it done for.

8455. What is your next item?—\$22.26.

\$22.26 for supplies lent.

8456. For what?—For supplies loaned me. It is a small account the Government had against me for supplies before I left there.

8457. The next item and the last is \$1,296.17; what is that for?—That is a cheque received by me from the Department at Ottawa to balance my account, and is the only sum I ever received from the Department.

\$1,296.17 cheque from Department to balance account.

8458. What items have you on the debit side of this account?—For supplies furnished the Department.

8459. What is the total amount of your charges against the Government during the period that you were interested in the store on your own account, at the Locks?—\$8,778.92.

\$8,778.92 total amount of charges against Government made by witness while keeping store at the Locks.

8460. For what is the bulk of these charges?—It is for, I suppose, supplies.

**Fort Frances
Lock—
Supplies.
Accounts.**

8461. What sort of supplies?—They would be blankets, sheeting, and provisions, and whatever they required that I had that they purchased from me—butter, sugar, and things of that kind.

8462. Were these articles furnished to the Government principally at one transaction, or, from time to time, in many transactions?—From time to time, as they required them.

8463. And at what time would you make the entries of these articles?—At the time that they took place.

8464. Did you keep a day-book or a blotter?—I kept a journal.

**Witness's system
of book-keeping.**

8465. Was that the first book in which entries were made?—I had a petty book, but as I had to attend to all the business myself, I could not enter it up in my regular books except at night.

8466. But from what would you get the items to make the entries at night?—From what they call the blotter.

8467. Did you find, either in your journal or your blotter, foundations for every entry which you have in your ledger?—I did.

8468. And the entries which now appear in the ledger, are all the results of these items, which are first of all charged by you either in your journal or in your blotter?—Yes.

8469. Would these goods for which you have charged the Government be furnished directly from you to the agent of the Government, or would they, sometimes, be furnished to other individuals?—They would be furnished by me directly. The only party that would get them would be the foreman or the store-keeper.

8470. These were not furnished to the labourers for the Government?—No; they would not accept a transaction of that kind at all.

**All goods passed
through some
agent of the
Government.**

8471. And all this merchandize, you say, passed through some agent of the Government—either the clerk, or the store keeper, or the foreman of the works?—It could not be done in any other way. It would not be allowed.

8472. Have you the blotter?—I have not. I thought I had, but I cannot find it. It was in the house last winter.

8473. Did you keep your books by single entry?—By double entry.

8474. Did you transfer the items from your blotter into your journal before they were posted?—Most of them I did, unless I was much hurried.

**Did not post
direct from blot-
ter to ledger.**

8475. Would you sometimes post direct from your blotter to your ledger?—No; never.

8476. Then all entries must first have gone into some intermediate book?—Yes; into the journal.

8477. Then are there entries in your journal for every item which appears in the ledger?—Yes; there are entries in the journal for every item that appears in the ledger.

8478. These items which are charged to the Government under the name of merchandize would probably have a corresponding entry to the credit of the merchandize account?—They would in lump sum for the whole number of the accounts at the end of the month. It would not be for that single entry.

**Fort Frances
Lock—
Supplies.
Accounts.**

8479. But would not that entry be divided up so as to show each account to which merchandize would be charged?—Merchandize would be entered with the whole month's transaction.
8480. Please look at page 34 of your journal, and say whether the particulars of this amount of \$351.60 are entered there?—They are. Item \$351.60.
8481. On the 30th of June, 1878, you appear to have charged an item of \$5,440.81 to the Government; are you able to show the details of that charge now?—I am not. \$3,440.81 no details
8482. Why not?—Because it is not entered in detail. The details were furnished to the Department.
8483. Your journal entry from which this was made shows three items, one of which is \$3,165.55: is that the transaction of which you are not able to give the details now?—Yes. Explanations re-
garding item
\$3,165.55.
8484. How do you say that amount was arrived at?—It was entered in my blotter and invoices furnished to the Department.
8485. Do you remember what it was composed of?—Supplies.
8486. Of what sorts?—Of all kinds.
8487. That would probably be the supplies for one month?—No; longer than that. I may state that at first I did not think it would be necessary to enter all this in the regular books, because it would be entered in the Departmental books—these loan transactions; but I was informed by Mr. Sutherland, or the book-keeper, that it would be necessary, therefore I had to make the entry in my books to correspond with theirs.
8488. Do you mean that they had entries of the same items, amounting to this \$3,165.55, in their books?—Yes.
8489. And you made yours to correspond with theirs?—With the account I had rendered them.
8490. Do you mean, that at first you did not keep this in your books at all?—I kept it always in my books; that is, I did not enter it up in my journals at regular times; that is, in this way, I did not enter the detailed items in the journal.
8491. Was this item principally for goods loaned to them, as you understand?—Yes; it would be principally for goods loaned to them—supplies. Principally for
goods lent.
8492. Are we to understand that this charge of \$3,165.55 is not for goods delivered after the time of your last previous entry against the Government?—I could not say just exactly during what time that was delivered.
8493. Are we to understand that at some time you made up an entry composed of goods that had been furnished for a long time previous?—It might have been furnished for a couple of months or so, or perhaps more. Further explana-
tion.
8494. And that during those two months you had made other entries against the Government, but had not carried up those entries?—Yes; for instance, I tried as far as possible to keep there, what we call dry goods and such things as that, a separate entry from the loan account. I did that for the purpose of being able to see what would have to pass

**Fort Frances
Lock-
Supplies.
Accounts.**

back and forward between us—what I would have to return to them, or they would have to return to me, as the case might be.

8495. Was this item based upon loan transactions principally?—I think it was, to the best of my recollection.

How charges were made when goods were loaned.

8496. When you charged the Government with these articles which you say were loaned and not sold out-and-out, at what prices would you charge them?—If I remember correctly, I think the first account was rendered against me by the Department for supplies loaned to me, and in return I would charge just the same price as they charged me, whatever it was, for any particular article. They charged me higher than I was in the habit of selling myself in several cases, and, of course, when I was returning I would charge them at the same prices; but there are things I would charge my regular retail prices for, and generally lower than were charged by the Department.

8497. Do you know what was the result of this interchange of goods: was the balance in your favour or against you?—No; I think that the sum paid me would be principally for other goods outside of the supplies altogether, such as furnishings.

On loan account balance of advantage between witness and Government even.

8498. Then do you say that on the loan account by itself the balance was not in your favour?—I think it was about even. It was intended that whatever was borrowed should be returned. Sometimes they could not return the same articles, and sometimes I could not return the same articles, but it was allowed on something else.

8499. In giving the Government credit I think you mentioned one item as a loan account?—Yes.

8500. Is that because the details of that item were obtained from the Government by way of loan?—Yes.

8501. Have you a similar entry on your side, that is, a loan account as distinguished from a sales account?—No; I looked upon the provisions as generally a loan account.

8502. Does your charge against them for goods which you at first intended to be loaned include anything more than provisions?—Only provisions.

This item of \$3,165.55 principally for provisions.

8503. Then do you think that this item of \$3,165.55 is principally for provisions?—Principally for provisions. I think it is all. I should say that it is all provisions.

8504. Did you keep in your ledger a separate account for merchandize account?—Yes.

8505. Did these transactions with the Government result in a large credit to that account in your opinion?—It would to the amount of the credit of whatever was given out to them—both debit and credit.

8506. But I mean balancing in the account between the prices you paid for goods and the prices at which the Government bought them; have you any means of ascertaining from your own book whether those transactions with the Government resulted in a large credit to your merchandize account?—It should not, because the prices were the same from both parties. The prices that they would charge me for loan account would be precisely the same as my charges against them.

8507. Do you say that this item of \$3,165.55 is for items which are not included in other charges made by you against the Government?

**Fort Frances
Lock—
Supplies.
Accounts.**

—It is not included in any other charges against the Government. It would not be there if so. I am positive it was not.

8508. Do you know what became of that invoice which was made up, showing the details of that entry?—I think the Department must have it.

Thinks Department must have invoice showing details of this entry.

8509. Did you wind up your business at the Locks before you removed?—Yes.

Wound up business at Locks before coming away.

8510. Disposing of all your goods?—Yes.

8511. Did you credit your merchandize account with the proceeds of the final sale of goods?—I did.

8512. Had the Government any part in that transaction?—The Government had no part in it.

8513. How long were you in business at the Locks?—It would be from about the 1st of July, when I got opened up in 1877, and I left there in the beginning of August, 1878.

8514. About thirteen months altogether?—Yes.

In business thirteen months.

8515. When you started, did you get much stock from other sources besides what you bought from the Government?—I did a large amount.

8515½. Have you any objection to say—I am not sure that we are altogether empowered to ask you this—about how much you had invested upon the whole there?—I do not know as I could without figuring up the amounts, but I have no objection to show you my creditors accounts, which will give you some idea.

8516. I do not want to ask you for all the particulars of your indebtedness, I only mean to ask, for instance, whether your merchandize account on the whole showed a considerable profit?—I do not think I am justified in answering it.

Refuses to say whether his merchandize account shows a considerable profit.

8517. You are justified, but you are not bound to state it?—I do not feel bound to let you know.

8518. Do you mean to say that you do not wish to let us know?—No; I do not wish to let you know.

8519. You understand that I am not pressing you about it?—Certainly.

8520. Do you think that you would be able to give us the particulars of this large item?—I think I can.

8521. Have you found the details of the entry of \$3,165.55 which we were discussing before recess?—I have.

Details of above item of \$3,165.55 produced.

8522. Can you produce it?—I can. (Statement produced.)

8523. This is in your letter-book, and appears to have been copied from another paper?—It is a copy from the statement furnished to the Government. I prefer to give you a copy rather than leave the letter-book, and you can compare it.

8524. According to these particulars all the items of this sum were given by you during the month of June, 1878?—Yes.

All the goods against this large sum lent in the month of June, 1878.

8525. What is your account of such a large transaction happening in one month?—The Government were short of supplies and wanted these supplies returned, and I had bought these supplies on purpose to return them.

**Fort Frances
Lock—
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Accounts.**

8526. Do you mean that you had been getting new goods at that time?—Yes.

8527. And these items were selected from your new stock?—Yes.

8528. The quantities appear to be almost wholesale quantities; for instance, one barrel of currants and other items in large quantities?—Yes.

8529. At what price did you charge those large quantities? At retail price or something like wholesale prices?—Something like wholesale prices.

Currants charged
15 cts.

8530. "Currants, 15 cts.;" would that be near the wholesale price?—Yes; taking freight into consideration.

8531. Would the costs and charges amount to about that sum?—Yes; pretty near it.

Oatmeal 8 cts.

8532. "Oatmeal at 8 cts.;" what were you selling it for retail at that time?—10 cts or 12 cts. That had to be bought here, and bought pretty high, and freight paid on it.

8533. What was your retail price for axes?—There we used to get \$2 for them.

8534. Do you remember your retail price for nails?—It was according to where we purchased them, they ranged from 12 cts. to 25 cts.

8535. By the keg?—They ranged about 10 cts. to 12 cts. by the keg.

Nails 9 cts a lb.
by the keg.

8536. You charge 9 cts. here. Was that intended to be about the wholesale price?—Yes; 25 cts. was the common price at Fort Frances for nails, that is what the Hudson Bay Co. charged for them.

In fairness, prices
charged witness
by Government
should be com-
pared with his
prices.

8537. Would the Swan River prices be anything like the Fort Frances Lock prices?—I do not know where Swan River is. In comparing these prices it would be necessary to compare them with the prices that the Government charged me for those same goods. They must correspond, as it would not be fair if they charged me one price, and I should not be allowed to charge them the same.

8538. You will please furnish us with a copy of this statement at your convenience?—I will.

**Alleged mis-
conduct.**

**Explanatory
statement as to
certain rumours.**

8539. Is there any other matter connected with the Pacific Railway, or the Fort Frances Lock, on which you wish to give evidence?—I have a statement that I would like to make in reference to some rumours which are circulated, which the Commission have not touched upon at all, and I would like to state that before the furnishing department of the Government store was offered to me it was offered to two others, namely, S. H. Fowler, of Fort Frances, lumber merchant; also John Logan, store-keeper for the Department at Fort Frances; and it was only after their refusal that it was mentioned and offered to me. It was rumoured that the building occupied by me as a store at Fort Frances belonged to the Department, and that I paid no rent for the same. The buildings actually occupied by me: first during the month of July—my first month in business—I occupied a building belonging to D. Cameron, of Kincardine; from the 1st July until the day I left Fort Frances, I occupied a building belonging to S. H. Fowler, lumber merchant, Fort Frances. Do the Commissioners wish to see the entries in that?

**Fort Frances
Lock—
Supplies.**

**Alleged mis-
conduct.**

8540. No?—In reply to an extract from a letter from the Hon. John Schultz, Winnipeg, to the Hon. Dr. Tupper, Minister of Railways, dated Russell House, Ottawa, 17th December, 1878, as follows:—“Supplies for works were purchased largely from Wilson, said to be a partner of Sutherland’s. Wilson had all his supplies carried free by Alloway’s trains, to the North-West Angle, and thence to Fort Frances by the Government steamer:” I desire to state that this statement is false, and totally void of truth.

8541. Do I understand that you wish to show that you paid other persons, not employed by the Government, for carrying freight from Winnipeg to the North-West Angle?—I do.

8542. What evidence do you wish to produce?—I produce the receipts of W. F. Alloway, freighter, and also the entries in my books, made at the time the transaction occurred.

8543. About what amount do you find that you paid altogether for freighting between those two points, to persons not connected with the Government?—I paid about \$3,000.

**Paid \$3,000 for
freighting.**

8544. And no person connected with the Government transported any of those goods free of charge, either between these two points or any other points?—No. It was also stated that the cattle sold by me at Fort Frances belonged to the Government; I wish to show W. F. Alloway’s receipt for five head of cattle. I also state that I purchased two head of cattle from Capt. Wylie, of the North-West Angle, one from S. H. Fowler, of Fort Frances, and one from one Frank Thompson. There is also an extract from a letter from one W. S. Volume to the Hon. Mackenzie Bowell, dated Cross Lake, 14th December, 1878: “I also charge Mr. Sutherland with buying cattle in Winnipeg and sending them to Fort Frances. I can prove that these cattle were killed on their arrival there, and part of them sold by Wilson to residents in Fort Frances.” I desire to state that this is wholly false and devoid of truth in every part, as I am in a position to prove where my cattle were purchased, and to show that it will correspond with the beef sold by me while at Fort Frances to residents. In conclusion, I might also state that it was rumoured that the men employed by the Department were forced to purchase from me, and that I took advantage of their position and made them pay for it. I am satisfied that this rumour did not originate with the men who purchased from me, and I am quite prepared to have the prices charged at Fort Frances compared with the prices at Winnipeg at that time; and more, it was known and given out by Mr. Sutherland that should complaints of overcharges be made, he would be at liberty to re-open the Government store. I had also to agree that my books should, at all times, be open to the inspection of Mr. Logan, the paymaster, and also of Mr. Thompson, the foreman. No complaints were made and no fault was found with any of the accounts, and each and every account with the men was kept and rendered in detail to them. I may state, Mr. Commissioner, that I feel that this statement should be made in order to satisfy the Commission that I am quite prepared to give any information that I can.

**The cattle sold by
witness purchas-
ed on his own
account.**

**The charge that
advantage was
taken of the
workmen by wit-
ness unfounded.**

8545. You have read extracts from letters of which we had no knowledge, and we are glad to hear your explanation of these points. Upon the subject of some of them we touched generally in our questions, but we could not go into the details, because we were not aware of the

**Fort Frances
Lock—
Supplies.**

The investigation made by Messrs. Bown and McArthur necessarily not exhaustive.

details to the same extent that you were?—These were furnished by the Department to Mr. Sutherland just before the investigation which took place under the Hon. Walter R. Bown and Mr. Alexander McArthur, of Winnipeg.

8546. Do you know whether that investigation was based upon evidence under oath?—It was not. I could not say as far as every one is concerned.

8547. Was it obtaining information from those persons only who would voluntarily give it?—I could not tell.

8548. You understand that they had no power to make witnesses appear who did not wish to appear?—No.

8549. So that their sources of information were voluntary statements from persons who made them?—I think so, and from parties who knew nothing about it; and they did not try to get it from parties who were in the position to know.

8550. You have produced these receipts, showing that you have paid for cattle purchased on your own account, and that you have paid for freights to persons not connected with the Government; they establish your assertions on that subject, and you are at liberty to retain these receipts if you wish?—It is my wish. I would not care, only there may be another investigation; this is the second or third one.

Amount of purchases from quarters outside Government: \$25,000.

8551. Is there anything further that you wish to say?—I was asked to state, before recess, in round numbers, what was the amount of my purchase from other parties, independent of the Department?—I may state that it was about \$25,000.

8552. Do you remember whether, in making your entries connected with the business, you charged your merchandize account with the expenses of carrying on the business, or only with the costs and charges on the goods themselves?—The expenses of carrying on the business, certainly.

8553. Then any profit or balance to the credit of the merchandize account would be the profit of the business?—Of course; it would not show my own private personal expenses.

8554. Would your own time, in the shape of a salary, be charged in the business?—No; nothing connected with myself personally.

Merchandize accounts show profits of business leaving value of witness's time out of account.

8555. Then your merchandize account if any balance is to its credit, shows the profit of the business, except in so far as the value of your time is concerned?—Yes.

KIRKPATRICK

**Exploratory
Survey—
Lac des Mille
Lacs, Height
of Land, Fort
Frances.**

1874, survey of Fire Steel River from north-west of Lac des Mille Lacs to the height of land.

WM. W. KIRKPATRICK's examination continued:

By the Chairman:—

8556. What was your first work after the fall of 1873?—I was in the office during the winter, and then made a survey of the Fire Steel River from the north-west corner of Lac des Mille Lacs to the height of land for the purpose of seeing whether it could be utilized for bringing in plant and provisions for the furtherance of the Canadian Pacific Railway. After that was completed I proceeded to Fort Frances.

8557. First of all as to that, do you know how long you were engaged upon that survey?—About six weeks. It was in connection with the other work of that season. It was all under the same instructions. I proceeded to Fort Frances and made a survey of the Sand Island River north to where the present line now crosses at the Orangoutang Lake, I think, and then down the Wabigoon River to Wabigoon Lake, and down through Manitou, and back to Fort Frances.
8558. That work, as I understand it, would have no connection in any location of the line?—No; it was an exploratory survey made with Rochon's micrometer.
8559. Was it made principally for the purpose of finding lines of transport?—Yes; and also to see the character of the country, as no exploratory survey had been made before then through that country.
8560. What time was occupied in making these surveys?—The whole season.
8561. Until about what time in the fall?—About the middle of October.
8562. Were you in charge of the party?—I was.
8563. What size party?—I think I had thirteen men and one assistant.
8564. Was it necessary to have any commissariat officer with you upon your expedition?—No.
8565. Was there any trouble about supplies that season?—No; I furnished them myself.
8566. Do you mean that you bought what supplies you considered necessary and the Government paid for them?—Yes.
8567. Upon your own responsibility?—No; by instructions.
8568. But I mean as to the quantities of supplies and prices?—Yes.
8569. You provided what you considered necessary?—Yes.
8570. About how many miles did you survey that season?—It might have been 300 or 400 miles. It is pretty hard to answer without scaling it. I made all the calculations afterwards in the office, but I really forget. It might have been 300 or 400 miles.
8571. What were the modes of transport principally used that season?—Canoes altogether, and portages. I followed the water courses as much as possible, finding out the portages myself.
8572. Then, after October, 1874, did you go to Ottawa as usual?—Yes.
8573. Did you do the office work connected with this field-work?—Yes.
8574. What was the next work?—I ran a preliminary line the next season from Wabigoon, east and west.
8575. Were you in charge of the party?—I was.
8576. What was the size of the party?—Between thirty and forty.
8577. What was the nature of the survey?—During the summer a preliminary survey.

**Exploratory Survey—
Lac des Mille
Lacs, Height
of Land, Fort
Frances.**

Surveys the Sand Island River to present crossing, thence to Wabigoon River, through Manitou and back to Fort Frances.

Exploratory survey made with micrometer.

Size of party :
thirteen.

No trouble about supplies. These attended to by witness.

Extent of survey
from 300 to 400
miles.

Goes to Ottawa,
October, 1874.

**Preliminary
Survey—
East and west
from Wabi-
goon.**

1875, preliminary line from Wabigoon east and west.

Size of party :
from thirty to
forty.

**Preliminary
Survey—
East and west
from Wabi-
goon.**

Supplies.

8578. With a view to locating a line?—Yes.

8579. What was your arrangement that season for supplies?—The commissariat officer had charge of forwarding all supplies that season—Mr. Bethune.

