

Contract No. 15.

**Helping News-
papers—
Alleged Impro-
per influence.**

Tuttle without
influence with
Members of
Parliament.

11015. Did you know whether he was likely to have any influence with Members of Parliament in assisting Mr. Whitehead upon the matter on which he was engaged?—I do not think so, except that this paper, of course, would have an influence in publishing reports of the progress of the work. I do not think that he was extensively acquainted with Members of Parliament, nor would he have much influence with them.

Never heard that
Whitehead ex-
pected Tuttle to
influence Govern-
ment in any way.

11016. Have you any reason to think that Mr. Tuttle induced the assistance from Mr. Whitehead, by any representation that he could influence any one in favour of Mr. Whitehead?—I never heard Mr. Whitehead state that he advanced money to Mr. Tuttle for any such purpose. He always maintained that he had simply paid for the plant and press and material, and that he would propose to retain his own right to it, allowing Tuttle the use of it. I never heard from Mr. Whitehead or Mr. Tuttle that there was any consideration of influencing the Government in connection with it.

11017. Have you any other reason to believe so?—I have not.

11018. Have you no reason to believe that the assistance by Mr. Whitehead was given upon the understanding, expressed or implied, that he should be favoured by the Government or some members of it?—I have no reason to believe so from anything I know myself, or heard from others.

Free Press tried
to connect the
publication of the
Times with Sir
Charles Tupper.
No foundation for
such a rumour.

11019. Are you aware that such a rumour has been circulated?—Yes; I am aware that the *Free Press* of this city has endeavoured to connect the transaction with Sir Charles Tupper. My impression is that Sir Charles Tupper knows as much about it as the man in the moon.

11020. Is your evidence now to the effect that you believe there is no foundation for that rumour?—Yes; decidedly.

**Fraser & Grant—
Whitehead
Partnership.**

11021. Are you aware of any other rumour concerning Mr. Whitehead's partnership with any one?—Do you mean in connection with a newspaper?

Partnership be-
tween Whitehead
and Fraser &
Grant.

11022. No; I mean a partnership with Fraser & Grant, or either of them?—I know that there was a partnership.

11023. Do you know how that partnership was brought about?—I do; generally. Mr. Whitehead had been in financial difficulties.

Whitehead in
financial difficul-
ties.

11024. You mean a partnership in his contract on section 15?—Yes; with Fraser & Grant. Mr. Whitehead was in financial difficulties, caused, I believe, by the death of the late Senator McDonald, who managed those matters for him. The bank who had hitherto advanced him moneys from month to month to carry on his work, had suddenly refused to advance anything; and Mr. Whitehead's solicitor asked me to see the bank, with a view of stating what I knew generally of the progress of the work, and to endeavour to aid him in re-establishing the confidence which he would seem to have lost with the bank management. That endeavour was unsuccessful, and an offer from Fraser & Grant, made to Whitehead at that time, seemed the only way in which he could go on with the contract at all, and after some consideration of it, it was accepted.

Fraser & Grant's
offer seemed the
only way out of
these difficulties.

11025. You were present, I understood Mr. Whitehead to say, at the time that the negotiation was finally concluded?—Yes; Mr. Whitehead's solicitor appealed to myself and to Mr. Brown, of the Ontario Bank, to

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

do something for him, and to save him from the necessity of making a sale of any portion of the contract until those endeavours were unsuccessful; but meeting in the manager's office of the Ontario Bank, his friends had to tell Mr. Whitehead that there seemed no help for it but to make some financial arrangements with Fraser & Grant, or with some person below, to advance the money on consideration of receiving half the profits.

11026. Do you know whether any Member of Parliament or Minister of the Crown exercised any influence in procuring the partnership?—Of course I did not know what action he had taken; but the short time that had elapsed between Mr. Whitehead's finding that it was absolutely necessary for him to arrange—the short time that elapsed between that time and the time that he did arrange (forty-eight hours)—would preclude, I think, any influence from being exerted from Ottawa here. There was no member of the Ministry here, and I think it is very unlikely that any such influence could have been or was exercised.