8580. From what point?—Thunder Bay.

8581. Had you any commissariat officer attached to your party?—Yes.

8582. Was there any difficulty about supplies that season?—Not during the summer.

8583. Later?—During the winter there was, but that was another survey.

Finished survey
October, 1875.

8584. About what time did you finish this survey?—I think it was about the 1st of October.

8585. That would be October, 1875?—Yes.

8586. Up to October, 1875, had there been any trouble about supplies during that year?—Nothing of any consequence.

**Railway Loca-
tion—
Wabigoon
eastward.**

Runs line from
north of Manitou
Lake to Sturgeon
Falls.
Instructed to
locate line from
Wabigoon east-
ward to Wabi-
goon River.

8587. Then, after October, 1875, what was the next work, either in the office or in the field?—I received instructions to run a line from the north end of Manitou Lake to Sturgeon Falls, and during the time I was getting ready to make that survey at Fort Frances, I received other instructions to abandon that line and go on and locate the line from Wabigoon east, which was done during the winter, from Thunder Lake to the crossing of the Little Wabigoon River, near where the present line crosses.

8588. Was it to locate the line as now adopted, or the one that you had previously surveyed?—To locate my previous line as nearly as possible, or to make a trial location.

Engaged at this
until March, 1876.

8589. How long were you engaged on that?—Until about March—I think the following March.

8590. Were you in charge of the party?—I was.

Size of party: be-
tween thirty and
forty.

8591. What size party?—Between thirty and forty.

8592. Do you remember what your arrangement was for supplies during the winter?—The same as they had been during the summer. The commissariat officer was supposed to furnish me with all that was necessary.

8593. And was Thunder Bay the base of these supplies?—I suppose it was.

8594. With whom did you communicate if you wished to discuss the matter of supplies?—The commissariat officer.

8595. With you?—The commissariat officer immediately under me, and the commissariat officer at Fort Frances, who of course communicated with Mr. Bethune of Thunder Bay.

8596. Did you have any difficulty about supplies?—I had at the beginning of the winter.

Left without
snow shoes, to-
boggans and
winter clothing,
&c., for winter
survey.

8597. What was it?—It is impossible to make a winter survey without snow shoes, toboggans, winter clothing, tents and things of that kind. I was not furnished with any of these things.

8598. Was any arrangements made for protecting you?—I believe snow shoes were sent up, but they did not arrive in time. They were frozen in on the way up.

Railway Location.
Wabigoon eastward.

8599. And those other articles that you mention, how did you procure them?—I made them and bought them. I made over forty pairs of snow shoes and thirty toboggans. Canvass, I think, was sent up to make one tent, or it might have been two.

Snow shoes and toboggans made by party.

8600. How did you manage about protecting the rest of the party?—I had the old tents, and I had to send in here for a skin tent, and I think a stove or two.

8601. Was the work of the party delayed by the absence of these supplies?—I could have returned immediately to the ground when I came down if I had had the supplies on hand, whereas I did not start until the week before Christmas.

Considerable time lost in consequence.

8602. What difference did it make in the time of finishing your work?—I do not think it really made any difference because the work I would have done during that time would have been thrown away. As I informed you, the instructions I received afterwards were to abandon the line between the north end of Manitou and Sturgeon Falls and make a trial location of the line east from Wabigoon.

8603. Then the time that was lost was while you were preparing to do this work which was afterwards abandoned and not done at all?—Yes.

8604. After you commenced upon the work which was done, was there any trouble about supplies?—No; not that I remember.

8605. That brought you down to about March, 1876; where did you go then?—I went down to Ottawa *via* Winnipeg.

March, 1876, went to Ottawa.

8606. How long did you remain there?—It could not have been very long, as I think I was placed on construction in May or June, 1876.

Railway Location—
Contract No. 15.

8607. What construction was this?—The construction of contract 15.

8608. In what capacity?—I was assistant engineer.

Assistant engineer, contract 15, June, 1876. In charge of sub-section No. 2.

8609. Did you take charge of a sub-section?—Yes.

8610. What was the number of that?—No. 2, I suppose they call it.

8611. Numbering from the east?—Yes.

8612. Who had charge of No. 1?—Mr. Fellowes.

8613. What was the length of his section?—Nine miles.

8614. And of yours?—Nine miles.

Nine miles length of section.

8615. So that yours would be the second section from the end of 15?—Yes; from Rat Portage crossing.

8616. Was that before the contract was let?—I think so.

8617. At what time do you understand that the construction commences as distinguished from surveys or location?—I should say when the contractor went to work.

8618. Then did you go there as engineer upon the construction as early as you mention—June, 1876?—I went there as assistant engineer to assist in locating the final location.

**Railway Location—
Contract No. 15.**

8619. But it was before the contractor was there?—Yes. There is a difference made between preliminary surveys and actual construction surveys.

8620. Then you were at work before the contract was let?—Yes.

Located line from station 300 to station 730.

8621. What work did you do that season?—I located the line from about station 300 to station 730, under instructions from the Division Engineer.

Carre, Division Engineer.

8622. Who was the Division Engineer?—Mr. Carre.

Nature of witness's work.

8623. Will you describe the nature of the work which you did?—I took the instrument myself, the transit, and received instruction from the Division Engineer, Mr. Carre, as to what curves and what lines I was to run. After the lines were run I had to cross-section them.

By Mr. Keefer:—

8624. There are two lines marked on the location survey, which of these did you run first?—I could scarcely answer that question because the line has been changed in so many places.

By the Chairman:—

8625. Did you say that you cross-sectioned the line over the distance which you located it?—No; only from station 480, my own nine miles. It was afterwards divided up into nine-mile subdivisions—into four subdivisions of nine miles each—and I had one of them. I cross-sectioned that from station 480 to 950.

8626. That was during the season of 1876 before the contract was let?—I do not know. I do not know when the contract was let.

8627. The contract was let in January, 1877?—Well, that was before the contract was let.

Cross-sectioned the nine miles.

8628. Did you cross-section it thoroughly or only at some difficult points?—I cross-sectioned the whole of it.

8629. That is the whole nine miles?—Yes; I cross-sectioned the whole nine miles for preliminary cross-sections, that was before the contractor commenced.

8630. How do you record the cross-sectionings as it is done from day to day?—Either in the level book or it is reduced in the field and taken plus and minus from the centre line.

8631. If taken plus and minus from the centre line, would you record each day the result of the cross-sectioning merely? I mean would you record in some book the quantities which would be the result of the cross-sectioning?—We would not take out quantities of those cross-sections until afterwards.

8632. Then you would only record data from which at some future time quantities might be arrived at?—Yes.

Recorded figures from which quantities were taken.

8633. Then when you say that you cross-sectioned that nine miles that season, do you mean that you arrived at data from which a subsequent calculation would give quantities?—I recorded the figures from which the quantities were taken.

8634. Did you take any part in making the calculation and arriving at the quantities afterwards?—From those cross-sections I did.

**Railway Location—
Contract No. 15.**

8635. Would that be in the winter following or was it done during the season of the field work, or do you remember?—I cannot remember very well. It may have been in the office here. I remember forwarding my cross-sections after they were plotted.

Remembers forwarding to Carre his cross sections after they were plotted.

8636. That would be data for quantities?—Yes.

8637. Do you remember where you forwarded them?—To the Division Engineer, Mr. Carre.

8638. Where would he be at that time?—He might have been on the line or he might have been in Winnipeg. I rather think I sent them in with Mr. Fellowes, who was going in at the time.

8639. Do you remember what time of the year that would be?—I do not.

8640. What is your opinion upon these matters: whether those particular cross-sections of yours were used in arriving at the quantities which were offered to parties tendering for the work?—It could not have been. They had not time to make out the quantities, I think. I think the tenders must have been out long before that.

8641. Then, according to your opinion, tenders were asked for, and any quantities which were given to tenderers were so given before this data of yours could be made use of?—Before any data of mine could be made use of.

Tenders were asked for before any quantities based on data of witness could have been had.

8642. Do you know whether, before you procured this data for quantities by cross-sectioning, any one else had procured similar or any other data from cross-sectioning for that portion of the line?—No cross-sections had been taken previously that I am aware of. They may have been, but if so, I am not aware of it. I think not.

8643. About what time did the field work end that season?—The field work ended in November, I think.

Field work ended in November.

8644. Did you remain in that locality during that winter?—I did.

8645. Did you do any office work connected with this season's field work?—I did.

8646. Where?—In the house that we built that winter at Ostersund Station.

8647. What was the nature of your winter's work?—Reducing and plotting cross-sections, and making plans and profiles of the line.

Winter spent plotting cross-sections and making profiles.

8648. About what time would that work be finished so as to be made use of?—Use of in what way?

8649. I mean to furnish contractors with particulars, or anything of that kind?—Well, it was being carried on all the time. For instance, to make a profile of the line it only required a short time—a week.

8650. Did you furnish a profile to any person within that time?—Within a week after getting through?

8651. Yes?—No; I think not. I do not think I was called upon to furnish a profile until after the contractor went to work in February, 1877.

Not called on to make profile until after contractor had gone to work February, 1877.

8652. Would that profile be the first, in your opinion, which was made of that particular portion of the line?—No; it was the first of that line, but previous lines had been run—centre lines—perhaps

Railway Location—
Contract No. 15.

to within a foot or two in some instances and some ten feet, but not the final location. It was the first profile of the final location.

Quantities ascertained during spring of 1877.

8653. As to quantities, when were these ascertained so as to be made available after you had done the work in the field, and the office work necessary to follow it?—I think during the spring.

8654. That would be the spring of 1877?—I think so.

8655. Have you any reason to think that quantities ascertained from cross-sections had been ascertained before the spring of 1877 upon the portion of the line to which you allude?—No; I have not.

8656. Do these remarks apply merely to the nine mile sub-section or to a longer distance?—Only to my own work, the nine miles.

8657. Was there any particular portion of that nine miles which required more than usual attention, or which was more than usually difficult for construction?—No; I think not. It was all pretty difficult.

Railway Construction.

8658. What was the general character of the work?—It was a very rough, rocky region—shores of lakes along which a line passed at a certain elevation. I do not think there was any part of it that was more difficult than any other of the thirty-six miles.

One very heavy fill on witness's section at crossing of Lake Deception.

8659. Are there any very heavy fills on that nine miles?—Yes; there is one very heavy fill at the crossing of Lake Deception, about station 795.

8660. Is the line, as now constructed, upon the line which you located at that time over that spot?—Not altogether. Not more than half of it, I suppose.

Deviation of line diminished quantity of work.

8661. Has the deviation diminished the quantity of the work in your opinion?—Yes.

By Mr Keefer :—

8662. The grade is very high there; has that been reduced since?—No; it has not.

By the Chairman :—

8663. Was it part of your duty to ascertain the nature of the foundation for the work? I mean the kind of support which it would have, whether earth, or rock, or muskeg?—Yes; if the Division Engineer gave me instructions to do so.

8664. Did he give you such instructions?—In some cases he did.

8665. I am speaking of this particular place?—Not that I remember of.

8666. Do you remember whether you did test the bottom?—I remember applying at one time, or asking for boring tools or something to sound with.

8667. Did you get them?—No.

8668. Then did any soundings take place?—No.

Formed estimate of quantities without ascertaining character of foundation.

8669. Did you form your estimate of quantities without being able to ascertain the kind of foundation?—Yes; I took it from the depth of the water which is twenty feet.

8670. Can you say what the depth has turned out to be which was required to be filled?—No; no soundings were ever taken properly.

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Contract No 15.**

We tried afterwards to sound and could get no solid bottom at twenty feet below the water.

8671. So that that would be forty feet below the surface of the water?

—Yes.

8672. Are you able to say now at what depth there is a solid foundation?—No.

Cannot say at what depth below water there is a solid foundation.

By Mr. Keefer :—

8673. However, it is filled in?—Yes.

By the Chairman :—

8674. Has the filling given way?—Not now.

8675. Has it during the progress of the work given way?—Yes; it gave way very much.

Filling gave way very much.

8676. Can you say, by the quantities which have been put in, what the actual depth was which was required to be filled?—I do not think it was much over twenty feet.

8677. That is twenty feet beyond your first estimate?—Yes.

8678. Namely, forty feet in all?—Forty feet from the surface of the water.

8679. How was the foundation made at that spot? Was it by rock protection walls or solid rock bases?—Rock protection walls were put in.

8680. The whole way across?—No.

8681. Only at the deepest spot?—Only at the deepest spot.

Rock protection walls at deepest spot.

8682. Then the embankment is protected at the deepest spot by rock protection walls?—The protection walls had no effect upon the embankments. They were thrown out as if they had been straws.

But these were thrown out like straws.

8683. Have they been of any use in the work, do you think, in strengthening it?—They may form a rip-rap to protect the banks from the washing of the lake.

8684. Have you ever estimated the quantities required on this particular filling, so as to ascertain how much more they were than the quantities which were at first estimated to be required?—No; because I do not think with any calculation that any definite conclusion could be arrived at. When the top goes on that bank I think it will throw it out considerably more than it is at present.

8685. Have you made any such calculation, based upon the embankment as it now stands, without taking into account any future trouble?—I have not; but I have to make that calculation yet for the final estimate which is not yet completed.

8686. Have you prepared an estimate of the probable amount of work to be executed after the 1st of August last?—I am preparing one, but it is not complete. I am at it yet.

Preparing estimate of probable amount of work to be executed.

8687. Was it part of your duty to discuss matters with the contractor as his work went on, or with his engineer, or was that always done by Mr. Carre?—I did not consider it so. As assistant engineer I considered it my duty to take my instructions from the Division Engineer, and report to him.

Witness's conception of his duty.

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8688. Were the matters worked in a pleasant way between you and the contractor's engineer, or were there difficulties?—I never had any difficulties.

8689. Were there disputes or differences of opinion between you and the engineer of the contractor?—I never argued with him; I did not consider it my place.

8690. Who made the measurements from time to time for the progress estimates?—I did on my nine miles.

Judged quantities in solid rock and earth but not loose rock.

8691. Did you decide upon the classification of the quantities of the work?—In solid rock and earth I did, but not on the loose rock question.

Percentage of loose rock allowed by Division Engineer.

8692. How did you manage about the loose rock?—In the majority of cases I got the percentage to be allowed from the Division Engineer.

8693. And would the quantities returned by you be based upon that percentage so dictated by him?—It would.

8694. Was that satisfactory to the contractor or the engineer?—I think not.

8695. What was the difference of opinion between the engineer for the contractor and Mr. Carre?—It varied in various cuts.

8696. Did the contractor's engineer comply with your directions or did he refuse?—I think, as a rule, they generally did what they were instructed to do.

8697. Were any difficulties thrown in the way of the contractor in the carrying on of the work, according to your opinion?—Small difficulties may have been; I cannot say that I recollect them now though. For instance, they are now allowing the grades to dip to complete the work in as rapid a manner as possible. The contractor was obliged to make his grade complete at the time, and not allowed to make such narrow banks as they are now doing.

Work being finished by Government.

8698. The work is now being finished by the Government?—Yes.

8699. It is taken out of the contractor's hands?—Yes.

8700. Do you understand that the work as now being done by the Government is not so accurate?—It is as accurate, but—

Character of work as done by Government.

8701. Does it so perfectly comply with the specification?—No; because the work is not completed. The banks are narrower. In place of being seventeen feet wide in many cases they are not ten.

8702. So in places the line is left not up to the specification?—Incomplete.

8703. Do you understand with what object?—To hasten the communication between Rat Portage and Winnipeg, I suppose.

8704. Do we understand that the train is to pass over the road before it is as complete as the contractor was bound to make it?—Yes.

8705. It is for the purpose of making the road useful earlier than it could be if the contract was accurately fulfilled?—Yes.

8706. Are you aware whether the character of the work, as originally contemplated, has been materially changed since the contract was made?—That I cannot answer. I do not know.

Railway Construction—
Contract No. 15.

8707. Do you remember the question of trestle work being discussed at the time of the contract?—I do; but as assistant engineer it did not come within my province, I suppose, to discuss the matter.

8708. Did you happen to hear any of the superior officers speaking of the subject, or of the material to be used upon the line before the actual change took place?—I may have done so.

8709. If my memory is correct, some one says that you were present when Mr. Rowan directed some of the engineers to borrow all the earth possible so as to use as much as possible on the line?—I may have been, but I do not recollect the circumstance.

8710. Do you know the prices that were to be paid to the contractor for different kinds of work: for instance, solid rock?—I have seen it in Mr. Fleming's report as a schedule of prices.

8711. What do you think of the solid rock price, \$2.75?—I think it was a very good price for the contractor. \$2.75 for solid rock a good price.

8712. Do you mean a high price or only a fairly good price?—It was a fairly good price when the contract was taken, the cost of supplies and material being so much heavier then than it is now.

8713. What would you think of the price now?—Over the same work and with the same facilities?

8714. With the present facilities?—It would certainly be high.

With present facilities a high price.

8715. Do you remember the price of tunnelling?—I remember the general prices of the different kinds of work.

8716. What do you think would be a fair price for tunnelling at the time the work was commenced?—What kind of tunnels?

8717. Line tunnels such as we require for that work?—I may say I had no line tunnels on my sub-division, and of course I did not go into the calculation of cost.

8718. Do you remember whether it was generally understood among the engineers at that time whether the price was considered a high or a low one?—It was considered a very low one—Mr. Whitehead's price for tunnelling—as far as I heard.

Price for tunnelling low.

8719. Do you know whether any of your superior officers had the inclination to make him do more or less tunnelling than was estimated?—I am not aware of the amount of tunnelling that was estimated for.

8720. Without knowing that, did you know their inclination, or did you ever hear them express an opinion on the subject?—Yes; I think I did.

8721. Who was it?—I think I heard Mr. Rowan.

8722. What did he express?—His taking delight in ordering the tunnels to be made.

Heard Rowan express delight in ordering tunnels to be made.

8723. Do you remember upon what occasion that took place, or who were present?—I cannot say I do. I cannot remember who was present. It was during one of his visits to the line.

8724. Can you remember what was said on the subject?—It was some place where a stream tunnel was necessary, and the District Engineer, Mr. Rowan, ordered one to be put in.

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struction—
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8725. Was that all that was said?—Yes; I think he made the remark
A fiendish delight that he took a fiendish delight in ordering those tunnels in.

8726. Have you any doubt that the tunnel was necessary, at that time?—I have no doubt in the world but that it was necessary; but the particular point I cannot now call to mind. I dare say in a very short time I should be able to think of the point where it was.

8727. Are we to understand that he exhibited a desire to put the expense upon Mr. Whitehead when there was no occasion, or only when there was occasion he was glad to do it?—I did not look at it in that light.

Rowan did not exceed his duty on witness's sub-division.

8728. Do you consider that in respect to that matter he did more than was his duty to do towards directing the tunnels to be made?—Certainly not on my sub-division.

8729. Do you remember about what time the contractor first began to make solid embankments instead of trestle work on your sub-division?—That I cannot answer without having my record book. That would show at what time borrowing commenced.

8730. Can you tell about what time the solid earth embankments were made instead of trestle on any other part of the line, contract 15?—I do not know.

8731. Have you continued to be connected with that sub-section since you first went up there?—Altogether until now.

8732. In speaking of tunnels, did you understand me to ask only of line tunnels on your sub-section?—Yes.

8733. Are there tunnels other than line tunnels?—There are stream tunnels.

8734. Have you any knowledge of the country south of the line which has been located on section 15?—I have not, never having been over it.

8735. Have you had an opportunity of examining Red River between Winnipeg and Selkirk?—I have not.

8736. You have not any data upon which to form an opinion as to the proper locality for crossing?—I have not.

Line lowered and put up with result not materially different from idea when contract let.

8737. Has the grade been lowered materially since the contract was let on your sub-section?—It has been changed in many places; but it was lowered, and it has been put up since that again, so I do not think that it would be materially changed since the contract was let.

8738. Are you aware that the cost of the work on section 15, as executed, is very much more than the cost as estimated at the time that the tenders were asked for?—I have heard them talking about it.

8739. Have you any opinion as to the reason of that excess?—I suppose the quantities could not have been taken out accurately.

8740. In your opinion, is that the proper cause of the difference?—I could not answer that, because I do not know from what data they worked to take out those first quantities.

8741. Have you ever considered the question of the change from trestle to earth embankments so as to ascertain how it affected the general cost?—Yes; I suppose it was very much dearer.

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8742. Did you go into any calculation on the subject, or was it formed by a rough mental estimate?—It was a mental estimate. I have never been asked to make any calculation by my superiors.

8743. Have you any figures that would show the mode of reasoning by which you arrived at that conclusion?—I have not.

8744. Have you ever formed any opinion upon the question as to the height of earth embankments which would be equivalent to trestle work in any filling—equivalent in cost?—I have made no calculations.

8745. Do you remember about the time when Mr. Smith first went over the line of your sub-section?—I remember when he passed over the line, but whether it was the first or second time I cannot say from memory.

8746. Did you take part in any conversation with Mr. Smith at that time?—I may have done so; but I cannot say that I remember any particular conversation occurring.

8747. Do you remember whether he made any remark about the embankments being placed on the line instead of trestle work?—I do not.

8748. Is there anything further in connection with the Pacific Railway which you would like to explain in your evidence, or add to your evidence?—No; but I should like it to be recorded that I have answered altogether from memory, without any journal or diaries to look to.

8749. Have you any reason to think that your answers are incorrect on that account?—No; I have not.

P. SUTHERLAND.

WINNIPEG, Thursday, 30th September, 1880.

The Chairman :—Mr. Peter Sutherland now makes an application to the Commission, through his counsel, to be allowed to add to or correct his previous evidence in the matter of date. It is objected by Mr. Nixon, in person, that Mr. Sutherland should not to be allowed to make this correction or addition, because since he gave his evidence on the former occasion, Mr. Nixon has made a charge against him of perjury, based on his evidence, and that he ought not therefore to be allowed now to alter it in any shape, because this would prejudice the position of the prosecutor who intimates that upon some future occasion he proposes to take further proceedings before the Grand Jury. Assuming for the moment—which, however, we cannot admit—that a criminal charge before a different tribunal concerning evidence previously given by Mr. Sutherland, could govern our decision, the Commissioners do not see how any conduct or statement on the part of Mr. Sutherland to-day, could affect the criminality or innocence of statements made under oath upon a previous occasion; they may, however, affect the history of the facts which are before this Commission for investigation; they could not lessen any misconduct of his—supposing there was misconduct—at an earlier period. Mr. Nixon is evidently wrong in his contention on this head. Therefore, as far as our duty is concerned—which is to elicit all the facts—we are now of opinion that we ought to listen to any correction which Mr. Sutherland wishes to make.

Nixon's Purveyorship—Supplies.

PETER SUTHERLAND's examination continued:

By the Chairman :—

8750. You have been already sworn?—Yes.

Before rendering Nixon's account witness aware that he was to be summoned to give evidence.

8751. What is the alteration or correction that you wish to make in your evidence?—At the time Mr. Kirkpatrick and other members of Parliament came through to this country, I was sent for. That was before I rendered Mr. Nixon's account. I was sent for to Dr. Schultz's house where they were, and I was questioned on matters relating to my connection with the supply of goods to the Government. The information that they asked for I refused to give, and they advised me then that I was to be summoned before some tribunal to give evidence. That was previous to my rendering Mr. Nixon's account. That is all I have to say: that I was aware of their intention of summoning me before some Commission or Court to give evidence.

8752. Have you anything further to add?—Nothing.

The Chairman (to Mr. Nixon):—

8753. Is there any question, Mr. Nixon, which you would wish us to ask Mr. Sutherland?

*Mr. Nixon :—*No; nothing.

NIXON.

THOMAS NIXON's examination continued:

Paymaster-and-Purveyorship-Book-keeping.

\$505 to credit of Nixon's private account—explanation of this.

By the Chairman :—

8754 In your journal A on page 20, an entry appears: "Deposit to the credit of the Paymaster of the Canadian Pacific Railway, in Merchants Bank, \$505:" can you say whether that was placed to your individual account or to official account?—It must have been placed to my individual credit, because I had no official account—that is in my own name; it was all credited to the Canadian Pacific Railway Account as coming from Ottawa.

8755. You are speaking now of your official account?—Yes.

8756. But these entries, you think, would be in your private account?—I presume so. Let me explain that no moneys could be placed to my official account other than by the Government.

8757. Assuming that to be right then, do you say that these moneys were placed to your private credit?—Yes.

Moneys of Canadian Pacific Railway placed to Nixon's private account would be mixed up with his own money in the same account.

8758. Would they be mixed up with other private moneys of your own in the same account?—It is probable they would. Yes; I suppose they would.

8759. Have you any means of showing now what moneys did come in that way into your private account in the bank out of funds which belonged to the Government?—I have not. These would be moneys which came into my hands as paymaster, the money which you referred to there. For instance, a person was fined \$500 by the Commissioner of Mounted Police; he was instructed to pay that money to me.

8760. Are you mentioning that by way of illustration?—Yes; by way of illustration.

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8761. This particular item was a matter pertaining to the Pacific Railway?—Yes; the other was for Mounted Police.

Does not remember the facts connected with item.

8762. Do you remember about this particular item?—I do not.

8763. And do you say that you have no means now of showing how the moneys were passed to your credit, or what amount of money was passed to your credit?—No; the books will show that I do not say that.

8764. I asked you if you could show whether your private moneys were mixed with those Pacific Railway moneys in your private account at the bank, and you said yes?—Yes.

8765. I ask you if you have any means of showing now how much of the Pacific Railway money was so mixed with your own in the way you described in your private bank account?—Only by the Government books before you. The moneys are there charged to me.

8766. Here are the books from the beginning of your office until the end of 1876; will you please show any account which exhibits that?—You had better get the accountant to do that; I have not time to go over those books now.

Declines to show from books that Government moneys paid into his private account were charged to him.

8767. Is there any one account which will show it without going over all the books?—I do not know that there is; I was not the accountant.

8768. You mean the Pacific Railway accountant?—Yes; I had an accountant.

8769. I am speaking of the moneys which are mixed up with your private moneys; I suppose that was not done without your consent?—Certainly not. How could it be?

8770. I am not asking how it could be: I am asking, as a matter of fact, did you consent to the Pacific Railway moneys being mixed up with the private account of your own at the bank?—I presume that is the way it was done.

8771. I am asking you to show to the Commissioners to what extent the Pacific Railway moneys were mixed with your own in your private account?—I cannot; but the accountant can, I presume.

Cannot show to what extent the mixture of C.P.R. moneys and his own took place.

8772. Will you name one of them?—E. G. Conklin and D. S. Currie. I think there is an exhibit placed before you, in my own hand-writing, of the moneys which I placed to the credit of the Receiver-General from month to month. The exhibit now before you is in my own hand-writing as from time to time moneys were sent.

8773. Do you understand that I am not speaking of the moneys which passed into the bank to any official account; I am speaking at present of moneys that were passed into the bank to your individual private account?—I so understand.

8774. Then why tell me that you have a statement that shows the moneys that go into the Receiver-General's account?—Why did you not ask me that?

8775. Because I am trying to elicit the truth in my own way. Please understand that for the present I am trying to ascertain the moneys which you controlled belonging to the Pacific Railway after they were put to your private credit in the bank. I am not asking what ultimately became of them, but I am asking how you controlled them, and

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if you can show in what way they were controlled and to what extent they were controlled by your private account?—I can explain to you frankly and freely that they went to my private credit, and that I sent to the Receiver-General, from month to month, those moneys which came into my hands.

8776. I quite understand what you say, and I have no idea that it is not correct, but in the meantime I am trying to ascertain whether—besides your memory, which is as liable to error as that of any other man—there is any written record of these transactions?—In the books there is.

Cannot point out how the Canadian Pacific Railway moneys mixed with his private account were controlled.

8777. Then I propose to you to find it in the books?—I have not time to find it in the books without the aid of the accountants; the accountants kept the books and knew the moneys.

8778. Were you aware that the accountant kept one account in your own name in the Pacific Railway books?—I think so.

8779. Should \$505 appear as charged against your private account in that book?—I suppose it should.

8780. Will you look and see if it does (handing the ledger to witness)?—This is a different account which you hand me.

8781. I am handing you no one account, but I am handing you the whole ledger?—(Looking at the book): This is the account of my salary.

8782. It might have been any other account?—No.

8783. Do you say your ledger A does not show any other account in which your private account appears?—It so appears. Mr. Conklin can explain that. I suppose you will permit me to show that that money went to the Receiver-General before this Court closes?

Refers to his book-keeper.

8784. I will let you now?—I could not show it now. That account is kept by myself.

8785. I am not at present enquiring whether any money finally remained in your hands which belonged to the Government; but, amongst other things, I am enquiring into the system of book-keeping which was adopted at the time, so as to know whether it was sufficient to show the real state of affairs, or whether it was defective?—I suppose you are trying to do me the credit of finding out whether I kept any Government money or not.

8786. You will be afforded every opportunity to make any explanation you please about this matter. The questions which I have put to you are questions which are suggested to find out, in my own way, any points which I think necessary to be elicited. Do you remember whether in the books, as they were kept by your book-keeper during the first eighteen months or thereabouts, there was an account which was intended to show the moneys which you obtained private control of?—There must have been.

Explains.

8787. Then do you think that account would appear in the ledger?—It ought to. I say there must have been from this fact: that when the first of the month, or the time I would send moneys to the Receiver-General, would arrive, I would ask the book-keeper how much money in my possession belonged to the Government. He was supposed to be able to tell me, from time to time, what moneys came in, if any. Some-

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times none came in. For example, take that horse which you brought to my notice the other day, \$25.

8788. Do you remember whether you exercised such a supervision over his book-keeping as to know whether such an account did exist?—I think not; I was very busy and had a great deal to do. My duties were exceedingly arduous and numerous.

Does not know whether book-keeper kept in his books an account of these moneys.

8789. Without suggesting for a moment that any moneys remained in your hands finally which ought not to have remained, I might say that I have not discovered any system by which these moneys were exhibited in any particular account?—Well, they ought to have been; there is no doubt about that.

8790. As far as it has struck us from looking at the books, it appears that it will be necessary to go through every item to find out what sums were so controlled by you?—That is so. I suppose even that can be done, though it may take a long time.

8791. We are willing to give the time, so far as the Commissioners are concerned. Do I understand you correctly to say that your sub-agents would never be credited with items of expense unless these items were certified or corroborated by some officer of the railway on the spot?—That was generally speaking the case. However, take the instance of John Brown and another sub-agent, whose name I did not mention the other day—Mr. McGinn. These persons were alone in the North-West for part of the time—for part of the time alone—watching stores, for example; and then there was another sub-agent I forgot also, Mr. Cameron, a grocer of this city, who you can get. Mr. Currie was a sub-agent.

General rule not to credit sub-agents with expenses unless claim certified.

Exceptions to this rule.

8792. The other sub-agents, were they in such localities that they could not get their expenses certified by some engineer or person on the spot, or would you expect that from them?—We expected it more particularly from those in the field with large parties in the North-West—Valentine Christian, J. J. Bell, and John Brown, when he was with any party.

8793. Take the first one you name: do you say that the credits which you have placed to his account would be based on a certificate from some engineer or person who would know the correctness of them?—The moneys would be by requisition from the engineer.

Valentine Christian's account.

8794. But the credits which you placed to his account against these moneys?—That we would know from the return sheets which would come of the number of persons employed—the pay-lists.

8795. Whatever the character of the certificate or the shape of it might have been, do you mean that he would always have certificates of some kind before you to place items to his credit against the moneys which you had charged him with?—I do not understand the question properly.

8796. Well, I will repeat it in another shape. You advanced moneys to him upon a requisition of some engineer or person in charge of the surveyor's work?—Yes.

8797. He would not return that money to you, but he would send in statements for which he asked credit. Is that right?—No; if you use the expression "for which he asked credit." He would send in statements using up the credits which were given to him.

Christian would send in statements using up credit, given to him.

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8798. Would he not ask credit against these amounts which you had charged against his account? Do you know, for instance, if there was a separate account kept with Valentine Christian, in your books, in which you charged him with the moneys you advanced to him?—There should have been.

8799. Look at your ledger A, page 11, as an illustration?—Yes; I see it.

\$5,020.75 charged to Valentine Christian.

8800. What sums have you charged to Valentine Christian on that page, in gross?—\$5,020.75.

8801. Now have you given him credit for any items against that?—Yes; there are expenses here.

Christian, generally personally rendered accounts.

8802. How would you ascertain the correctness of these credits?—His account would be rendered and brought in to me by the accountant.

8803. His account would be rendered by whom?—By himself; generally speaking the accounts were brought into my office.

8804. You would look over that account which was rendered by him, in order to ascertain whether the credits which he claimed in it were correctly allowed to him?—I did, Sir. I have no doubt about that. I think I can safely say that is the case.

Generally engineer in charge signed certificates.

8805. Would these credits so allowed him be based on the certificates of any one else but himself?—Generally speaking, the engineer in charge had to sign these—if he did not, he would present to me a certificate, or requisition rather, ordering him to make a certain purchase. For instance, we will take expenses, \$3; expenses, \$100; expenses, \$20. I would want to know what those expenses were, and he would give me a requisition from the engineer to do a certain thing, say buy a horse, or a cart, or a dog harness. In that way I had a supervision, but no other, except where the account would be rendered and signed by the engineers. Pay-lists were always supposed to be signed by the engineer when they came in.

Engineer's requisition equivalent to certificate.

Pay-lists supposed to be signed by engineers when they came in.

8806. Were they always signed, do you think?—Perhaps there might be some instances when they were not; but we knew the number of men in the field at any date, because I employed them, or they were employed under my ken.

8807. If they were employed beyond your ken, what certificate would you have to form the basis of your credit to your sub-agent?—This amount would be on the pay-list, and these pay-sheets would be signed by the engineer in charge.

Accounts of sub-agents satisfactorily settled.

8808. Is it your recollection that the accounts of these sub-agents were satisfactorily settled with you?—That is my recollection, always.

Wrote to one complaining of absence of certificates.

8809. Do you remember writing to any of those sub-agents that they had sent you no certificates corroborating those statements for several months at a time?—Yes; I do not remember to which of them. It might have been Bell, but I am not sure.

8810. Would the credits be still placed to his account without those certificates, or would you keep the matter open?—There would be very little moneys placed to their credit at all.

8811. You speak of \$5,000 to this man's credit in one year?—Yes.

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8812. I mean advanced to him for disbursements on account of the Government; was it intended that you yourself should exercise the judgment and supervision over the manner in which those sums were disbursed?—Certainly; and I did.

8813. Could you exercise that judgment without seeing the certificates of no person other than the man himself who had the use of the money?—No; unless I had requisitions from those men. If the engineer makes a requisition to have a certain work done or a certain man employed, it is natural for the paymaster to suppose that that work has been done.

8814. Please look at your letter-book, page 289, and say what is your recollection about that matter?—I recollect that the pay-sheet came into me in September, October, November and December.

8815. Of what year?—I cannot tell for the moment. It may have been April 28, 1876.

8816. But the December was in 1875?—Yes; this is the letter addressed to Valentine Christian, 12th April, 1876, and reads as follows:—

Letter to Christian complaining of absence of certificates.

“I desire to draw your attention to the very grave omission on your part in respect to the pay-sheets for the months of September, October, November and December, not one of which has been certified to either by the engineer, who, according to his instructions on page 15 of the printed instructions from the Engineer-in-Chief, should certify to the correctness of the statements, or by yourself. You will see that for the future no omission of this kind occurs, as I expect that this alluded to will be returned from Ottawa for the signatures which should be attached.”

Now permit me to make an explanation. One of the engineers, Mr. Lucas, positively refused to sign any documents, as he said he had nothing to do with it. That I now distinctly remember having been brought to my notice. There was some difficulty between the engineer sometimes and the sub-agent.

Lucas refused to sign documents.

8817. Do you give me that as the reason why Valentine Christian's items alluded to in that letter are not certified to?—No; I mention that as some of the difficulties sub-agents might have.

8818. Do you remember that those items which appear to have been credited to Christian were afterwards corroborated by any certificate according to the practice which he describes?—I do not remember; but I know that Mr. Lucas was in with me about the time of the settlement, and wanted an increase of salary for Valentine Christian. I think it was Valentine Christian that was with him then.

8819. If you will look at page 118 of your ledger A, you will see that Valentine Christian's account is balanced by giving him credit on 4th October, with “Bank disbursements, less credits, \$535,” and “November, Bank cheques, \$1,283.75,”—can you say who got the benefit of these cheques—I mean in the first instance?—I presume the parties in the field. I think Mr. Conklin could fully explain this matter to you.

How Christian's account was balanced.

8820. If you will look at page 107 of ledger A you will see that John Brown's account (who was a sub-agent) is finally balanced by a credit of \$2,861.28, with the words “Bank Account:” do you remember, or can you explain, what became of the money with which he is there credited, or what the words “Bank Account” mean?—I do not know whether he put that money to his own credit and gave me a cheque

John Brown's account balanced by a credit of \$2,861.28.

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payable to me as paymaster. This person was a person who sold very large stores in the North-West, this John Brown, and this would be when he came in and made his final returns for that year; at least, I would presume it would. I could tell you better if I could see John Brown's account in detail as rendered to the accountant, the settlement made.

8821. Did you know whether Conklin had been employed as book-keeper anywhere before you employed him?—I do not know just now, and I do not remember. I told you the other day that I had heard he was the Principal of a commercial college at Hamilton.

8822. Do you understand enough of the system upon which those books were kept to explain to what account that item ought to be debited; that item which you have given John Brown credit for?—No; I will have to leave that to Conklin to explain.

J. H. Rowan's
account balanced
by a credit of
\$1,380.

8823. On page 163 of ledger A, the account of James H. Rowan appears to have been balanced in December, 1876, by an item of \$1,380 passed to his credit with these words: "Settled with the Department for balance of account;" do you recollect anything about the transaction, or can you explain what account was debited with that item which you there give him credit for?—No; I do not remember. There was a large sum of money given to him, I think, by the Department, for some expense which he had not made an account of—I am now speaking entirely from memory—not a sum equal to this, and he was instructed, I think, to pay back the balance. It may be in connection with that in some way. I do not understand that that is the \$544.35. I think though it is that item there; I think that was paid back by order of the Department.

8824. Then that last remark would not apply to the last item of which I have spoken, \$1,380?—No; I think not.

8825. You have no recollection of this large item which closed John Brown's account, as to the disposition of it?—I do not remember at the present moment.

No private trans-
actions between
witness and
Brown with an
exception.

8826. Had you private transactions with Brown separate from the Government account?—I had in one sense. I put money of Brown's into the savings bank for him, but that is all. I had no other, and they were his own moneys—they were not Government moneys. That is all the transaction I had with Brown.

8827. You were not under favours of any kind to him?—No; nothing of the kind.

8828. You just handled his money to deposit it?—That is all. When he was going to the North-West he gave me the sum of \$2,000 or \$3,000 which he had, to put it into the saving's branch of the bank to his private credit.

8829. As far as you can tell now, are you of opinion that he settled that balance, and that the Government got the benefit of it?—I am; most decidedly.

Store-book kept
by John Parr.

8830. Look at this book marked "store-book," and say if this is the book to which you referred in your former evidence when you said that a book was kept in which there would be shown the articles that had gone into the store, those which had gone out, and the balance which

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remained there from time to time?—Yes; I presume this is the book. I see it is in John Parr's handwriting—most of it.

8831. Did you intend that that book should show at any given time the amount of property which was there belonging to the Government; which would be in the store and which would be sent from the store also?—For instance, when I would get a requisition, the first thing I would do would be to hand the requisition to the storeman, and go over the store and see if any old stores which would come in from any other survey party could be utilized, and if so, he was to make use of them; in that way they were re-issued.

8832. I am directing my question to ascertain this: whether at any given time the book would show the balance of the stores then on hand? Took stock at end of each year.
—Yes; I think we took stock at the end of each year and returned to the Government the amount we had on hand.

8833. Was it only when stock was so taken that one could ascertain the amount of stores from your books?—I presume that was all, except without going over the book and seeing the amount which came in and the amount which went out. Many of these stores were worthless when returned from the cook. There were tin pots, kettles, pans, toboggans, snow shoes, &c., which had been used on the survey.

8834. This book appears to us to contain a series of memoranda of separate transactions—the receipt of goods, for instance, and the issue occasionally; but it does not appear to contain a statement always showing, or from which it could be always ascertained, what stores were on hand at that particular time: is that your idea of the book? What store book shows.
—Yes; I think that is correct.

8835. Did you yourself at times pay wages and take credit for the payments as they appeared upon the pay-sheets?—I think to Indians sometimes. I think I remember. (Looking at the book, page 314, ledger A): Yes; I think it was when no sub-agent was in, the Indians came in, I think. I am not sure that I am now correct about its having been Indians. That is a case which Mr. Conklin will fully explain too. I see it mentioned "by wages as per pay-sheet" in which cases there are only three items. I presume that these were men sent in by the engineer. Witness at times paid wages himself and took credit for the payments.

8836. With the pay-sheet?—With the pay-sheet; I am not sure that I am correct, but as well as my memory serves me that is the way it is. I may say that if the sum mentioned there was taken out in one cheque by me, which is the probable way, the cheque would be "pay paymaster for wages so much," that the pay-sheet would go down as a voucher along with the account.