Reasons for believing it unlikely that any influence from Ottawa could have moved Whitehead in direction of this partnership.

11027. Are you aware of any desire on the part of the Minister of Railways that Mr. Whitehead should form a partnership with the persons whom he did associate himself with?—I am not aware of any desire on the part of the Minister of Railways, in that or any other connection, except his statement to Mr. Whitehead, in my presence, and in the presence of other Members of Parliament, that the Government had every confidence in him as a contractor, but no confidence in him as a financier, and a recommendation to him to endeavour to make arrangements with some strong bank to carry him through, without his having to appeal constantly to the Government for advances.

Minister of Railways told Whitehead that the Government had confidence in him as a contractor but not as a financier.

11028. Do you know of any suggestions, either directly or indirectly, to Mr. Whitehead that a partnership with Fraser & Grant, or either of them, was desired by the Minister of Railways?—I do not.

No reason to believe that a partnership between Whitehead and Fraser & Grant was desired by Minister.

11029. Do you know whether Mr. Whitehead was led to think this, and that that assisted in accomplishing the partnership in any way?—I do not know that he was, and I do not believe that he was. I believe that it was purely the force of necessity that made it. It was the refusal of the bank to advance the money that was the cause of the arrangement.

Does not believe anybody led Whitehead to think of this.

11030. Are you aware of any rumour that Mr. Whitehead was compelled to complete this partnership out of deference to the wishes of any one of the Cabinet?—The *Evening Journal* of this city has constantly associated the Minister of Railways with a disposition to force Mr. Whitehead into a connection with Fraser & Grant; but with the exception of that, I have not heard any rumour from any respectable source.

11031. What is your opinion as to there being any foundation for such a rumour?—There is none whatever. I say that, because Mr. Whitehead, during the Session at Ottawa, repeatedly requested myself and the other Members of the Commons from Manitoba to endeavour to assist him in procuring, from the Minister of Railways, concessions in the way of advances on his plant, and security offered in that way. I have frequently accompanied deputations consisting, on many occasions, of all the Manitoba Members of the House of Commons, and Senators, with Mr. Whitehead to endeavour to aid him, simply because he had,

No foundation whatever for such a rumour.

Contract No. 15.

**Fraser & Grant-
Whitehead
Partnership.**

from the very first, helped this Province very much in the employment of labour locally here, and the purchase of almost his entire supplies in the city. He scarcely imported anything here, and this was a great advantage to this city; so that all the Manitoba people would help as much as they could. On those occasions, Sir Charles Tupper assured us that it was scarcely necessary to do this; that Mr. Whitehead stood as high as he possibly could as a contractor, with the Department, and the only difficulty with him was that, unfortunately, he could not manage his financial arrangements.

**Helping News-
papers—
Alleged impro-
per influence.**

11032. A witness, yesterday, in speaking of the assistance which Mr. Whitehead gave to Mr. Tuttle, and of the motives which led to it, mentioned your name as one who would likely be able to show that it was not for the reason that he wished to assist him merely as a newspaper proprietor, but that there was some other motive which had led to it. Upon considering the matter carefully, have you now any information upon that subject to give us which you have not given us?—No; I have no reason to believe that Mr. Whitehead assisted Mr. Tuttle from any other motive, except to establish a newspaper, and that he did so because Mr. Tuttle was reputed to be an experienced person in these matters; fairly skilled in all departments of newspaper work, and the publisher of several successful books, and apparently suitable for the object he had in view.

**Railway Loca-
tion—
Red River
Crossing.**

11033. I believe you are the holder of a considerable quantity of land in and about this neighbourhood?—I am.

11034. Also about Selkirk?—I am.

**Alleged impro-
per influence.**

Knows of no Member of Parliament but himself who has land near crossing, and his interest acquired subsequently to the decision.