8837. That particular pay-sheet would be certified by yourself and the men who would sign for their wages?—Yes; and the engineer. I would not pay wages of that kind without the engineer I presume.

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ELIAS G. CONKLIN sworn and examined :

By the Chairman :—

8838. Where do you live?—In Winnipeg.

8839. How long have you lived here?—Six years past.

Clerk in Nixon's
office.

8840. Have you had any connection with any matters pertaining to the Canadian Pacific Railway?—I was clerk in the office of Mr. Nixon.

8841. Were you clerk for all the business transacted in that office or only for a particular portion of it?—I was clerk for all the expenditures in connection with the Canadian Pacific Railway and the Mounted Police office.

8842. Were separate books kept for the Pacific Railway matters?—Yes.

8843. Do you remember how long you were employed in that way?—A little over two years.

Employed from
1873 to 1877.

8844. About what time did you commence?—I think it was in February, 1875.

Kept day, invoice
and cash-books
and ledger.

8845. Could you remember now what books you kept connected with the railway?—I think I do. Of course I have never seen them for some four years now. I know we kept a day-book, a cash-book and ledger, and I think there was an invoice-book for pasting in invoices.

8846. Was there a letter-book?—There was; but I did not keep it.

8847. Do you think this is the book which you refer to as the day-book; it is marked "day-book A"?—(After examining the book): Yes.

8848. The first entry in that is 12th April, 1875; do you think that is the beginning of the entries in any book of this account?—I think so.

8849. Do you think that there was a day-book before this?—I do not remember of any. I had no other.

8850. Had you any knowledge of book-keeping before that?—Yes.

8851. Any practical experience?—Yes.

Had kept books
in a wholesale
house.

8852. In what sort of an establishment?—In a wholesale store in Hamilton; and I adjusted accounts in Hamilton as an accountant.

Ledger: the way
accounts were
kept.

8853. Among other books you have described a ledger, what is the object of a ledger?—The ledger I used was merely for keeping the accounts of the men employed. From that ledger I do not suppose a balance sheet could have been made up, because the way I understood all I had to do in that matter was merely to keep an account of the expenditures, and the accounts were supposed to be kept in Ottawa. A great many of the engineers that came into this country bought supplies, and their salaries were paid there, and we were not for a long time in possession of those matters; and I do not think we were in complete possession of those matters up to the time I left. I remember, in the particular case of Mr. Rowan on being stationed here, that we wrote for special entries of his account in Ottawa so as to be able to tell the standing of his account.

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8854. Do you wish us to understand that your book was only to show the transactions of this branch office, as far as the Pacific Railway was concerned?—Yes; merely for keeping accounts of this office.

8855. Then expenditures of any persons on account of the Railway made from the head office, would not, according to your idea, appear in your books. Is that what you mean?—Yes; that is what I mean.

8856. As far as your branch was concerned, will you tell me what you understood was the object of the ledger?—Keeping the workmen's accounts. Object of ledger: to keep the workmen's account.

8857. Only workmen's?—Yes.

8858. Did you not keep other accounts in it?—Other accounts were kept but it was not complete.

8859. Not complete in what respect?—For instance: Division P. They brought supplies with them, or their engineers brought supplies. I had no knowledge of that. It would not show the complete expenditure of Division P, for instance.

8860. Then, without reference to this branch, would you tell me the object of the ledger in any set of books?—To show the true position of the business. A ledger should show the true position of business.

8861. Do you understand that your ledger shows the true position of the business of that branch?—It did, as far as the workmen were concerned.

8862. Do you say that the ledger was only to show your position as regards the workmen only?—No.

8863. Then why did you adopt a different system with regard to the ledger here from what you say you understand to be the object of a ledger in any set of books?—For this reason: when I was taken into the employ, I was under the impression that I had merely to keep an account of the disbursements and receipts of this branch, and that was sent to Ottawa, and the accounts kept entered there in full. That was what I understood when I went there. Of course they showed every disbursement.

8864. From whom did you get that idea?—I understood that from Mr. Nixon. Idea of his duties as book-keeper obtained from Nixon.

8865. Suppose goods were purchased from a merchant in town, and supplied to a surveying party on a particular contract—for instance, in this locality—did you understand that you were to credit that merchant with the goods in your books and charge the party with them?—I would take and charge the contract or the party for whom the goods were purchased. The system of book-keeping.

8866. Would you not credit somebody?—I would credit cash.

8867. You would not credit cash until you had paid the cash?—No.

8868. Then if any period elapsed between the furnishing of the goods by the merchant and the payment of them, to whose credit would they appear?—I did not have the account until it was paid. It was the first I saw of it when the account was brought in. The merchant who supplied the goods would bring in his account, and that would be the first I would see of it—on the payment of it.

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8869. Then did you not record in some book, from time to time, the requisition of the parties, the supplies which were furnished on that requisition, and the party to whom the goods went?—There was a requisition book kept. I forget exactly how it was kept. As the accounts came in they were checked from these requisitions and marked off as having been supplied.

No record of any transaction until the money was paid for it.

8870. But did you keep any record of the state of the accounts between the time the goods were furnished and the time at which they were paid for?—No.

8871. For that portion of the time the transaction was not recorded?—Yes.

8872. Did you consider that was a proper way to manage a set of books?—I could not do anything else, as far as I was concerned.

8873. Did you consider that was a proper way to manage a set of books?—I suppose it could have been managed differently. There could have been, I suppose, a requisition book, and had some record that way.

8874. You do not mean to say that a requisition book is necessary at all for a set of books. Supposing a merchant chooses to give goods without any requisition to Mr. Nixon, would it not still be proper to record the fact that the merchant had delivered some goods to you, and that some account is indebted to him for these goods?—Yes.

8875. I am asking you if that was ever recorded?—No.

Nixon went and bought the goods and witness knew nothing until the account was brought in.

8876. Why not?—A requisition when it was banded to Mr. Nixon, he would take and buy these goods. I had no knowledge where he was buying them. The first intimation I had of it was when the account was brought in. That was the first intimation I had that these goods were purchased.

8877. Well, for whatever object the ledger is kept, can you tell me the sources of information from which the entries are drawn to the ledger?—You are speaking in a general sense?

8878. Either particular or general?—They can be drawn from the cash-book, journal and bill-book. There can be quite a number of auxiliary books to the ledger. Of course some have one system and some another, but these books are all auxiliary.

Not proper to make entries in ledger in any case for the first time.

8879. Do you understand that it is proper to make entries in the ledger in any case for the first time?—No.

8880. The entry then is drawn from some other book which you call an auxiliary book?—Yes.

Does not remember if all the entries in his ledger were drawn from other sources.

8881. Do you know whether all the entries in your ledger, as a matter of practice, were drawn from some auxiliary book?—I do not remember now.

Usual to record in ledger the source whence entry is drawn.

8882. Do you record, or is it usual in a set of books to record, in the ledger the source from which the entry was drawn by a note on the page?—Yes.

May be instances where this not done in his books.

8883. Do you know whether that was a practice of yours in this set of books?—I do not remember. There may be instances of it not being done.

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8884. Look at your ledger A and say whether that was the practice, either partially or in whole?—There are entries here for which there is no reference.

8885. I find the numbers of some cheques marked: will you tell me whether it was the general practice to omit that reference to the auxiliary books, from which you drew your information, or to insert it?—It seems to be omitted here except by way of cheques.

General practice with witness to omit reference showing the source whence entry has been drawn.

8886. Are the numbers of these cheques to be found in any other book except the book which you call your cash-book, as far as you know; in other words, does not this reference point only to the book which you call your cash-book?—That is all, I think, except the stub or counterfoil of the cheque-book.

8887. Then these accounts in the ledger, where no number of the cheque is given, would be taken from some book which is not referred to in the ledger itself; is that right?—Yes.

8888. Can you tell me from what book they were, as a matter of fact, taken;—the entries all through this ledger which are not accompanied by cheque numbers—can you tell me from what book they were taken?—They must have been from the journal.

8889. Do you know how you can find out from this ledger what portion of the journal they were taken from? You cannot tell that without the number, without the page or folio, and that does not appear?—No; it does not appear.

Neither page nor folio of journal mentioned.

8890. Then the only way to verify these accounts, if I have correctly understood your explanation, is to look through the different pages of the auxiliary book which you call your journal?—The date is the only thing which might indicate it.

8891. After explaining the sources from which you think it is right to draw the entries in the ledger, will you tell me what, in your opinion, ought to be done with all the entries which appear in the day-book, or journal, as you call it?—The folio of the ledger should be indicated, and they should be carried into the ledger.

8892. Now, what did you call that original book; did you call it a day-book or a journal, from which entries were carried into the ledger?—It may be a day-book or a journal.

8893. In this case what was it called?—A day-book.

8894. Is day-book A the book to which you allude in this case?—Yes.

8895. Look at the day-book and see if you follow the practice which you say was the right one, of carrying entries into the ledger; in other words, have you carried all the entries in this day-book into the ledger?—No.

Did not carry all the entries in day-book to ledger.

8896. Will you explain why you did not follow the practice which you say was the right one?—There are some of these entries I see which are carried into the cash-book.

8897. Are they all carried either into the cash-book or into the ledger?—I presume they are.

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Item of \$505 deposited to credit of Nixon in bank.

8898. Look at page 20 and read an item of \$505 deposited to the credit of the Paymaster of the Canadian Pacific Railway, in the Merchants Bank, and tell me whether that was carried into any cash-book or any ledger?—There is no folio to indicate it.

8899. Will you say, as a matter of fact, whether it was carried into any cash-book or any ledger? Is cash-book A the cash-book which you kept at that time now in your hands?—Yes; this is the cash-book which kept the accounts of the cash with the bank. That item you allude to there passed to the credit of the Receiver-General, and the receipt was sent to Ottawa, and of course they have the account there, I presume.

This item not carried into any cash book or ledger.

8900. Was it carried into any cash-book or any ledger?—No; I do not see it here.

8901. Why did you not adopt the practice which you consider the right one?—This cash-book which I kept, was merely for the bank account.

8902. Have you no references connected with that item to show that it was not carried to any account?—No.

8903. Then why do you say it was deposited to the credit of the Receiver-General; do you remember the fact at this moment?—No.

8904. Then why do you say so?—The only thing is, I saw it entered here as being deposited to the credit of the Receiver-General.

8905. Please read the entry as you see it?—"Deposit to credit Paymaster of C.P.R. in Merchants Bank."

8906. Is that deposited to the credit of the Receiver-General?—No; I misunderstood that.

8907. Now read that entry and understand it. Do you say that that was carried into any book in your set of books?—No; I do not think it is.

Cannot explain.

8908. Can you tell me why?—I do not know how it was.

Item \$92.50 not carried into any book.

8909. Look at the next page but one, 22. Look at a similar item of \$92.50; can you tell me whether that was carried out into any one of your set of books, or made to appear in any book which the Government have control of?—No; I see nothing here indicating it, anything more than that that amount must have been returned to the Government.

8910. When you say it must have been, you mean that it was probably done? I am not suggesting that it was not, I only wish to find out whether the books were kept so as to show the transaction, or whether the transactions must be ascertained from some independent source?—I think you will have to find that from Ottawa.

8911. Do you say that your books—your ledger—will show the actual transactions of that branch which was under your control, as book-keeper?—Except merely so far as the disbursements of cash are concerned.

8912. Is that item in any other book?—No.

8913. Do you mean that these books show the transactions with the exception of these two items that I have pointed out?—I do not know; I could not tell without going over the books.

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8914. But now, with the book before you, do you say that all these transactions or nearly all are recorded in your set of books properly?
--I think so.

8915. Look at the first page and tell us on what page of your ledger those are recorded?—There is no item there for the ledger.

No item on first page of day-book carried into ledger.

8916. Look at the next. Did I not understand you to say that all the entries in this book ought to be transferred to the ledger?—Of course I did not look at these entries.

8917. Then when you said "all" you did not mean all?—Of course these are only mere memoranda.

8918. Do you ascertain now that your day-book, besides keeping entries which ought to form a portion of all day-books, contains memoranda?—Yes; the same as all day-books.

8919. Would any day-book contain anything more than the entry to go to debit or credit account?—The day-book ought to show the history of all transactions. A person may have occasion to put down a memorandum indicating something with no amount.

8920. Then do I understand you to say that all the entries in this book, which refer to some particular amount, are carried forward to your ledger?—No; we have just discovered one or two entries here.

8921. All but these two?—I do not know without looking.

8922. There is another entry on page 4: "Received from James McKay \$5,142;" does that appear in any of your books? Is there not another cash-book?—I can remember no Dominion cash-book that we had.

Item of \$5,142 from James McKay.

8923. Do you remember what books are kept?—I am not aware of any other cash-book.

8924. Is there any reference to any other cash-book there?—No.

8925. Then what is your opinion of that entry?—It should have gone into the cash-book.

8926. What is your opinion of what happened it?—There is no entry to indicate it.

No entry to indicate what became of this sum.

8927. Therefore, what is your opinion?—That it has not gone into any other book.

8928. On page 9 there is an entry: "Received from the Boundary Commissioners, nine horses, \$450;" do you see that entry?—Yes.

\$450 received from Boundary Commissioners.

8929. Does it appear in any other of your books?—There is nothing to indicate it.

8930. What is your opinion upon the subject, as to its entry in any other of your set of books?—There is nothing to indicate that it is carried into any other book.

Nothing to indicate that this item was carried into any other book.

8931. Seeing what you do, and having the intelligence that you have, what is your opinion about that item?—That it has not been carried to any other book.

8932. April 30th, an entry of \$5.42 has not been carried to any other book?—Yes; that would be in the cheque-book.

Item \$5.42.

8933. That is a portion of it?—I presume that the amount is in the cash-book in cheque 35.

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8934. First of all you are charging him with money. I do not understand what cheque-book you can allude to. He bought hay from you, did he not, by that entry?—Yes.

8935. Will that appear in your cash-book, that he got hay?—I may be mistaken—yes, the hay was got from me. That is an error in the entry.

8936. On page 10, I find an entry in which an amount is named "By the Honourable James McKay, carts"—does that appear in your set of books?—That will appear, but still there is nothing there to indicate that it does. It will appear in the invoice-book and paid by cheque.

8937. Is the invoice-book part of the regular set of books?—Yes.

8938. Do you mean that this can be ascertained by looking at your invoice-book?—Yes.

8939. Has it been carried forward to your ledger, which you say would be a proper book in which to have this entry?—There is nothing to indicate it there.

Witness finds in his opinion that entries which had reference to a particular amount would appear in ledger to have been mistaken.

8940. These are all the entries in which the amounts are named, in the beginning of the book, on the first four pages: you said some time ago that all entries which had reference to a particular amount would appear in the ledger; now what is your opinion on that subject?—They should have gone in.

8941. But did they go in?—No.

Cannot say whether Nixon's account of items \$505 and \$92.50 was correct.

8942. Mr. Nixon, in giving his evidence, stated that it was his impression that these amounts—for instance, on page 20, of \$505, and on page 22, of \$92.50—were, as a matter of fact, passed to his private credit in the bank, and that he afterwards dealt with them in accounting for them to the Government; do you know, as a matter of fact, looking at these entries, whether that is correct or not?—No; I cannot.

8943. Can you not say, having written these books and having made these entries, what facts justify the entries?—I would infer from them that they passed to his credit in the bank.

Books do not show the amount placed to Nixon's private account in bank.

8944. Now, having had charge of these books for some time, and having looked at them to-day, can you explain to me how we can find out from the books, or from any evidence, the amount of moneys which were so placed to Mr. Nixon's private account in the banks?—Except by his report to Ottawa, in the letter-book.

8945. Was there any other record made from time to time? For instance: supposing Mr. Nixon should accidentally make a mistake, and not put all that he got in his statement, is there no way of ascertaining from these books that such a mistake was made?—By going over the books there would be.

8946. That would be necessary would it?—Yes.

8947. There was no account kept by you of the whole transactions?—I do not remember. I do not think it. I do not remember, though there might have been. I thought there was another cash-book for entering receipts of cash. Of course that cash-book only shows the bank account.

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8943. When you say that this matter can be ascertained by going through the books, do you mean by looking over each entry in the day-book to see if such an entry appears?—That is the only way now.

8949. But no system was adopted to record these entries in any other place?—No; except by the letter-book.

8950. That was not a system to record it?—No. I also sent a report each month, or quarterly, showing the amounts of cash received, and from what source.

8951. Where would you get that from?—From the day-book. You might get it from the day-book. It was not collected together in any account in the day-book.

8952. Then it would be by turning over all the different pages of the day-book that you would get the data for that statement?—That would be the only way.

8953. Is that a correct way of keeping track of the transactions of any business, by leaving them to be ascertained by turning over the different pages of the day-book, when you want to ascertain the result?—No.

No system to record such transactions in any one place.

Books not kept in a correct way.

8954. Can you tell me why that incorrect way was adopted?—Because we had not time. I had to look after all the accounts of the Canadian Pacific Railway and the Mounted Police, check over all the accounts as they came in, and additions and that sort of thing, so that it took up all my time.

Reasons for this.

8955. Look at page 107 of ledger A: do you see that the account of John Brown is squared by giving him credit for an item of \$2,861.28, with the words Bank Account. I suppose you are of opinion that an entry of that kind to the credit of one account should have a corresponding debit to some account of the same amount. Is that what you understood by single entry, or any entry of any kind of system in the world?—No; it would not be by single entry.

John Brown's account squared by credit of \$2,861.28.

8956. Can you by single entry make charges against a man without having a corresponding entry; can you by any system of book-keeping in the world get them out even?—They are not even in single entry. In single entry of course you may have a debit or credit entry without any corresponding account; that is to any ledger account.

8957. According to the system which you say you adopted, should that credit of \$2,861.28 have a debit to some account, or be in the shape of a debit to some account?—I do not understand that amount either. If I had an opportunity of looking over it, I could be able to explain it at a future time. I do not know; but that must have been deposited by John Brown. This is his account as sub-agent.

Cannot explain.

8958. That entry was made by you to balance that account, was it not?—I do not understand why it was made.

8959. Was it made by you?—Yes.

8960. Can you explain the basis of that entry? What would Bank Account mean, for instance? Do you think that meant that it went to your credit in the bank account, in the bank in which you were dealing?—I cannot remember now why that entry was made. If I had time to look over it I am satisfied I could explain it all right.

**Nixon's Pay-
master-and-
Parveyorship
Book-keeping.**

8961. Did I correctly understand you to say that the reason for not making those entries, according to the system which you understand to be correct, was that you had not time to make them?—Yes; and also I was under the impression that I had merely to keep a cash-book and keep an account of the expenses.

8962. Did you think it would be more proper for you to make improper or incorrect entries, for want of time, than to leave them unmade?—No; I did not.

8963. As a matter of fact have you any idea how many entries per day, on an average, you were called upon to make in these books?—I have not. Of course it was not so much the entries in the books as checking over the supply accounts as they came in; there was a great deal in that, I know.

Store-book kept by John Parr did not come under witness's supervision.

8964. Do you remember anything about a store-book being kept by John Parr?—I believe he did keep a store-book.

8965. Did that come under your notice or supervision in any way?—No.

Made statements of stores for the Government, from a statement made by John Parr.

8966. Do you remember whether you made up statements to be sent to the Government from time to time, to show what amount of stores belonging to the Pacific Railway remained in store?—Yes; I remember there were statements made up to that effect.

8967. Do you remember making them?—I remember making up these statements.

8968. Can you say from what material you made up those statements?—I made them up from John Parr's account, I think. He rendered me an account of what stores were in the warehouse. I do not see how else I could have got it.

Does not know from what source or how Parr made up this statement.

8969. Do you remember whether he purported or proposed to render you an account of the stores that were actually there, or of the stores which his books showed ought to be there?—I was under the impression that it was what was actually there; I do not remember from what source or how he made it up, but I remember there were such reports made up and sent.

8970. But as to the foundation of this statement, you do not remember how he made it up?—I cannot speak from actual knowledge.

8971. Do you remember whether he represented to you that that statement showed the actual quantities in the store, or quantities which his books showed ought to have been in the store?—I cannot exactly remember.

THOMAS NIXON's examination continued:

By the Chairman:—

8971½. *Witness*:—I produce the letter-book I referred to in my previous examination, in which I find the following:—

"F. BRAUN, Esq.,
Secretary of Public Works.