11035. Are you aware of any Member of Parliament or any engineer being interested in the location of the crossing about the time or before the time it was settled upon, so as to influence the decision of any one who had the power to decide it?—I know of no Member of Parliament, except myself, and my interest was acquired in the lands that I have there, subsequent to the time that the decision was made for the crossing.

Not aware that any engineer has an interest there.

11036. As to engineers, are you aware of any of them having an interest?—I heard the rumour at the time, but I am not aware that any engineer has any large interest there, or indeed any interest at all.

11037. You are aware probably that the possibility of such a thing has been discussed frequently?—Yes.

11038. It is a matter of some interest, and we wish to ascertain whether there was any foundation for such an idea: have you any information on the subject which you think would enlighten us?—No; I have not. I was in the way, when purchasing the property which I own, which was bought on the 20th June, 1875, to know other lots in the neighbourhood that had been bought out at that time. No engineer's name certainly appeared in the registry office at that time, nor did any name appear which would lead me to suspect that the rumours then current were true.

Bannatyne's interest acquired about the same time as his own.

11039. Besides what was shown by the registry there may have been titles which were not exhibited but which existed by virtue of some secret arrangement; are you aware of any matter of that kind?—No; I am not. I made a little mistake. Mr. Bannatyne is another Member of Parliament who owned land in that vicinity, besides myself, and I

think Bannatyne's interest was acquired about the same time as my own—subsequent to the establishment of the crossing.

**Railway Loca-
tion—
Red River
Crossing.
Alleged impro-
per influence.**

11040. Had you any means of ascertaining before others that the crossing would be fixed at that place?—No.

11041. Are you aware that any other person had, either from the Department, directly or indirectly, so as to give them an advantage over the general public?—I do not know that any person had any information; I am doubtful if they had, because most of the property was acquired about the same time as I acquired mine, which, as I said, was subsequent to the determination of the Government to cross there.

As far as he knows nobody had any means of knowing beforehand where crossing would be. Most of the property acquired subsequent to the determination of the crossing.

11042. Is there any other matter connected with the Pacific Railway, directly or indirectly, which you think would assist us in our investigation and which you could communicate?—I do not think of anything at this moment.

WALTER R. BOWN, sworn and examined:

BOWN.

By the Chairman:—

**Nixon's Pay-
master-and-
Purveyorship
Fort Frances
Lock.**

11043. Where do you live?—In Winnipeg.

11044. How long have you lived here?—I think I have lived here sixteen or seventeen years.

11045. Have you had any connection, on your own account, with matters connected with the Pacific Railway?—Only an investigation.

11046. What was the nature of that investigation?—To make enquiries into the Nixon accounts, and into Mr. Sutherland's affairs at the Fort Frances Locks.

Connected with investigation into Nixon's and Sutherland's accounts.

11047. What were the powers given to you?—To take evidence without swearing the witnesses.

11048. Was it known in the community that such an investigation was going on?—Yes.

11049. It was not a secret investigation?—It was a private investigation.

11050. But it was not secret; it was understood in the community?—It was understood among the community.

11051. There were no regular sittings?—No; there were certain charges made, and the investigation was made to see if there was any truth in the charges made against certain individuals.

11052. Did you obtain any information on that subject?—I did.

11053. Did you communicate it to any one?—None, except the Government.

Information communicated to the Government.

11054. In writing?—In writing.

11055. Was it considered to be a confidential communication?—Yes.

11056. Have you had any other connection with Pacific Railway matters?—No.

11057. Your name was mentioned yesterday as a person likely to throw some light on the motives of Mr. Whitehead in assisting Mr.

**Contract No. 15.
Helping News-
papers.**

Knows nothing of Whitehead's idea in assisting Tuttle save what he heard from Dr. Schultz.

Tuttle : have you any information on that subject that you can communicate to us?—I do not know Mr. Whitehead's idea in engaging Mr. Tuttle.

11058. Are you aware of any representation on either side, either by Mr. Tuttle or Mr. Whitehead, as to the object of that gift or assistance?—No; only from reports that I have heard, and from what Dr. Schultz has stated here—that it was on account of articles that came out in the *Free Press*, and Mr. Whitehead thought that he ought to get some paper to defend his cause.

11059. Are you aware of any inducement in a different direction?—Not that I know of.

Never heard that Tuttle could assist Whitehead with the Government or any member of it.

11060. Have you any reason to believe that Mr. Whitehead was led to suppose that Mr. Tuttle could assist him with the Government or some member of the Government?—I never heard so.

11061. Have you any other reason to believe it besides hearing?—No.

11062. Is there any other matter, either directly or indirectly, connected with Pacific Railway affairs upon which you can enlighten us in this investigation?—No, I think not.

McQUEEN.

ALEXANDER McQUEEN, sworn and examined :

By the Chairman :—

11063. Where do you live?—In Winnipeg.

11064. How long have you lived here?—Three years.

11065. Were you here about the time that Mr. Whitehead assisted Mr. Tuttle with money advances?—What time do you mean?

11066. Any time?—I am not aware of Mr. Whitehead ever having assisted.

11067. Had you no knowledge of that matter?—No; only from report.

11068. Do you know of the negotiations which led to that matter?—From report only.

11069. Had you no other knowledge but that from report?—None whatever.

11070. Did you hear either Mr. Tuttle or Mr. Whitehead speak of the subject, or give reasons for its being brought about?—No.

11071. It was suggested that you might be able to explain that the motive of Mr. Whitehead was not that of supporting a newspaper as such, but for gaining some advantage, or some other benefit connected with his railway matters; are you able to give any information on the subject?—I am not able to give any information on the subject.

11072. Is there any other matter connected with the Pacific Railway upon which you can give information?—None.

Contract No. 15.
Helping News-
papers.

CHARLES R. TUTTLE, sworn and examined :

By the Chairman :—

11073. Where do you live?—In Winnipeg.

11074. How long have you lived here?—Nearly two years.

11075. Before that where did you live?—Montreal; but immediately before in Ottawa.

11076. Have you been interested in any of the newspapers here?—Yes.

11077. Which?—The *Winnipeg Daily Times*, and the *Winnipeg Daily News*.

11078. Which was the first?—The *Times*.

11079. About when were you interested in the *Times*?—It was issued first on the 4th of April, I think, 1879, and I was interested in the paper until the 13th of January, 1880.

Interested in
Times from start
to 13th January,
1880.

11080. During your connection with that paper, did you receive any gifts or assistance from Joseph Whitehead?—I received no gift. I received assistance.

11081. In what shape?—He became responsible for a considerable amount of plant and stock that was brought to the city for the publication of the paper, on the understanding that he should have either a chattle mortgage or lien upon it, with the expectation that that lien, I suppose, would be sufficient security for his investment.

Whitehead be-
came responsible
for plant and
stock for starting
paper securing
himself by lien.

11082. Were you aware at that time that he was a contractor on the Pacific Railway?—I was.

11083. Where did the negotiations take place between you and him which led to this?—In Ottawa and in Montreal; chiefly in Ottawa.

Negotiation took
place at Ottawa.

11084. Where did you live before you lived in Ottawa or in Montreal?—Do you mean to ask where I was raised?

11085. Yes?—I was born and raised in Nova Scotia, Cumberland County.

11086. When did you leave?—Nova Scotia to live in other places?—In 1868.

11087. Did you know any of the present Ministers of the Crown intimately at the time that you and Joseph Whitehead met and negotiated?—No; I had no intimate acquaintance with any Minister at that time.

No intimate ac-
quaintance with
any Minister of
the Crown.

11088. Did you consider that you had any influence with them for any reason?—No.

Nor influence
with Ministers.

11089. Did you lead Mr. Whitehead to understand that you had?—No.

Nor did he lead
Whitehead to un-
derstand he had.