"SIR,—In reply to yours of the 29th ultimo, asking information respecting money deposited in the bank to the account of the Canadian Pacific Railway, I have the honour to enclose a duplicate statement of the details of the same. The original was sent some days ago to Mr. C. H. O. Palmer, along with the statement of the expenditure up to the 30th June. As the fiscal year ended on the 30th June, I deemed it a proper course to place to the credit of the Government all the moneys then in my possession. Indeed, I much prefer not to have any moneys placed to my private credit, and therefore, as far as possible, I pay all accounts by official cheque. The horse sold was one which had got kicked and which belonged to the C. P. R., having been, along with others, purchased for the parties going westward. The other items will, I think, fully explain themselves."

Accompanying that was the detailed statement to which I have referred. I saw it, and the horse is mentioned in it.

8972. Did you render, from time to time, statements to the Department showing what you considered to be the amounts which you had received on the part of the Government, and the amounts which you had transmitted or deposited to the credit of the Receiver-General?—I always sent a detailed statement with the moneys which I had deposited to the credit of the Receiver-General. That was never omitted—the detailed statement was never omitted.

8973. Have you heard the evidence of Mr. Conklin to-day?—I did.

8974. He has led us to understand that the books, as kept by him, do not afford the means of ascertaining whether these statements which you sent from time to time were actually correct—that is, from a collected account; but that the only means of ascertaining what did come to your private control is by turning over the different pages of the original books, which he calls day-books, and collecting them together again: do you know whether he is correct or not in that explanation?—I apprehend he is correct.

8975. Do you think that all the moneys which you did receive from any source on account of the Pacific Railway, will be found entered in some of his day-books or journals, in the detached manner he describes?—I do.

8976. Are you able to produce a statement showing the amounts which you placed to the credit of the Receiver-General or paid into the Government account, during the time that you were paymaster of the Pacific Railway?—Yes; by a schedule which I produce, you will find in it the details of all that money. (Exhibit No. 104.)

8977. Where shall we find the particulars of the accounts which you claim to have settled by those payments?—Through either the day-book or journal, as kept by Mr. Conklin, and afterwards by Mr. Currie.

8978. I think you said it was your duty to procure supplies for different parties or persons connected with the railway?—Yes.

8979. What was the system generally adopted by you for that purpose?—I, generally speaking, advertised for tenders, or went to the respective merchants and asked them. Sometimes there would not be sufficient time afforded me by the engineer to advertise. When that was the case I

**Paymaster-
and-Par-
veyoralip-
Book-keeping.**

Letter to Braun respecting moneys deposited on account of Canadian Pacific Railway.

Always sent details of moneys deposited to credit of Receiver-General.

Conklin's description of the character of the book-keeping correct.

Schedule of amounts placed to credit of Receiver-General

Procuring Supplies.

System of procuring supplies.

**Paymaster-
and-Pur-
veyorship-
Procuring
Supplies.**

Supplies some-
times sought for
by public tender ;
sometimes by
private contract.

went from one merchant's store to another, and found who was the lowest and gave them the contract.

8980. So that it would be sometimes by private negotiations, and sometimes by public competition?—Yes; there was no other way of doing it, on account of the want of time sometimes.

8981. Who were the principal persons who furnished supplies in that way, in the town?—Bannatyne, Higgins & Young, Peter Sutherland, the Hudson Bay Co., and W. L. Lyon.

8982. With whom were the negotiations carried on: in matters connected with the Hudson Bay Co., for instance?—With John McTavish, or the manager, Mr. Newman; he is living at Portage la Prairie.

8983. When the goods were furnished after public competition, did you keep a record of the tenders?—I think so. I think you will find the tenders themselves among the papers; they should be.

8984. Were there generally many competitors?—No.

8985. When you asked for tenders, did you generally advertise in some paper?—Yes.

8986. You sometimes communicated the intimation by private communication?—Yes; when time was not allowed me I had to do it in that way.

8987. In regard to other matters besides supplies, you had to engage in transactions such as for freighting and mail carrying, and purchasing of animals; how did you manage those transactions—freighting, for instance?—The freighting was given out by tender, by contract, pretty much on the same principle and in the same way.

Freighting.

Several tenders
for freighting;
for the freighting
to North-West
Angle made a
yearly contract at
2 cts. per lb.

8988. Were there many bargains about freighting, or did one bargain cover all the freighting while you were here?—There were several tenders for freighting—except to the North-West Angle—for which I made a yearly contract at 2 cts. a pound.

8989. Did you ask for tenders in that case?—I do not remember that I did; still, I am not sure.

8990. How was the freighting to other points arranged?—Pretty much in the same way, by public competition, by advertising.

8991. Did you make many bargains about freighting to other points, or did one bargain cover most of it?—No; there were a good many bargains.

**Principal con-
tractors.**

8992. Who were the principal contractors?—The late Honourable James McKay, W. F. Alloway, and McMicken & Taylor. McMicken & Taylor got the contract for the Indian Department. I think there were some others, but I forget at the moment; these were the principal, however.

8993. Did you keep a record of the tenders that were put in for those contracts?—I filed them all away with other documents. I had them at Ottawa, and I think I had all of them there.

Ry. n's tender.

8994. One of the tenderers named Ryan spoke of a tender which he made, and which you said had never reached the office, as far as you know; do you remember the circumstance of his complaint?—No, I do not; and I was surprised when I read it the other day. I see he mentioned Capt. Howard's name; Howard may be able to remember it.

**Paymaster-
and-Par-
veyorship-
Freighting.**

8995. He spoke of a letter-box being inside of your door, and a hole that was made for putting in the letters?—Yes.

8996. How was that arranged inside the door?—A tin box with a cover.

8997. Was it locked?—No; it was not.

8998. Then any one had access to the box inside?—Yes; the first thing in the morning, when we went to the office, we usually looked to see if there were any letters. That was the general practice.

8999. Did you take part in the purchase of horses by Alloway?—I did, and so did the engineers for whom the horses were to be purchased.

Buying Horses.

Took part in purchase of horses by Alloway though not in all cases.

9000. You do not mean in all cases?—Not in all cases; I mean in those large orders. We had, when Mr. Lucas was going out to the North-West, an order—I am speaking in round numbers—for twenty-five or thirty horses. Some were ponies, some were for light draught, and others were for saddle beasts, and it was specified in the requisition the kind of horse; and I told Alloway—so that there would be no finding fault when the engineer got out a distance from Winnipeg on the prairies—that the engineer himself should see the horses themselves—all those purchased.

9001. Do you mean the first one or two lots?—I allude more particularly to those; and afterwards Mr. Marcus Smith wanted a saddle beast and a light draught. He, in like manner, and they were permitted to try those saddle horses also before the purchase was effected. There were several young gentlemen on the staff who had horses furnished to them.

9002. Do you wish us to understand that, in the purchase of those one or two large lots, the engineers took part in the negotiations, as well as you and Alloway?—Not so much in the negotiations, except when they knew the price, but in seeing the animal, to see if he was suitable for the work which they were organizing.

Part taken by the engineer in the purchase of animals.

9003. Were there many engineers, surveyors or persons connected with the field work, who took part in the purchase of this first lot?—No, only one; Mr. Lucas.

9004. Where is he now?—I do not know; he is not in this neighbourhood.

9005. Who fixed upon the prices of these animals?—I did.

Witness fixed on price of horses in nearly every instance.

9006. In every instance?—I would not like to swear to every horse that was bought, but very nearly.

9007. Is your recollection that Mr. Lucas was present, and approved of each of those animals for the first one or two lots?—That is my belief. I did not wish to have the horses sent out without his approval; the risk was too great.

9008. Did he go away before the horses were sent out?—No.

9009. Did he remain in the city here until the horses were started?—Yes; for several days.

Had a detailed statement from Alloway's books at the time of closing purchase of horses for Lucas and his party.

9010. Mr. Alloway's recollection was that you had, at the time of closing the matter, a detailed statement of each horse, and the cost of each horse?—I had.

**Paymaster-
and-Pur-
veyorship-
Buying Horses.**

9011. Is that to be had now?—No; I had it from his books.

9012. Are you sure of that?—I am very positive of it, Sir; mostly these horses, not all, of course, were bought from French half-breeds. I am alluding particularly to the heavy draught, which comprised the great number.

What Alloway's books would show.

9013. What would his books show?—The person from whom bought and the price paid, and the description of the horse: bay, or gray, or roan; mare, horse, or gelding—as the case may be.

9014. Why did you depend upon his account of it? Why did you not keep a record of it yourself, having taken part in the negotiations?—I employed him to buy the horses, and I knew the price—he could not cheat me.

9015. I am asking whether you kept any record, or whether you had to depend entirely upon his record?—I presume I depended, as far as the writing itself is concerned, upon his record; but when the horses were purchased, they were turned at once into what we called the Government stable as each purchase was made.

9016. Where was the Government stable?—Opposite to us. It was rented from the Honourable James McKay. I mean opposite to our office.

Thinks Alloway compared record he had kept with that in witness's custody in order to arrive at average.

9017. And did he not compare with you the record that he had kept, with the record that you had kept and in your own custody, in order to ascertain that the average was a proper one?—I do not know but he did.

9018. Could he have done so, if you kept no record?—No.

Thinks he did not do this.

9019. Then why do you say that he did?—I think not.

9020. Did you know the names of the parties yourself?—I did not myself know the names of the parties; they were mostly French, and I could not speak French, but he could.

Character of horses purchased: stout Indian ponies.

9021. Of what character was the majority of the horses purchased?—They were stout Indian ponies, fit for cart, to travel two or three thousand miles. Those persons were going out to Edmonton—those surveyors—and they wanted good native horses.

Buying Carts.
Kind of carts bought.

9022. What sort of carts did you buy on that occasion?—The common native cart—what is called bushed and banded carts—and boxes put in the wheels. The natives do not use iron in their carts.

9023. What extra cost would that bushing and banding make?—From \$2.50 to \$3; I forget.

9024. Do you remember about the value of the carts that you bought on that occasion, without the bushing and banding?—I do not remember—I think about \$15 to \$16. I am speaking entirely from memory. We had to have good carts; I could have got cheaper carts, but I would not have them.

Bought carts from Alloway.

9025. Do you remember from whom you bought those carts in the first instance?—I think from Alloway, he had a very large number.

9026. Was he dealing in carts?—Yes; he was dealing in carts, and had scores of them at that time.

9027. He did not buy them specially for your order?—No; I think not.

**Paymaster-
and-Pur-
veyorship-
Buying Carts.**

9028. Were the carts lower or higher in price then than now?—I think they were higher, but I do not know; latterly, of course, I have not paid much attention to them. I think carts are not very much cheaper now though. The National Policy hardly comes into play there, and of course they are cheaper.

9029. Look at an account of Alloway's of June 27th, 1877, and say what the price was you paid for carts?—\$19.50.

9030. What did that include?—Those carts that were bushed and banded. It says so here: "Sixteen bushed and banded carts for Mr. Lucas' party, at \$19.50, and sixteen extra axles, at \$1.50, and sixteen cart covers." \$19.50 per cart, bushed and banded; \$1.50 for axles, each; \$2.50 for cover.

9031. How much for the covers?—\$2.50 each.

9032. What is next?—"Four cart horses, \$460; two harness horses for buck-boards, \$280; two saddle horses, \$290; one ditto for Mr. Marcus Smith, \$200." Four cart horses, \$460; two for harness horses, \$280; two for saddle horses, \$290; one for buck-board, \$200.

9033. Now, what would be the price of that cart and cover, without the axle?—\$23.50 altogether—that would be bushed and banded, axle and cover.

9034. That is without the harness, I suppose?—Yes.

9035. What do you make out the bushing and banding and axle to be worth?—I do not know exactly about the bushing and banding: from \$2.50 to \$3, it might be more; the axle is \$1.50 and the cover \$2.50; that would leave the value of the cart and cover, without the harness, \$16.50.

9036. Excuse me. Look again?—I thought you asked me what would be the value of the cart and cover.

9037. I am asking you what you make out to be the value of the bushing and banding, and axle?—\$5.

9038. That would be \$3.50 for the bushing and banding, and only \$1.50 for the axle?—Yes; I may be a little high for the bushing and banding, or a little lower.

9039. Then what would you make out the value to be of a cart and cover, without the harness, with the boxing and banding and axles taken off?—You mean with the bushing and banding and axle taken off.

9040. Yes?—\$17.

9041. Please calculate again?—I take \$5 from \$23.50, leaving \$18.50.

9042. Now is that your idea of the value of a cart and a cover, without the bushing and banding or axle?—No; it is too high. That is the value of cart. Value of cart. carts would not cost \$18.50 without those.

9043. But is not that the price that Alloway got?—No. I do not see that is, nor do you see it, Mr. Chairman. \$18.50! The prices I gave him for those carts was \$16, according to that account. Don't try to make me out giving him \$18.50. That is what you are doing, Mr. Chairman. The axles are there. As extra good carts we did not buy them.

9044. I am asking you this question: what you gave Alloway for the cart and cover? and I have asked you over and over again, and you

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veyorship-
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have made five or six calculations, each of them wrong?—Because you put me out; now if you ask me, I will answer it.

9045. Let me know, according to this paper, which you may take in your hand, the price which you paid Alloway for the cart and cover, without estimating the value of the bushing and banding, or axle?—I suppose I gave him— I cannot tell exactly.

9046. You may have the paper and a pencil to figure it up?—That will not supply me. I can make the calculation with any man, but this will not supply me with the price.

9047. If not, why not?—I do not understand what you want to get from me now?

9048. I am asking you plainly enough for you to answer?—\$19.50.

9049. Now add the price of the cover to that?—Yes; it makes \$22 for the cart bushed and banded and cover.

9050. I wish you to add to that the price of the axle?—The axle is \$1.50, that is \$23.50 total. Now, what do you wish me to do?

9051. I wish you now to make up what you consider to be the value of the bushing and the banding and the axle?—I have done that.

Price of cart and cover without bushing and banding, \$18.50.

9052. What do you find the price to be of that cart and cover, without bushing, banding, or axle?—\$18.50.

9053. Did you consider that to be a fair price?—I did, or would not have paid it to Alloway, or any man under heaven.

May have bought carts of the same kind including harness for a much less sum.

9054. Did you ever buy carts of that kind, including harness, for a much less price than that?—I do not remember, perhaps I did.

9055. I have already asked you about the difference between the price at that time and later. Can you tell me now whether they were much lower or much higher?—I cannot tell you.

9056. Do you remember the character of those carts, whether they were better than usual?—I cannot tell you; they were supposed to be good; they had to go a long distance.

9057. Do you remember the ordinary price of hobbles at any time?—No; I do not. I remember nothing about them.

Five carts with covers and harness.

9058. Look at requisition No. 12, in your requisition book, and say whether you bought any carts to go a long distance, and requiring to be well made, for the purpose of the Pacific Railway?—Yes: "Five carts with covers and harness"—I see that here—"less two from Division N and P."

\$47.50.

9059. Will you tell me what those carts cost you with the cover and harness?—I can from this book. It says here, \$47.50.

9060. Would that be for five carts?—No; it might be for three.

Entry wrong; must be wrong.

9061. Do you think it was for three?—I do not know; I never bought a cart for that price. I do know that I never bought a cart for \$9. I swear that positively, and re-swear it a thousand times; therefore the entry is wrong. It must be wrong.

9062. Do you know whose entry it is?—No; I do not. I do not know whose the figures are. The writing is Mr. Conklin's, but I presume there will be an account. I do not remember buying carts and

- harness for that price. It is only a little over an average of \$9 each for a cart and harness and cover.
9063. Will you look at your requisition No. 9, and see if you bought any carts with covers and harness complete?—Yes; fifteen carts with harness and covers complete. Paymaster-
and-Pur-
veyorship—
Buying Carts.

Fifteen carts with
harness and
covers complete.
(See 9075.)
9064. What did they cost?—\$142.50. \$142.15.
9065. Would that be an average of somewhere between \$9 and \$10?—It would appear so. Average between
\$9 and \$10.
9066. And these would include more than those carts which you value at \$18.50?—I do not know. Those would be neither bushed nor banded.
9067. But I understood you to arrive at a price without bushing or banding?—No; I did not know anything about it. I know I acted honestly for the Government. I would like to look that up. I do not remember ever buying carts from Stalker & Carswell. I do not think I did.
9068. But these are entries which appear in your books, are they not?—Yes.
9069. They naturally give the impression that you did?—Yes; they naturally give the impression that I did buy the carts.
9070. Do you say that you know nothing about the price of hobbles?—No. Knows nothing
about the price of
hobbles.
9071. Did you never bargain for any?—Yes; but I do not know the price now. I bought nearly a \$1,000,000 worth of goods, and it is not reasonable that I should remember the price of everything I bought.
9072. I am not pressing you to do so, but I want to show you some entries. If you look at the entry of July 17th, 1876, you will find hobbles charged; can you say from whom you bought these hobbles, and the price you gave?—\$1 each and 75 cts. each, it would appear. Hobbles 75 cts.
and \$1.00 each.
9073. Look at the entry of the 27th April, 1875, and see if you bought some hobbles, and from whom, and at what price?—Yes; I did buy twelve hobbles, \$12—\$1 each.
9074. From whom?—From Alderman Wright. What is entered here as five carts with covers and harness is the price of the harness and covers only. It should have been covers and harness for five carts. Mr. Conklin has written the word "carts," and it should have been "five cart harnesses and covers." Contents that
certain entries
are wrong.
9075. Then the word with should have been left out also?—Yes.
9076. Then you say the entry on requisition No. 9 is also wrong as entered by Mr. Conklin?—Yes; you are trying to show that I gave Alloway a great deal more than I ought.
9077. I am trying to ascertain what your books show. I told you we shall take any explanation you wish to give, but we desire to conduct the examination in our own way; we do not wish merely to take your own general statements of correctness, because it is our duty to investigate the matter as well as to hear your statements. Do you say this entry for requisition 9 is a wrong entry?—It conveys a wrong impression; I bought no carts from Stalker & Carswell; it was

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and-Pur-
veyorship-
Buying Carts.**

not for carts—that is what I say; it was only for the harness and the covers for carts.

9078. Then, of course, it is incorrect?—It is incorrect in that sense. That would be easily verified by getting Carswell & Stalker's accounts.

9079. There is no objection, as I said before, to you giving every explanation that you can give; we all wish to have the whole matter investigated, but the enquiry is not to be silenced by the general assertion that everything is right?—I know what you want, Judge!

Ten hobbles \$10.

9080. Will you look at requisition No. 17, and say if you bought any hobbles, and from whom, and at what price?—Yes; ten hobbles, \$10.

9081. Have you any recollection of buying hobbles from Alloway?—No, I have not; I might have bought some.

9082. If you bought them at a higher price than \$1, had you any reason for doing so?—I do not remember now; they might be for some horses that interfered—I do not know; or they might be a different kind of hobble, I cannot tell. I see by the invoice you hand me that there is one pair of hobbles for McMillan, \$1.50; in the other case they were bought wholesale.

9083. Do you now see a reason for giving him a higher price than in the other case?—It would appear that there was a higher price given for the solitary pair of hobbles than there was for ten pairs; I do not know but that they were better; that was in 1875 a long time back.

**Buying Horses.
Sold Alloway
horses.**

9084. Besides buying horses from Alloway, did you sell him any?—I did. I showed you to-day.

9085. I do not remember?—I showed you about a horse that I sold, for which I sent the money to the Receiver-General.

9086. Did you sell him more than one?—No. Mr. Marcus Smith did, I think, to Mr. McKay. I do not remember.

9087. I do not know the facts. I am asking you whether you did make a sale of horses in a lot to him?—I don't remember. We usually sold our horses by auction, except one lot which was sold by Mr. Marcus Smith, and at a price.

9088. Do you remember selling him a lot of six ponies?—No; I don't remember. I may have done so, but I don't remember.

Six ponies \$200.

9089. There is a receipt from the Receiver-General's office, for February, 1877: "Six ponies, \$200;" do you remember having made that sale, and if you did, to whom?—I don't remember. That is a matter about which I would have to enquire from Mr. Currie.

**Private busi-
ness with
Alloway.**

Had no private
business connec-
tion with
Alloway.

9090. Were you engaged in business connections with Mr. Alloway?—I was not.

9091. Did you assist him in the purchase of goods which the Government afterwards purchased?—I do not understand you.

9092. By a loan of money or help of any kind?—To Mr. Alloway?

Neither directly
nor indirectly.

9093. Yes?—Neither directly or indirectly.

Never endorsed
his paper.

9094. For instance, in endorsing his paper?—I never endorsed his paper.

9095. No business connections?—No business, directly or indirectly in any sense or in any form.

9096. If there was a sale of six ponies, is it your recollection that it was by auction or how was it?—I do not remember. We sold ponies by auction, but I do not think we put up six in any one lot. That would be a very unusual way for me to do. I might through instructions from Mr. Rowan sell one lot, as I did through instructions from Mr. Marcus Smith sell a lot to the Honourable Mr. McKay. Sometimes these ponies were what we call "eating their heads off," and we were glad to get shut of them. I will enquire into that and give you the information as far as I can.