11090. Do you know whether any friend, or any one on your behalf, impressed him in that direction?—No; I believe that Mr. Whitehead was led to believe, from my representations at least, that I could make that paper so valuable an institution that his lien upon it would be sufficient security for his investment.

Whitehead led to
believe that paper
might be made a
valuable institu-
tion.

11091. It has been suggested to the Commissioners that there was a motive beyond that operating on his mind and leading him to act in

Contract No. 15.**Helping News-
papers.**

Whitehead never
could have
thought that
Tuttle personally
had any influence

the way he did, because he might gain some advantage, either through your influence or the influence of some of your friends upon the Government: can you say as to the truth of this?—I know nothing of any such motive, and I do not think that Mr. Whitehead ever acted on that idea in any connection, except he may have thought the paper would be of value to him; but, as far as I am concerned personally, I am sure he never thought so.

11092. Had he not some reason to believe that you, or your friends would be able to influence the Government in his favour, and would do so because of assistance to you?—No.

Rumours that
Whitehead had
assisted him be-
cause of influence
with the Govern-
ment absolutely
false.

11093. Are you aware that such a rumour has been circulated?—I have seen articles to that effect in the *Globe*, of Toronto, and, I think, in the *Free Press*, of Winnipeg.

11094. What do you say as to the foundation of these rumours?—That they are absolutely false; there is no foundation for them.

11095. Is there any other matter connected with the Pacific Railway upon which you can give us information to help us in our investigation?—I know of nothing.

BANNATYNE. ANDREW G. B. BANNATYNE, SWORN and examined :

**Red River
Crossing—
Alleged impro-
per influence.**

By the Chairman :—

11096. Where do you live?—In Winnipeg.

11097. How long have you lived here?—Going on thirty-three years.

11098. Have you had any connection with any matter pertaining to the Pacific Railway?—No.

11099. Are you the owner of considerable property in the neighbourhood of Selkirk?—I am: of a good deal.

11100. Are you able to say whether the ownership of any property, by any one either expressed upon the registry or otherwise, influenced the decision of the locality for the crossing at Selkirk?—No.

11101. Are you aware of any Member of Parliament or engineer being interested, so as to influence the decision?—I cannot, unless Dr. Schultz might own a little property around me; we have property all over the country, where we meet together. I think we often meet at every municipality in the country.

11102. Are you aware of a discussion or rumour as to the subject of the locality of the crossing being selected in consequence of the ownership of lands by any one?—No.

No reason to
think that cross-
ing at Selkirk
selected because
of influence con-
nected with any
interest in land.

11103. Have you any reason to think that it was in any way influenced by any interest in land?—I have never seen anything to make me think so.

Never heard
rumours regard-
ing motives of
Whitehead for
assisting Tuttle
from a quarter in
which he could
place any depen-
dence.

11104. Do you know anything of the matter between Mr. Whitehead and Mr. Tuttle, of the assistance that was given, or the reasons for it?—Nothing at all; I have heard rumours, but from no source that I could place any dependence upon.

**Red River
Crossing—
Alleged impro-
per influence.**

11105. As to the partnership between Mr. Whitehead and Grant and Fraser, have you any information?—I know nothing at all except rumours.

11106. There was a transaction between you and Mr. Nixon about some land at one time while he was purveyor?—Yes.

11107. Do you remember the price of the land?—There were two transactions I think about land. There was one here, where he wished to put a Temperance Hall; I sold to him and others.

11108. That property did not affect the Pacific Railway; there was another piece of land rented for the purposes of the Pacific Railway?—I had another piece of land that I had sold and re-purchased, because the man could not pay me, and Mr. Nixon wished to purchase it. There was a good house on it, and I sold it to him. It is a little back of this place.

11109. Do you remember the price at which you sold it?—I am not positive, but I think it was about \$1,500. Sold house to Nixon for \$1,500.

11110. Was it sold before he was purveyor of the railway or after?—After.

11111. Were you one of the merchants who dealt largely with him on behalf of the Government?—I believe I got credit for having sold a good deal.