9097. As a rule were the goods that were disposed of on the part of the Government disposed of by auction? I mean articles that had been returned—second-hand articles?—I think they were as a rule. We had several auction sales which were advertised.

9098. Have you reaped any advantage by having the opportunity of dealing on Government account with merchants or other persons in the community?—I have not, other than I have got my goods, or should have got my goods, as low as I did for the Government. I did not get them as low, but I got a discount, but that was not an equivalent.

9099. Was there a practice among merchants who took orders upon Government account to give private dealers a larger discount than they otherwise would?—I think not. I got the discount now. I got it the other day from my grocer, 10 per cent. for groceries.

9100. That is on account of your private account?—Yes; I am speaking of my private account. I want to show you that although I am not in Government employ, still I get the discount.

9101. Did you say that while you were dealing on the part of the Government that you got no larger discount and no other advantage than you would have got if you were dealing entirely on your own private account?—No; so far as I know, I never did. I can buy goods as cheap to day for my family as I did then at the same reductions, in fact I did not get them as cheap as I got them for the Government. I mean that the discount did not bring them down.

9102. The Government was paying a lower rate to the dealers than you did when that discount was taken off?—Yes; if I had Mr. Sutherland's account here I could prove it to your satisfaction that the Government got it from 20 to 25 per cent. lower. I bought tea on Saturday for 45 cts. which at retail is charged to me at 75 cts.

9103. As to the price of horses, was there a difference between the price of half-breed horses and other horses—what they called ponies?—Half-breed horses would be less.

9104. How much less?—A good deal; for instance, a Canadian horse when I came here would be worth from \$175 to \$200. I do not mean extra horses, but ordinary buggy horses. They are not now so dear.

9105. And the native horse, what would it be worth?—It would depend altogether upon its quality: you could buy them from \$40, \$60, \$80 to \$100; a \$100 horse would be a very good one. It is almost impossible to give an average price for the native horses; they vary so much in quality.

**Paymaster-
and Pur-
veyorship—
Selling
property
returned.**

Does not remem-
ber selling six
ponies to Allo-
way.

As a rule goods
disposed of by
Government are
disposed of by
auction.

**Discount
allowed to
witness.**

Never got any
advantage or dis-
count while
purveyor that he
would not get as
a private in-
dividual.

Buying Horses.

Half-breed horses
a good deal less in
price than other
horses.

Native horses
from \$40 to \$100.

**Paymaster-
and-Pur-
veyorship-
Carrying Mails.**
Contract for mail.

9106. Have you any idea at present, without the papers, of the number of tenders that were submitted to you for the carrying of the mail in this instance in which Alloway got it?—No; I have not. Mr. Rowan had that contract and not me. Mr. Rowan was the engineer, and it was for the Canadian Pacific Railway pure and simple. He asked for tenders in my name but he let the contract. They were asked in my name, I suppose, because I had to pay, but they were submitted to Mr. Rowan for his decision.

9107. Do you remember how many competitors there were?—I do not know at the present moment. That tender was let by Mr. Rowan, and he instructed the lawyers to draw up the documents.

9108. Was it in reference to that contract that Mr. Ryan said he had deposited a tender which you say you did not receive?—I presume so. The contract was let next time to some other parties. Alloway's tender was higher than others.

Book-keeping.
Property return-
ed from surveys
not credited.

9109. Property that was returned from surveys and which had been originally charged to them—what was the practice concerning that as to crediting those accounts?—They were not credited because they could not tell what the values would be. It would be old pots and pans, as I said before.

**Horses and cattle
returned, not
credited.**

9110. Well, horses and cattle would be sometimes returned?—Yes, there would be horses sometimes; and carts and harness.

9111. As to that kind of property, would it be credited to the particular account which had been originally charged with it?—No; I think not. No value was attached to them when we entered them on the books, and therefore they could not be credited.

9112. Therefore you think the way it was left upon the books would show a large debit against the same surveys or particular divisions?—Yes; but I was going to say that when sales were made they might credit it at Ottawa.

9113. You would explain in your account to Ottawa the particular division from which that property came?—I would not like to be too sure about that fact. If my store man mixed them altogether, when we came to sell we could not discriminate; and it is not improbable that he did, when I come to think the matter over, but the engineers took receipts for horses delivered to us and for material.

**Alloway's horses
never kept at
Government
stables.**

9114. Do you remember whether Alloway's horses were at any time kept in the Government stables, or either fed or attended at the Government expense?—They were never kept at the Government stable, and never kept at the Government expense. They never crossed the threshold of the door.

**What was done
when stores were
returned and re-
issued.**

9115. I think it sometimes happened that stores would be returned from different parties, and then reissued again from the store-house to different parties?—It would.

9116. Do you know if there was any account kept of that sort of transaction?—Yes; by the store man.

9117. Would the reissue be charged to any other division?—I think not; but the requisition coming from the engineer, he would ask, say, for two camp stoves, by way of illustration. I would say to Parr: "Have you two camp stoves in store that are good enough to go out?"

**Paymaster-
and-Pur-
veyorship-
Book-keeping.**

If he had, they would not be purchased; but if he had not, I would have to purchase them.

9118. Was it your practice to charge to the parties requiring goods, any goods reissued from the Government store?—I do not think the accountant kept the account in that way. I think he only charged them in all probability for the purchases which were actually made, even if he did do that.

9119. Are we right in supposing that sometimes when you sent out supplies to parties at a distance, that you would instruct a sub-agent to sell those for a higher price than the Government had paid for them?—Yes, that is correct; I was so instructed from the Department.

Goods charged to parties at a higher rate than was paid for them.

9120. Do you remember whether those goods would be charged to that party at the increased price or at the actual cost?—I do not remember now. There was only a reasonable percentage which I was instructed to have added on, which percentage was supposed to cover what was paid for transport.

This done to cover transport.

9121. It was done with that object, so as to save all or part of the transport?—Yes; that is the way I understood it.

9122. Would those supplies be within the control of the sub-agent as to the price at which they would be sold?—No, unless they were damaged *en route*; then he would have to use his own judgment. An invoice was handed to each sub-agent showing the prices he ought to charge the men.

9123. Were these goods that were so sent out to be re-sold charged to the sub-agent in his account, together with money that was furnished to him?—I presume so.

9124. Do you know whether it would be charged to him at the lower or higher price?—I could not tell you; I do not know how that would be done. I added at the foot of the invoice so much.

Does not know whether sub-agent was charged the cost or selling price of goods.

9125. You see if you charged the agent only with the actual cost to the Government, and he sold them at a percentage higher, he would get the advantage of that percentage, unless you had some mode of checking the price at which he received and at which he sold them; therefore, I am asking whether there is any record in the books of it?—You see he sold to no one but the men, and they were sold to the men in place of wages. For instance, a man wanted a pair of boots or shoes, he got them out of the stores on the order of the engineer, and they were charged as wages to his account, and when he returned this would be subtracted from whatever wages was due to him.

9126. Would the sub-agent get credit for the cash which he had paid on account of wages?—Yes; certainly.

Sub-agent would get credit for cash paid on account of wages.

9127. Would he get credit for the amount of wages which he would pay to the men in the shape of goods?—He would, or the men would on the pay-list. The pay-list, as formulated by the Government, had a heading for cash and for goods, and the sub-agent placed in these columns the amount of his goods for the month and the amount of his cash received for the month, if any.

9121. After that explanation, can you say whether, if the sub-agent paid a labourer with goods, he would get the credit at the price at which the goods were sold to the labourer, just the same as if he had

**Paymaster-
and-Pur-
veyorship-
Book-keeping.**

paid that amount in money?—Certainly. The sub-agent would get credit for the price at which he had sold the goods.

9129. Would he be charged with the price at which he was to sell the goods?—Yes.

9130. Would he be charged with the goods at the selling price?—Yes.

**Practice to charge
sub-agent with
selling price of
goods.**

9131. Before you were not sure about that; now, after this explanation, do you say that the practice was to charge the sub-agent with the selling price of the goods?—That was the general practice.

9132. Because it is plain that if that were not done he would be getting the profit?—He could not make a profit; it was not possible.

9133. Why not?—Because when he came back with his account he brought us the goods which were not sold, if any there were, and we took that from the amount of his invoice and then looked into the amounts he sold to the men.

**Sub agent could
not make profit.**

9134. It is upon those amounts that he sold to the men, I am making the enquiry; the rest does not affect the question. As to the amounts which he sold the men, if he was not charged the selling price, of course he made that profit?—He could not make it.

9135. He could if he was only charged with the buying price; for instance, if you sent to the sub-agent goods which cost \$500, and you told him to sell those goods at an advance of 10 per cent., and he would sell them and return that he had paid wages to the extent of \$550 by goods, he would be making a profit of \$50; but if they were charged to him at the \$550, then he would make no profit. I am asking which was the practice?—I will show you how it is done. When his monthly sheet came in, a pair of boots would be charged to a certain man, but there would be so much wages due him for the month, and he got so much less wages. We knew what the sub-agent sold every article for and we knew what to charge them at, and as the sub-agent did not receive money for those goods under any circumstance—I mean when sold to the men, and he was not allowed to sell other than to the men—he could not make any profits.

9136. He could not?—I am satisfied that he could not.

WINNIPEG, Friday, 1st October, 1880.

CURRIE.

D. S. CURRIE, sworn and examined :

**Nixon's Pay-
master-and-
Purveyorship
Commissariat
Officer.**

By the Chairman :—

9137. Where do you live?—In Winnipeg.

**Commissariat
officer (sub-agent)
in connection
with Carre's
party on section
No. 15.**

9138. Have you been connected with any of the business of the Canadian Pacific Railway?—Yes; I have been connected with the Pacific Railway since June, 1875: the first two years as commissariat officer, and from May, 1877, up to the end of 1879, as accountant in the office at Winnipeg, here.

9139. When you were commissariat officer were you attached to any particular party in the field?—Yes; I was sent out with Mr. Carre.

9140. To what locality?—I went out to Rat Portage and worked in towards Red River where contract 15 is now—two surveys.

**Nixon's Pay-
master-and-
Purveyorship
Commissariat
Officer.**

9141. Was that office of commissariat officer similar to what is called a sub-agent, sometimes alluded to in your books?—Yes, the same. All the commissariat officers are known as sub-agents in the official instructions.

9142. What was the duty of these officers?—To receive all stores sent forward to the purveyor; to keep account of the men's wages and time, and any advances made to them, and to make a return of the time to the purveyor at Winnipeg; and also to move camp from time to time as the engineer in charge of the party might direct.

Duties of sub-agent.

9143. Over what matters would they have power upon their own discretion to act?—There was very little indeed.

9144. Would you make the bargains for freighting for the camp?—No; we had a force of men under our charge all the time, probably ten, twelve or fifteen men, to move the camp and provisions, as the engineer in charge directed us to do.

A force of ten or fifteen men to move provisions.

9145. Then these men formed part of that party?—Yes.

9146. When they were not moving camp how were they employed?—Cutting out trails in advance so that we could move camp. Of course they were subject to the engineer in charge at any time. If we had no work for them in the camp he would send them off to any duty that he thought proper.

9147. Did the sub-agent keep a set of books of his own for each party?—Yes; he was supposed to do so.

Book-keeping.

9148. Do you remember what set of books you kept for that party?—I kept a thin book in which I kept the men's time and wages account, and credited them with their time at the end of the month, and charged them with any advances.

Kept book recording men's time and wages, and charging advances in goods or money.

9149. Do you mean with any money, or goods, or both?—Both.

9150. Do you remember whether these accounts were kept in your own name or were they kept in the name of the party?—In Winnipeg?

9151. Yes, in Winnipeg or anywhere?—Of course I considered those books my own books. I simply kept them in order to make returns.

9152. For instance, if you received money would you charge that to yourself in your book?—Yes; as sub-agent.

9153. The account would be "D. S. Currie to cash"?—Yes; exactly.

9154. As to supplies, did you make entries in your books on that subject?—No; all I was required to do was to see that the supplies sent forward and billed to me were received, and I receipted for them and returned the way-bill to the freighter.

Did not enter supplies received in book; only signed way-bill.

9155. You say those supplies were not the basis of any entry in your books?—No.

9156. You did not charge yourself with those supplies at any price?—No.

9157. Then did you only keep a debtor and creditor account, as far as you were concerned, about the cash items?—The cash items and repayment stores.

**Fort Frances
Lock—
Book-keeping.**

JAMES SUTHERLAND'S examination continued :

By the Chairman :—

9158. You have already been sworn?—Yes.

Statement of
goods delivered to
witness's pre-
decessor at Fort
Frances Lock.

9159. Can you produce the statement of the goods which you said, when you were giving your evidence before, had been delivered to your successor at Fort Frances, or to any person on the part of the Government at the closing up of the Government store?—Yes; I produce it. (Exhibit No. 105.)

9160. In this statement no prices are attached to the items?—No.

9161. Will it be possible to show the state of the Store Account without having those items priced and carried out, extended and entered in the book?—No; not the amount.

9162. Have you any means of arriving at the proper prices which ought to be attached to these items?—Yes. I have a knowledge of the plant that was there, and of course I have a price list. I have the last statement which was written upon the books to the Government. I could put the prices at a very close valuation, I think, which would show the right balance whatever it might be.

9163. The particular account of the Government store at Fort Frances could not be complete in the way it has been kept without ascertaining the prices of all these articles?—No.

9164. Will you be good enough now to put the price to this so as to complete this portion of the book-keeping (handing witness the statement)?—Yes.

9165. Then for the present this inventory is returned to you. The books which you produced the other day, I understood you to say, were all the books of that work as far as you knew?—They were considered the head books.

Books produced :
complete set and
all written up.

9166. Do you mean the subsidiary books of other branches, or is this a complete set of the general office books?—They are the complete set and all written up.

9167. Are they the original books in which these same items were entered?—Yes

9168. Was there any change by replacing some books with others in that set at any time?—No; these were the only books that were kept.

9169. The day-book, for instance, in this set, is the original book?—Yes.

9170. And you made no others to replace it?—No.

9171. Nor any other book in that set?—No; it is the complete set.

**Nixon's Pay-
master-and-
Purveyorship
Book-keeping.**

D. S. CURRIE's examination continued :

By the Chairman :—

9172. Please explain the account of repayment stores?—That is stores other than provisions to be issued for the men: tobacco, clothing, &c.,—anything that they might require for their personal use that they could not procure on the line.

9173. Then these items did appear in your set of books?—No; not the items.

9174. I asked you before if any other items, other than cash items, appeared in your books, and you said no others except repayment stores?—They appeared in this way: that the men were charged with them when they were issued. I am not clear that I charged them myself upon receipt.

9175. That is the point I am endeavouring to ascertain, whether when these stores reached you you charged yourself with them as well as with the cash which was entrusted to you for payment of the men?—I would not like to say that I charged myself with anything relating to these stores in the books I kept.

9176. Is the book now in your hands the one which was kept by you when you were sub-agent on section 15?—Yes.

9177. In your own books kept out on the line did you enter the quantities and prices of the goods, which you call repayment stores, which were sent to you from time to time?—I find that I charged myself with the amount. I made no entry of the number of articles, but with the amount of the consignment.

Witness charged himself with amount of con-] signment.

9178. Do you know whether you charged that at the price which you disposed of it to the men, or at the price which the purveyor purchased it?—They were charged to the men at the list of prices he gave me to charge for the goods.

Goods charged to men according to a list of prices furnished witness which also were the prices he was charged.

9179. Do I understand you to say that the prices you charged yourself for them were the prices at which you sold them to the men?—Yes.

9180. Did you, from time to time, render statements to the purveyor on the whole amount that you had paid the men, including cash and goods payments?—Yes; I sent returns in monthly.

Made monthly returns.

9181. Do you know whether you would get credit in your account at the head office for all the amounts you had paid the men, including payments in goods as well as payments in money?—Yes; in separate accounts.

9182. You sent a distinct account for the amount which you paid in money and another one for the amount which you paid in goods?—Yes; the pay-roll showed how much was advanced to each in cash and stores: there was a column for one and a column for the other.

9183. Do you remember whether, in settlements between you and the purveyor, the amount or value of the goods charged to you would be one of the items upon which you made the settlement?—Yes; there was a settlement for stores apart from either salary or cash advances.

9184. Do you know whether that statement was procured from the books of the purveyor or only from detached papers?—That I do not

**Nixon's Pay-
master-and-
Purveyorship
Book-keeping.**

know. I have settled with Mr. Conklin; but whether he got the statement of account from the books or from the invoices I do not know. The settlement was in accordance with the list of goods and prices sent out to me from time to time.

9185. Do I understand you to say that, as a matter of fact, you settled with the purveyor for the cash which he gave you and also for the goods which he entrusted you with, and that the prices of those goods were settled for by you at a higher price than you understood he bought them for?—I should not like to say so in every case; but I understood, in fact I think I heard Mr. Nixon say that he charged an advance of 5 or 10 per cent. on the cost to cover charges of transportation, and that it was on that basis he made out the price list which he gave me, and my settlement with the purveyor was on the basis of those prices, irrespective of what he paid for them.

9186. Assuming that he had an account in his set of books, and he charged you in that account with only the invoice prices of the goods—that is to say, the price at which he had bought them—and that you afterwards got credit from him or settled with him at the higher price of 10 per cent. over, can you say what the effect of that would be? With whom would the profit remain?—Then my sales would be in excess of the amount charged against me. Of course there would be a profit made if he charged me with the cost price, but I assume he charged me with the price with the freight added.

9187. I am speaking now of the books at his end of the line—that is, at Winnipeg—not the books at your end of the line. I understand that you do not know and did not know the contents of his books at Winnipeg?—No; I never saw them.

9188. I am asking you now because I understand that you are keeping the books for the Government, and that you know something of the principle on which books should be kept, what would be the result at the Winnipeg end of the line if he charged you merely with the price at which he bought the goods, and if you settled with him for the price at which you sold them, where would the profit be?—The profit should appear to my credit in those books.

9189. Were you ever made aware that there was any such credit in those books?—No, not at all; I never heard it.

9190. Then you must have supposed that you were charged in his books at the selling prices and not at the buying prices?—Exactly. That is the way I understand it.

9191. Was there any matter connected with your sub-agency which was left unsettled between you and the purveyor?—No; I think not.

9192. Your recollection is that everything was wound up?—Yes; he sent out a man to relieve me, and I turned over to that man all the stores in my possession—plant and stores—and took a receipt from him, and handed that receipt into the office.

9193. What was your next employment after the sub-agency?—Accountant in Mr. Nixon's office.

9194. Did you take charge of the books there?—Yes; the books kept by my predecessors were handed over to me, and the work usually done by them.

Never heard there was any profit placed to sub-agent's credit in his books at Winnipeg.

Understood he was charged at selling price.

**Nixon's Pay-
master-and-
Purveyorship
Book-keeping.**

In May, 1877,
books of predecessor
handed over
to him.

9195. About what time did you assume control of the books?—
Some time in May, 1877.

9196. Look at journal B and say if the entries there are in your
writing, and if so, when you commenced?—I commenced in May, the
date stated by me before.

9197. Do you find any entries in journal B in your writing, appar-
ently of a date before that?—Yes.

9198. How do you account for that?—I went back to the first of the
year 1877, and endeavoured to make a start from that.

9199. Where did you get material for these entries?—I must have
got them from the old books kept by Capt. Howard, who kept them
in the interim between the time of Conklin going out and my
coming in.

9200. Do you remember whether these materials were in some other
book, or were they on detached papers?—I would have likely taken
some of the entries from the vouchers and from copies of the state-
ments sent to Ottawa, of monthly returns; in fact, I endeavoured to
make a start from the commencement of that year 1877.

9201. Did you find in day book A any of the materials for these
entries which you make in your day-book or journal B?—No; I think
not.

9202. Have you had the custody of the books which Mr. Nixon
transferred to the Department at the time that he gave up office?—
Not continuously; that is to say they had been handed over to one
or two parties who were examining into the affairs of the office, but
they were returned to me.

9203. Have you obtained them again?—Yes; all the books were
returned to me, but I did not check the individual vouchers, papers and
letters.

9204. Was there any book before the journal B, now produced, which
ought to contain the material for these entries?—I think there was
another book with a few pages of memoranda of some sort or other,
which I think I can produce.

9205. Were those entries in the ordinary way in which entries are
made in any set of books?—They were not regular entries, that is
double entry. Entries irregular.

9206. Were they entries made with a view of book-keeping?—Yes
although not made in the form that they are ordinarily made; more in
detail, I think.

9207. Do those entries which appear in your journal B proceed from
those entries which, in your opinion, you found in Capt. Howard's
book altogether, or in part?—They could not altogether, but they prob-
ably are in part.

9208. Had you occasion to look into the books which had been
kept, previous to the 1st January, 1877, by Mr. Conklin?—Yes; in get-
ting materials for the returns called for by the Department.

9209. Do you understand book-keeping?—Yes; I think so.

Understands
book-keeping.

**Nixon's Pay-
master-and-
Purveyor-ship
Book-keeping.**

9210. Have you been accustomed to it?—Yes; before coming up here, I was for three years accountant and cashier for a large colliery in Nova Scotia: the Glasgow and Cape Breton Coal Company. They employed at times probably five or six hundred men.

9211. Were your books kept in a satisfactory way down there?—Yes.

A new system of
book-keeping
adopted.

9212. Have the books been kept in a satisfactory way to the Department here, since you have taken charge?—Yes; I think so. I have adopted a new system altogether, since I have been made responsible to the Department myself. I have had my own way in the matter since then, of course. Previous to that I was under instructions from other parties here; but now I am responsible to the Department direct.

9213. Had you any occasion to look into the books which had been kept before the 1st of January, 1877, in the purveyor's department of the Pacific Railway, by Mr. Conklin?—Yes; after I had come into the office.

9214. Did you form any opinion as to the method in which they had been kept?—Well, yes; I formed an opinion.

9215. Did you look into them frequently, or only occasionally? Describe what connection you had with them?—There were several occasions on which returns were called for from Ottawa, to show the total expenditure on the survey on the different works; then I looked naturally into the books to get the information; but not finding it there I looked to copies I found in the office of returns, and endeavoured to get the information from the vouchers. Of course I looked, as a matter of curiosity, through the books from time to time.

Books as kept
by Conklin could
not show the
state of affairs.

9216. Have you formed any opinion as to whether the books were kept so as to show the real state of affairs?—No; they could not show anything, in fact, more than the personal accounts of the men—that is correctly. There may possibly be individual accounts which may possibly be correct; but from the manner in which they were kept, they would not show correctly the expenditure under the different heads.

9217. I assume that you mean that the set of books would show the state of affairs in the establishment for which they were kept?—Certainly.

9218. Would they show only money transactions, or would the cash-book be sufficient to show the money transactions?—It would show the whole, but not as to details.

9219. But if there was anything else but the cash kept, would these books show it?—They should show it.

9220. But did they show it to you?—I know there are stores accounts.

9221. Were the stores accounts kept so as to show the transactions of the establishment in a correct way?—No; not so as to show the transactions of the establishment in a correct way.

9222. In your opinion, can we, by investigating these books, arrive at a proper conclusion as to the state of affairs?—Of course the conclusion I would arrive at, was that the books had been kept in such a manner that they did not show what they ought to show, and what they should be expected to show.

**Nixon's Pay-
master-and-
Furveyorship
Book-keeping.**
Books never
balanced.

9223. Did those books show the real state of affairs?—No; they did not. I am not aware that they were ever balanced.

9224. In order to show the real state of affairs they should be balanced?—Certainly.

9225. You speak of expenditures continuously, should they not show the purchases?—No; they did not.

9226. Is it not necessary to show the little as well as the great things in a set of books, to make them show the state of affairs?—I mean that any purchases made were paid for—that the goods were never entered up until they were paid for. In that way I am speaking as to expenditure.

9227. Just explain in any way you like, and by any mode you choose, what you think the effect of the set of books would be, as exhibiting the state of the affairs of the establishment?—The impression I formed?

9228. What you found? I understand that you looked at them several times, and I am asking you your opinion on the subject to which I have alluded two or three times?—I must say I was surprised to find them kept in such an irregular way as they were when I looked into them. There were a number of accounts that had not been closed, and I endeavoured to get particulars of those accounts; some I did get, and some I did not.

Surprised to find books kept in so irregular a way; not possible to trace transactions through the books.

9229. Is it possible to trace the transactions through these books, as far as you know?—Not properly.

9230. Is it in any shape? Did you find that to be the result of your investigation or not?—In any information I got up for the Department I depended more upon the vouchers than the books. I could not depend upon any return I would get from the ledger accounts.

9231. Do you remember seeing the the account of John Brown, another sub-agent, in ledger A of the head office books?—Yes.

John Brown's account, credit of \$2,861.28.

9232. How did you find that balance? What is the last entry which makes the balance?—Bank account \$2,861.28; it is a credit.

9233. Will you, as a book-keeper, please tell me how that was settled? Here are the books (handing the books to the witness).—I can see no folio, and I do not think I can go much farther. (After examining the books): Really I do not understand it; there are no means of tracing it—there is nothing to show where the entry was taken from in any other book. It may be in the journal without giving the page in the ledger.

No means of seeing how this account was settled.

9234. The journal is here; trace the entry, if you can (handing the journal to the witness)?—I will just look at the date, December 15th, and if I cannot find it by the date, I cannot show it. (After looking over the journal): There is no entry in the journal on the date on which it is entered in the ledger.

No entry in journal to correspond with date in ledger.

9235. Do you find, either in the journal or in any other place in the ledger, any means of ascertaining how that account was settled?—I do not know what that account has reference to.

9236. Here is the cash-book in which the cheques are given?—This is a credit as a bank account, under the words "Bank account" writ-

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ten in the ledger. I would take that to mean that Brown had deposited that amount to Mr. Nixon's credit in some bank here as the proceeds of stores sold, I presume, or something of that sort.

9237. Do you mean that you ascertain that from the books?—No.

Books afford no
clue to explain
the transaction.

9238. Perhaps you do not remember the question. I asked you to tell me from the books how that was settled? If it was settled that way, should it not be charged to Mr. Nixon?—Yes. (After examining the book): I give it up; I cannot find any explanation of it. There may be some account in the ledger here which are not in the index, for I have frequently found amounts in the ledger that were not indexed.

9239. If you look at the cash-book, on December 14th, you will find an item of the same amount; will you explain what the effect of that entry is in the cash-book? Is it to make the bank a creditor or debtor for that sum?—The bank would be made a creditor.

Item credited to
bank and also to
Brown; should
have been
charged to him.

9240. Can you explain any process by which John Brown would be credited with that sum, and the bank would also be credited with that sum?—No; as it is entered here it should have been charged against Brown, and instead of that I see it is credited to him.

9241. Now look at the ledger A, at page 19, and you will see a similar amount debited to John Brown?—Yes.

9242. Can you explain the effect of all these entries, and say how the matter was finally settled with John Brown?—John Brown seems to be paid that amount, and is charged with it in his account here. That is correct, as far as it goes. He is charged with it and then credited with it, so as to have the effect of making it *nil* altogether.

9243. Then what is the effect of that transaction? You have noticed that the bank gets credit for that amount as if it had been paid some one, does it not?—Yes; it would appear to have been paid to Brown.

9244. Then the effect of these charges to Brown's account, are they not that he apparently received the amount, and paid it back to Mr. Nixon, inasmuch as he gets credit for it?—Yes; from tracing it in this way that is what I would infer; that the amount has been paid to Brown, and the bank has been credited with it.

The \$2,861.28 paid
to Brown by
official cheque.

9245. From these entries, as you find them, does it appear that some one has taken from the bank the sum of \$2,861.28?—Yes; it is evident that that amount has been paid to Brown by official cheque.

9246. Can you understand why it should be credited to him, although it has been drawn from the bank?—No; I cannot understand, unless it may have been placed to his credit.

9247. To whose credit?—To Brown's, as sub-agent.

9248. Has that entitled him to the credit on his account as sub-agent?—That would be taking it out of his personal account. In that case it should be charged against him in another account, as sub-agent, against which he could cheque. That has been done, at least I have heard it said that it had been done with some of the sub-agents.

9249. Is the effect of all these entries a correct one as far as book-keeping is concerned?—It should not have been placed there at all, if that were the case.

9250. Do you remember whether many of the accounts in those books are closed in a way that does not appear correct or only a few; and is the amount material or insignificant. Have you any opinion on that subject?—I do not know to what extent. From a casual observation, looking over the books, I know that there are a large number of them not closed. It is apparent from these books that the whole amount has evidently been placed in the bank, but to whose credit does not appear.

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A large number of accounts not closed.

9251. Do you remember how the store-keeper furnished you with statements as to the goods left in the store? Do you remember whether they were supposed to be based on the quantities actually there, or upon the quantities which the books showed ought to have been there?—I do not remember. There were no regular returns made of the goods in store during the time I was there. My recollection is that Mr. Nixon said that at different times he had made returns to the Government showing the amount of stores then on hand, and he did not recollect the method by which this amount was arrived at. If he did so, they did not pass through my hands as accountant; I do not remember having seen them. He got the store-keeper to attend personally to the stores and the keeping of that.

Witness's remembrance regarding statements furnished by store-keeper.

9252. Had you in your set of books, in your time, any account with the store so as to charge it with the goods that went in and credit it with the goods that came out?—No; I was not given any statement of the goods that went in or were taken out. I did not consider that came within the scope of my duties at all—anything with regard to the stores.

In books no account with store, so as to give an idea of goods going in and out of it.

9253. Then your books would show nothing about that?—No; nothing about stores at all. I was not given to understand that I had anything to do with them.

9254. Are the books kept in a different way now?—Yes.

Change in system of book-keeping.

9255. Please explain the difference which you think exists?—They are kept by the regular system of double entry, and balanced at the end of each month before any returns are sent to Ottawa. There is more attention paid to the checking; there is a different system all through. To begin with, the accounts are certified now by the engineer in charge of the sub-division, or whatever work it is chargeable to; but all the accounts chargeable to that division must be certified to by him in the first place.

Books kept now by regular system of double entry, &c.

9256. Did not that system prevail when you were clerk under Mr. Nixon?—No; not regularly. He bought sometimes. Some accounts were paid on his own certification only. The engineer would make a requisition on him, and on that requisition he would purchase the supplies and certify to the correctness of the account and pay it. I have taken a copy of the returns as rendered now, with all of the vouchers, as an illustration of the system.

System under Nixon.

Nixon would purchase supplies, certify to correctness of account, and pay it.

9257. Will you please produce it?—I produce a duplicate of the return for July.

9258. How often are these returns made?—Monthly; at the close of each month, or as soon after as they can be prepared.

9259. Please state, under the different headings, what particulars they show?—It shows, in the first place, expenditure under the several

Returns as made now show full particulars.

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master-and-
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Book-keeping.**

appropriations under which the money is voted. I got them from the estimates.

**Present system of
keeping accounts
explained.**

9260. Do you mean that the whole vote is divided up into smaller sums?—Yes. There are five divisions in this month from Eagle River to Keewatin, contract 42; consequently Keewatin to Selkirk embraces contracts 14 and 15. Then, west of Red River, first 100 miles, second 100 miles and third 100 miles. This is as far as the expenditure is at present.

9261. Do you mean that a separate amount is voted for each of these works?—Yes.

9262. And do you keep a separate account for each of them?—Yes; and ask for a credit under those different heads. Then, under these principal heads, there are sub-heads in detail. In the first place, engineering is a sub head; then there are sub-heads again to that, as to further detail, showing wages, supplies, board, salaries and transport, or any expenses incurred. All payments for construction are made by me on contract 15; that shows the amount paid for wages, supplies, stores, plant, &c. and where it is necessary to make advances now, every payment made is supported by vouchers. Every payment is supported by a voucher, except where it is found necessary to make advances to engineers going on survey. In that case it stands charged to me as an advance until vouchers are produced. The amount so outstanding on the 31st of July was \$3,777, and that amount has since been reduced by vouchers received from the engineers in the field. The returns, as now rendered, would show at a glance if any payment were made not supported by voucher.

9263. How is that?—Because there is a column for vouchers and the number of the voucher should appear opposite the amount, and if there is no voucher there is no voucher number. The amount of the voucher is entered, as well as the amount of the payments, and the difference between the total amount of the vouchers and the total amount of the payments made during the month stand charged against me as an advance until vouchers are furnished.

9264. Has this system prevailed since the beginning of the year?—Yes; I have opened a new set of books and discarded the old books.

Timms, Inspector of Finance, in December, 1879, gave outline of system to be followed.

9265. This is your own idea, I suppose, this improvement?—As a matter of detail, Mr. Timms, the Inspector of Finance, was up here in December last, and gave an outline of the system which we should follow.

All information could be furnished from books alone.

9266. How do you find it work? Is it more satisfactory in your opinion than it was before?—Yes; decidedly so. I do not know that there is any information that could be called for but what I could furnish from the books alone without reference to any other papers.

Pay-lists at present.

9267. Is there any other matter which you wish to state by way of evidence?—I have brought some returns here that I meant to explain with regard to pay-lists. All salaries are paid now regularly at the end of each month, and the pay-list is certified by the engineer in charge and approved by the District Engineer as a voucher. There is nothing else except that my statements in regard to these books are simply from what they appear to me at present. I have not seen them or looked into them for over two years, probably.

9268. Do you remember whether, when you commenced to keep the books, the former books were balanced; and if so were they properly balanced, or was it necessary to commence with a fictitious balance on some account?—The books had not been balanced when I took charge. I simply continued the old system up to the end of the year then current.

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Books when witness took charge had not been balanced.

9269. Please look at page 42, journal B, and explain the note at the foot of it. What is the substance of that note?—There would be accounts remaining open, the total of which when summed up would amount to \$4,465.83, and charged in order to balance the ledger with the intention of starting from that date under the regular double entry system.

\$4,465.83 put down as accounts remaining open.

9270. Do you mean that that would be the whole amount of open accounts, or do you mean that one side of all the open accounts differed that much from all the open accounts on the other side?—Yes; it can be explained in that way.

9271. Do you mean that what I say is a right explanation: that it may be the difference between open accounts to a much larger sum than that?—Yes.

9272. Then it does not show the amount of the open accounts?—No; it is supposed to be the difference between the total debits and total credits, and they would both be out very much.

9273. As a matter of fact, can you give any idea now of the total amount of the accounts which are not settled or squared in that set of books?—I think I ran up a list of them at the time in pencil. I have here a trial balance sheet taken on the 1st of May, 1877, on the books being handed over to me, and I find the debits all foot up \$39,697.20.

When books handed over to him debits amounted to \$39,697.20.

9274. Were those accounts apparently unsettled in the books at that time?—Yes; that is what I understood then. The credits \$8,816.38, leaving a discrepancy of \$30,880.82.

Credits \$8,816.58 leaving discrepancy of \$30,880.82.

9275. Do you remember now how that discrepancy was reduced down to \$4,000, so as to start the new books with a fictitious entry of only \$4,000?—They must have been written off as settled. I went to Mr. Nixon first and then to Mr. Conklin, to get explanations; from Mr. Conklin at his office. We went over the books together, and the accounts remaining open that he told me had been settled I marked off.

In order to find the balance of \$4,465.83 the difference between that sum and \$30,880.82 must have been written off as settled.

9276. Did you do that without having any entries in the books to support it?—Yes.

9277. That was done from the verbal statement?—Yes; it did not purport to be anything more than closing the accounts, allowing them to stand as they were. It was not any regular entry, but it was marked settled in pencil. There are no details given, I mean.

9278. Then by so writing it off you would dispose of the balance which had previously appeared on that account on one side or the other?—Yes.

9279. And did you say that was done from the verbal statement without any entries in the books to support it? In other words, was not this done from the recollection of the party giving the information?—Yes; we had nothing before us only the books as they stand here. I might add that in many cases the explanation principally given was that it was wages account and the pay-lists had been sent to Ottawa, and they had nothing to get the credit from.

**Nixon's Pay-
master-and-
Surveyorship
Book-keeping.**

9280. Did you understand that they had been sent to Ottawa and that no correct entry respecting them had been previously made in the books?—That is what I understood.

9281. And is that the reason why it became necessary for him to trust to his recollection at the time that these accounts were written off?—Yes. He told me that they were settled, though not marked off.

\$26,414.99 written
off without any-
thing in the
books to warrant
it.

9282. When you say marked off do you mean that the means by which they were settled did not appear regularly in the books? I am asking you if there was an entry in the books on which to found that matter, or was it merely in the man's head?—There was nothing in the books to show it.

9283. Is there any other matter which you wish to explain by way of evidence?—No; I think not.

MOLESWORTH.

WINNIPEG, Saturday, 2nd October, 1880.

ARTHUR N. MOLESWORTH, sworn and examined:

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

By the Chairman :—

9284. Where do you live?—I live in town here.

9285. How long have you lived here?—About three months.

9286. What is your business?—Civil Engineer.

9287. Have you at any time been connected with any of the works of the Pacific Railway?—Yes.

9288. From what time?—The 1st of June, 1875.

Assistant to
Thompson, engi-
neer in charge.

9289. With what work?—I was appointed assistant engineer on contract 14, under construction.

9290. Who was the engineer in charge?—Mr. Thompson.

9291. Was that after the contract was let?—Yes.

Duties of assist-
ant engineer.

9292. What duties did you undertake as assistant engineer?—To lay out the work for the contractors. To lay out the ditches and bridges and culverts, &c., and the cuts and fills.

9293. What work had been marked upon the ground before you commenced this work?—The line had been run through; but they were changing it when I went there—a part of it.

State of work
when witness en-
tered on contract.

9294. Were there any marks upon the ground to show what work had been done? Had the centre line been pegged out?—Yes. The centre line had been cut out and stakes were put in. There was an engineer on the first section who had laid out a little of the work, and they had commenced work on the embankment.

9295. How do you say he had laid it out—on paper?—No; he put in the slope stakes and ditch stakes, and marked the cuts and fills, so that the men could do the work.

9296. When you went there was there anything to show that any cross-sections had ever been marked out or done?—No; nothing, excepting just these few hundred feet—I suppose about a quarter of a mile—laid out by the engineer, Mr. Bristow.

**Railway Construction—
Contract No. 14.**
Cross-sectioned every 500 feet.

9297. Do you know from what you saw whether it had been cross-sectioned before you did it?—It was cross-sectioned every 500 feet.

9298. Were there signs upon the ground to show that?—Yes; stakes. When they saw the line through they simply cross-sectioned every 500 feet. It was such a level country that they did not think it necessary to cross-section it any closer than that; it was a perfectly flat country—or, at least, nearly so. The party who ran the line had just cross-sectioned it at the same time.

9299. Who was that?—Mr. Forrest. He had an assistant cross-sectioning at the same time that he took the levels.

9300. Were you assistant engineer over the whole of section 14, or only a sub-section of it?—Just a section of it.

Witness connected with only fourteen mile sub-section of contract 14.

9301. How long was that section?—Thirteen miles, beginning at Red River and running eastward.

9302. Did you remain in that situation during construction by Sifton, Ward & Co.?—I remained in that position for two years, and then I was removed to another part of it. The excavation was completed, and I was sent to another section.

After two years sent to another part of contract.

9303. Can you describe the extent of the deviations after you were there, which were adopted and upon which the work was constructed?—When I went there, they were re-locating the first five miles from Red River on my section, and that is the only change that was made on the part of the work that I was connected with.

9304. Was that a great deviation or slight in distance or character?—No; it was only slight. They just changed the crossing of the River at Selkirk. They changed the location of the bridge.

Slight change in location of bridge

9305. And that was the occasion of the whole of the deviation which you describe?—Yes.

9306. Which way was the deviation from the first located line?—North.

Deviation north of first located line.

9307. How far north?—I do not know that it is more than a mile.

9308. Did you take part in the locating of that deviation?—No.

9309. Who did?—Mr. Forrest and his party.

9310. Did the work upon your sub-section commence at the east or the west end of your sub-section?—They commenced about the middle of it. They could not commence at the west end until this piece of work was located.

Contractors commenced about the middle of witness's sub-section

9311. Was it at the middle of it you say that the work had been laid out carefully by pegs before you got there?—Yes.

9312. Was the work laid out upon your sub-section, so that the contractor was not delayed at all in this, or was there some delay on it?—There never was any delay after I went there.

No delays after witness went there.

9313. Did you understand that he had been complaining of delay before that?—No; I never understood it. By the time I got there they had just finished the re-location, and that was the only thing that could possibly have kept them back. I never heard any complaint.

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

9314. After that re-location did the contractor commence work at once on the Red River end?—Very soon afterwards; I do not remember how soon.

9315. Did he work from that end of the sub-section in his construction?—Yes; well he worked from the centre back towards that end, and he had a few men working near the river. He finished that piece up that summer.

Finished the portion of the work near Red River first.

9316. So he finished one portion of the line rather than another portion which would not have been an advantage to him in getting in his supplies?—I do not know; I do not think so.

9317. Do you know from what direction he got his supplies?—He got them from Winnipeg—from Selkirk.

9318. Would it be more advantageous to him to have the west end finished?—Yes; it would, of course, for getting in his supplies.

9319. Then would you say whether it would be more advantageous to him to have one part finished rather than another first?—Yes; it would be more advantageous for him to have commenced at the beginning.

9320. Which beginning?—Red River.

The line at Red River ready for contractor by July, 1875.

9321. Do you know how long that portion of the line remained not located after he was ready to begin his work?—I do not know when he was ready to commence his work; but I know it was ready by the 1st of July, 1875.

9322. Do you know whether he makes a claim against the Government on account of his line not being located in time for him to get his work done to advantage?—No; I do not know.

Work progressed steadily on section of witness.

9323. Did the work progress steadily on your section after it was commenced by him?—Yes; it did.

9324. Do you know whether he was ordered at any time to stop work?—I heard he was; but I do not know.

9325. Did the work stop?—Yes.

9326. I thought you said that the work progressed steadily?—On my section?

9327. Yes?—It progressed on my section steadily; there was no stoppage there.

9328. Then the stoppage was on some other portion of the line?—Yes.

**North Pembina
Branch—**

9329. When you were moved to another sub-section to what section was it?—In the spring of 1877 I had charge of the branch from here to Selkirk. It was building then.

Contract No. 14.

9330. Before you left the first sub-section was there any dispute between the contractors and the engineers as to the quality and quantity of the work done?—Not on the work that I was connected with.

9331. Was it intended from the beginning that you should take the section which you say you were on?—No; it was intended that I should be on the last section at Cross Lake—No. 6.

9332. That is the east end of section 14?—Yes.

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

9333. Do you know whether the work had been laid out on that east portion of the line as carefully as you say it was laid out on the section which you actually did take?—I do not know.

9334. Did you not look at the ground before you decided not to go there?—I was only there once, in the winter. I did not look at it at all. I did not go over the section.

9335. Is cross-sectioning at a distance of 500 feet considered sufficient where the country is not level?—No; it is not. In some places it has to be cross-sectioned at every ten feet.

Cross-sectioning every 500 feet not considered sufficient in an uneven country.

9336. Is there any portion of section 14, in your opinion, which requires cross-sectioning at shorter intervals than 500 feet?—Yes; wherever there is any rock.

9337. What portion of the line would that be?—From Whitemouth eastward there are short pieces here and there all through—that is the last thirty-five miles.

Contract 14 from Whitemouth eastward would require cross-sectioning within shorter intervals.

9338. Do you know whether cross-sectioning of those portions was done before the contract was let?—I do not know.

9339. At what time did you go upon the Pembina Branch?—In May, 1877.

**Pemb. Branch—
Contract 5 A.**

9340. What branch was that, north or south?—North.

9341. Who was the engineer in charge?—Mr. Rowan.

Rowan, engineer in charge.

9342. Were you next under him?—Yes.

9343. What was the character of the work over that branch?—It was common earth-work.

9344. Was the country generally level?—Yes; very level.

Country level but wet.

9345. Was there anything peculiar about the land through which the off-take ditches would be made?—It was very wet; that was all. There was a great deal of water on the line, an immense quantity.

9346. Would that make the off-take ditches more expensive to the contractor, or less expensive?—It would make it more expensive, I should think.

9347. Were the off-take ditches made under your supervision?—Yes.

9348. Do you know anything about the off-take ditches on section 15?—No; I do not.

9349. Did you ever see the country through which they were made?—No.

9350. Do you know the country on the South Pembina Branch, towards Emerson?—No. I have never been south of Winnipeg on the line.

9351. Are you able to give any opinion upon the comparative value of ditches—off-take ditches—made on the North Pembina Branch and on the South Pembina Branch?—I have never seen the country, but I should not think there would be any difference from what I have heard of it.

Of opinion there would be no difference in off-take ditches on the south and north Pembina Branch.

9352. Was the work on the North Pembina Branch finished according to your satisfaction?—Yes.

**Railway Construction—
Pemb. Branch—
Contract 5 A.**

9353. Had you any right to decide, from time to time, whether it was properly done or not?—Yes; I made all the estimates. I would not make them unless the work was in a satisfactory state.

Work satisfactorily performed.

9354. You considered then that the work was done according to contract, and to the satisfaction of yourself, and measured accordingly?—Yes.

9355. Were there disputes between you and the contractor as to quantities?—No.

9356. Do you know who made the original estimates of that portion of the branch—I mean north of Winnipeg?—No; I do not.

9357. Did you take any part in it?—I ran the line and took the levels and made the profile, but Mr. Rowan put on the grades. We laid out the work immediately afterwards.

Quantities not ascertained until work laid out.

9358. Then the quantities would be ascertained in the office, and in that work you took no part?—I do not think the quantities were ever ascertained until the work was laid out, because while I was locating the line, Mr. Whitehead had 200 or 300 men out there in the camps waiting for us to lay out the work, so that he could commence. I had to work day and night to keep him going.

Contractors on the ground ready to work before line laid out.

9359. The contractor was on the ground doing the work, or ready to do it, before the line had been laid out at all?—Yes.

9360. And you say you had to work day and night to lay out the work on the ground so that he could do it?—Yes; so that I could keep him going.

9361. Is that the reason that you think the quantities had never been ascertained before he commenced to work?—Yes.

Line had been located before.

9362. Would it have been possible to have ascertained quantities, if the line had never been located?—The line had been located there before, and they may have got the quantities from that. The line was running over the same ground, but the stakes were all out, and I had re-located it.

9363. How were they out?—The line had been run in the winter and the stakes were just stuck up, but they were knocked out. They had the profile of it.

9364. Was it the same line marked on that profile that was afterwards located by you?—Yes.

9365. Do I understand you that you saw evidence there that the same line had been previously located, but that the pegs marking it had been removed?—Yes; the line was cut out through the bush. I found the hubs, but the stakes were gone.

But line run in winter and stakes not put in solidly.

9366. How do you account for that?—Because the hubs are driven close to the level of the ground, but the stakes stand up, I think the lines were run in the winter, and the stakes were not put in solidly. They cut holes to put the hubs in, as they had to put them in solidly.

9367. Had there been a fire over the whole line?—No.

9368. The stakes could not have been removed then by being burnt?—No; they might have been lying in the grass, but I would not see them. It was swamp most of the way, with water up to our knees.

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

9369. Is there any other matter connected with any of the works on which you wish to give evidence?—In the fall of 1877 I was sent back to 14, to No. 4 section—that is the work Mr. Forrest had charge of—and I remained there for over a year, and had charge of that work on the Julius Muskeg, and for twenty miles there. I remained there until the track was laid.

In fall of 1877 goes back to contract 14, sub-section 4. Julius Muskeg.

9370. What is the general character of the country through which that sub-section passes?—Mostly muskeg.

9371. Was there any material deviation of the line there on that sub-section?—Yes; I think there was; but I do not know anything about it. The work was half completed when I got there, and I was not there at all when the change took place.

9372. The deviation was not directed then at the time you were in charge?—No; it had all been done before that, and the work was going on.

Had charge of line ditch outside the railway limits passing through Julius Muskeg.

9373. Do you remember the line ditch outside the railway limits passing through the Julius Muskeg?—Yes; I had charge of that.

9374. Was the material from that ditch put into the line?—Most of it.

9375. What would you call that ditch?—I would call it just an ordinary ditch, only very large.

9376. Do you mean a line ditch or off-take ditch?—A line ditch.

9377. The material was disposed of, was it not, in the same way that the material of line ditches is disposed of?—Yes; just the same. All that the bank required was put into the embankment; but if there was any over it was wasted.

9378. Is the material from off-take ditches disposed of in that way?—No; it is always wasted. Any other off-take ditches we have had are at right angles with the line.

9379. Are you aware that the contractors are making a claim on account of work in that ditch?—Yes; I understand they are.

Contractors' Claim for Line Ditch.

9380. Were they obliged to remove the material from it a greater length than if it had been made on the railway line?—Yes; about eighty feet I should think instead of ten as the other ditches were.

Contractors had to move material from this ditch eighty feet as against ten feet in case of other ditches.

9381. Have you formed any opinion about the extra expense that that would cause to the contractor?—No; I have not.

9382. In what way did he remove it?—With wheel-barrows; the bottom was so soft that he had to have trestles and planks all the way out, eighty feet of plank for each wheel-barrow.

Material removed on wheel-barrows.

9383. Have you any idea how many yards of earth a man could move by the process adopted there per day?—I do not think he could average more than about six.

In this way could average about six cubic yards of earth a day.

9384. And removing material from ordinary line ditches, how many yards could a man do per day?—He will average about ten yards, I think.

In ordinary line ditches a man will move ten yards a day.

9385. Do you know how much more a yard would cost the contractor if these are the right quantities; can you calculate the proportion that the contractor would pay at the long distance more than at the short distance?—About 15 cts. a yard I should think it would cost him, according to these figures.

Contractors would pay 15 cts. a yard more than at the short distance.

**Railway Construction—
Contract No. 14.
Contractors' Claim for
Line Ditch.**

Would cost two-thirds more per yard.

9386. You think it would cost him 15 cts. more?—I do not know; I am calculating from my head.

9387. Here are pencil and paper, and you can calculate it and answer me in a percentage not in cents?—It would cost two-thirds more per yard at the long distance than it would at the short distance.

9388. Is there any other matter connected with that last section, upon which you were assistant engineer, which would be the foundation of any extra charge by the contractors?—No; nothing else that I am aware of. I think they have been making some claim with regard to a coffer dam, but I do not know.

**Claim for
Coffer Dam.**

9389. What do you say about that?—I had charge of the bridge there, and the building of the coffer dam, but I think if they just make a claim for the cost of the coffer dam— The Government think that it is in their contract for the building of the bridge, but the contractors claim that they should get extra for it, that is all.

9390. If that work was to be paid for by the Government, would it be subject to your certificates as to value?—Yes.

9391. Did you ever give any certificates as to value for that work?—Yes; I kept an account of it and sent it into Mr. Thompson every month.

9392. Are you prepared to say now whether it was a proper charge or not for this man to make against the Government?—I do not know at all.

Ballasting.

In charge of ballasting on contract 14.

9393. Is there any other matter upon which you wish to give evidence?—There is nothing that I know of, except that after I had finished on the section at Whitemouth, I was appointed in charge of the ballasting on 14.

9394. On the whole of 14?—I had only charge of forty miles, and that is the only part that was ballasted.

9395. Who was that work done by?—By Mr. Whitehead.

9396. Was that done in the way in which you supposed it was to be done by the specification?—Yes.

Satisfactorily done by Whitehead.

9397. Was it satisfactorily done?—Yes; very well done.

9398. Over what portion of 14 was that?—From Brokenhead River to Whitemouth.

9399. About what length in miles?—Twenty-three.

Contract No. 48.

9400. Were you connected with any other work on the Pacific Railway?—For the last two months I have been out helping to locate the end of this first 100 miles.

Leveller on west part of first 100 miles west of Red River.

9401. The west end of it?—Yes.

9402. In what capacity?—Leveller.

9403. Who was the engineer in charge?—Mr. Force.

9404. That work having been done since the date of our Commission we will not proceed further with the enquiry upon it. Is there any other matter connected with the work which you wish to speak on?—Nothing.

Telegraph—
Construction.
Contract No. 1.

JOHN L. CONNERS, sworn and examined :

By the Chairman :—

9405. Where do you live ?—In Winnipeg.
9406. How long have you lived here ?—I came here in the spring of 1876.
9407. Have you been engaged in any occupation connected with the Pacific Railway, or the Pacific Railway Telegraph line ?—I was engaged for about two and a-half years as operator and repairer on the Canadian Pacific Railway Telegraph line west. Two and a half years operator and repairer on the Canadian Pacific Railway telegraph between Selkirk and Fort Pelly.
9408. Between what points ?—Between Selkirk and Fort Pelly.
9409. Did you operate it at Winnipeg ?—No; I operated at the Narrows of Lake Manitoba. That was my headquarters.
9410. When did you first have any knowledge of the line ?—The 8th of June, 1876.
9411. Had it been finished at that time ?—No; the line was put through, but it was not cut through—we were cutting it out that summer. There was a great deal of the line that had been put up in the winter and had been put over muskegs, and the way they did it was to cut a hole and put the pole in. Much of the line put in during winter on a muskeg foundation, the poles being held up by the ice.
9412. Do you mean without touching the bottom ?—Such bottom as there was; it was all slush.
9413. Was the pole inserted into the earth in the bottom ?—No; it was only put in.
9414. Then what would hold it up in its place temporarily ?—The ice.
9415. Do you mean the ice on the surface ?—Yes.
9416. Was that all the support it had ?—That was all.
9417. Over what length of the whole line do you think the poles were put in in that way ?—From the Narrows. From Fort Pelly, I think, they were put in very carelessly—that was on the start, I mean. In the summer time they had to watch them again and brace them.
9418. Who employed you ?—Mr. J. W. Sifton. Witness employed by Sifton.
9419. How did you support them after that ?—We put tripods. Mr. Rowan gave me a plan, and we put up some of them and we braced them. There never was help enough on the line—that is the trouble. It is a very hard country to keep a line or anything up in, and I was the only man between Fort Pelly and Selkirk. Maintenance. How repairs were executed over 165 miles by witness and without help.
9420. Over what distance had you charge ?—About 165 miles.
9421. Had you any help at all ?—No.
9422. You alone did the repairs and maintenance ?—I did the repairs. I put the line up across Dog Lake, when it was broken down, on about a mile of water. The consequence was it never amounted to much, as I did not have help enough.
9423. How did you put that up at that time ?—By getting into the lake and wading across, and getting into a boat where I could not wade. I made a temporary fixture.

**Telegraph—
Maintenance.
Contract No. 1.**

9424. How did you fix it temporarily?—By putting up those light tripods and raising them out of the boat.

9425. How did you fasten the tripod together at the time?—By wire.

9426. Would you put a pole in the middle of the tripod?—No; one section of the tripod would be the pole, and I would put the insulator on that. The first summer I was out there they did not get a circuit through until some time in August—I am not positive, but I believe it was in August. The line was only cut out twenty feet wide, and we put the wire through that, and of course the trees falling across it kept the wires down. As we would get it up on one side it would break down on the other; but that winter we had circuit.

9427. Do you mean that it was operated that winter?—Yes; it was operated that winter.

As a rule line never working through.

9428. Without many delays?—I never knew it to be operated without delays. Sometimes we would get circuit from the Narrows to Winnipeg, and sometimes from the Narrows to Fort Pelly. As a rule the line was never working through; the summer of 1878 it worked pretty well—that was a dry summer—but that was the only summer it ever worked to amount to anything.

9429. Why did it not work well?—There was not force enough on it to repair it.

Not properly maintained.

9430. Then did it not work well because it was not properly maintained?—That is what I mean.

9431. It was not for want of instruments or operators?—No; it was for want of help to keep it up.

9432. Was the line maintained sufficiently to enable it to be worked properly?—No; it was not. I used to have to carry my bed and food with me. The last time I was out I was out forty-eight days alone, and never saw a human being, and, of course, I could not do much at it. In these muskegs it takes two or three men to do the work. I left it on account of not having help enough on it, and I could not maintain it alone. The poles were poplar and would rot, and two or three miles of the line would go down at one slap, and I could not keep it up.

Never succeeded in getting help.

9433. Did you inform your employer at any time that you required more help?—Yes, frequently; but I never could get it though. Last spring William Sifton had the sub-contract.

Line down all the spring of last year

9434. To do what?—To keep up the line from Shoal Lake to Duck Mountains—about 162 miles. He was off trading and the line was down all spring—at least, I was informed that he was off trading, and I know the line was down.

9435. How do you know the line was down?—Because I am connected with the line now.

9436. In what capacity?—As repairer and constructor.

9437. Between what points are you repairer?—Between Winnipeg and Cross Lake.

Tried frequently in vain to "call" the operator at the Narrows.

9438. Would that enable you to know whether the line was up on the portion of which Sifton had charge?—Being an operator I frequently "called" the Narrows, and I never could get him.

Telegraph—
Maintenance.
Contract No. 1-

9439. When you say you frequently "called" the Narrows, did you try to communicate with the operator at the Narrows?—Yes.

9440. By telegraph?—Yes.

9441. Did you succeed?—No; the line was down. There were parties came in there who told me that he was off trading up the lake.

9442. You do not know that of your own knowledge?—No; I was not there.

9443. Then from the time that you were first employed at the Narrows until now, can you say what proportion of the time the line has been in good repair?—About four months in the winter, perhaps five. Line in good working order only for four months in winter and two months in summer of 1878.

9444. And in the summer?—None; it never was two weeks up, except the summer of 1878: there was June and July, and part of August—it stood up first rate.

9445. What was the occasion of that?—It was dry, calm weather.

9446. And why is it that it remains firmer and better in winter than in summer?—Because if the line should be in the muskegs or marshes when it freezes it becomes an insulator—ice is an insulator as well as glass.

9447. Do you mean that if the wire falls on ice you can still keep up the circuit?—Yes; it makes an insulation.

9448. Then may communication be carried on during the winter, although the wires are not on the poles?—Yes; just as good as if they were raised on the poles. Reason why line works in winter: ice an insulator.

9449. Is that the reason you give that the communication is better maintained in the winter than in the summer?—Yes; because I have known the wires to be down over a mile in winter in the muskeg and still to work well.

9450. During what portion of the time since you were first engaged at the Narrows until now do you think that the line has been properly maintained?—I do not think it ever was—there never was help enough on it, because if any trouble came up I used to have to start alone either fifty miles east or 112 miles west, and I could not make over ten miles a day, the country was so wet and bad—that is my average ten or twelve miles a day, and I am a good walker. I have walked fifty-six miles in a day over that line, but in summer time I could not make over ten or twelve. Never help enough on line properly to maintain it.

9451. What width was cut out through the woods in construction?—Sixty-six feet on each side of the poles. In construction sixty-six feet cut out on each side though at first only cut out twenty feet.

9452. I understood you a little while ago to say that the opening was only twenty feet?—On the start the opening was only twenty feet, and it was that way about a year before it was cut out to the full width.

9453. And during that early time the trees would fall and delay the operating?—Yes; the line was hardly ever open.

9454. After that was that defect cured?—About four times, to my knowledge, the trees would fall on the wires and knock them down; as a rule, the timber was not good and the poles would rot down. In the

Telegraph—
Maintenance,
Contract No. 1.

muskegs the poles were not sufficiently well put up, and they would fall down from the wind and from natural causes and lay in the water.

Not much
business done.

9455. Are you acquainted with the business done over the line now from your connection with the office?—I do not think there is much business done, at least I do not see much. I am in the office every day while I am in town.

9456. Are you able to judge, from what you see or hear in the office, whether business is being done over the line?—There is some business, but I do not think there is much, from what I see.

9457. Do you know whether there is much complaint about connection being cut off?—I never heard anybody say anything about it; they do not seem to use the telegraph out there; they did not seem to pay any attention to it.

9458. How long since you were last over the line yourself or any portion of it?—A year ago last July I was over some of it, and a year ago last September I was over some of it.

Better poles to be
had by drawing
them some twen-
ty-five miles.

9459. Are there any better poles to be had than those which were used?—Yes; by drawing them.

9460. How far?—Some would have to be drawn about twenty-five miles.

9461. What kind of timber would they be?—Spruce and tamarack.

9462. What is the ordinary life of the wood which is used for those poles?—I have known some of them to rot in two years; but they generally last three. If they are cut in the spring and put in, they last only two years.

Poles on line
nearly all poplar.

9463. Are the poles on this line all poplar or principally poplar?—They are nearly all poplar; but there are some tamarack on it, about 10 per cent.

9464. Were the poles used of as good wood as could be obtained within a reasonable distance of the line?—If twenty five miles is a reasonable distance, they are not; but if it is, they were. They took the poles right off from the ground on which they put up the line; within twenty-five miles they could have got tamarack, and for sixty miles on the line tamarack grew right through where they brought the line. For 162 miles of the line they could have got the tamarack very close, within half a-mile or a mile. Then for fifty miles they could have got pine nearly as handy as poplar.

9465. I think you said a small proportion of the poles actually put up were not poplar. What proportion would that be of the whole?—Last summer they put up—

9466. I mean on the first construction?—I think 5 per cent. would be an allowance.

95 per cent. of
poles put up
poplar.

9467. Then 95 per cent. would be poplar?—Yes; fully that.

Manner in which
line was repaired.

9468. In the repairing and maintenance of the line since that, have they used a better quality?—No; they did not do it as well. They cut off the old pole which was rotten at the ground and put it back in again, which made it four feet shorter than it was on construction. The only piece of line that was put up in any shape was a piece that I put up before I was interfered with. I put up a good line with new poplar instead of breaking off the old ones.