11112. But do you not know?—I know we sold some, but I never had any transaction with him. I had a manager, and I left it all to him. I never spoke to Mr. Nixon about per cent. or anything else. Sold goods to Nixon.

11113. Was the price of this land affected by the fact that he was purveyor, and had the liberty of making contracts?—Not at all. Price of land in no way affected by this.

11114. Was the mode of payment affected in any way by that?—No; the mode of payment was made as easy with him as with any one else. He paid interest, and paid the amounts at the time.

11115. Was anything afterwards thrown off by way of gift or reduction of price?—No.

11116. Has he received any other advantage from you during the contracts between yourself and him on behalf of the Government, more than would have been received by other individuals, dealing on private account?—No; he has not.

11117. Is there any other matter in any way connected with the Pacific Railway which you can explain so as to assist us in our investigation?—I know of nothing.

WILLIAM HESPELER, sworn and examined :

HESPELER.

By the Chairman :—

**Nixon's Pay-
master-and-
Purveyorship
Tampering
with papers.**

11118. Where do you live?—Winnipeg.

11119. How long have you lived here?—Since 1873.

11120. Have you been in any way connected with the Pacific Railway?—No.

**Nixon's Pay-
master-and-
Purveyorship
Tempering
with papers.**

Owner of building occupied for offices by Canadian Pacific Railway engineers, in which also Nixon had his office.

Remembers that the building was broken into.

Between twelve and two o'clock, a.m.

Heard footsteps in Nixon's office.

Sent his son to call Jacob Smith.

A man opened front door and ran out.

Found papers scattered about.

11121. Did you occupy the building, or part of the building, which was occupied on account of the Government at any time?—Yes; I am the owner of the building that is occupied for offices by the engineers of the Pacific Railway, and Mr. Nixon, in connection with the Mounted Police and the Indian Department.

11122. Mr. Nixon was also at that time purveyor to the Pacific Railway, was he not?—I believe so.

11123. Do you remember the circumstance of the building being broken into at any time?—I do.

11124. Were you occupying part of the building at that time?—Yes; I was living up stairs.

11125. What portion of the building was broken into?—Mr. Nixon's office.

11126. Where was that?—That was down stairs, below my dwelling, on the first flat.

11127. What time of the day or night was it broken into?—As near as I can remember it was after midnight, or early in the morning, between 12 and 2.

11128. Did you hear any noise at the time?—I did, but I did not hear it first; my wife heard it first and she called my attention to it, and I went down stairs thinking that it might be on our flat. We occupy two flats more. Mr. Nixon and Mr. Rowan occupied the first flat, and we occupied the second and third. We sleep on the third flat, and my wife heard some noise; thinking it was down on the second flat in our own apartment, I got up and went down stairs, but did not find anything unusual and went back again to bed, but afterwards heard it again, and I went down again, and being satisfied that it was not on our own flat, I went down stairs and went into the passage. There is a passage behind the office of Mr. Nixon. I listened there and heard footsteps in Mr. Nixon's office. I went round behind the building through another entrance to see if there was any light in Mr. Nixon's office, but I did not see any light. At the same time I knew I heard footsteps in Mr. Nixon's office. So I went up stairs and called my son to go down with me, and when he came down I told him he should watch the window on the side of the house, and I went through the front door. While I stood at the front door I heard footsteps in the office near the door, and was certain there was somebody inside. Still there was no light there. So I told my son he should go over and call Jacob Smith who lives next door to us and call him to come out, as he was one of Mr. Rowan's draughtsmen. My son went to call him up and I remained near the corner of the building, watching both the entrances and at the same time the window. While I stood at the corner of the building a man opened the front door and ran out across the street on the crossing. Afterwards my son went to call Mr. Currie, Mr. Nixon's clerk, at that time. He went to the hotel where he was boarding. We entered the building immediately after Mr. Smith came. We did not enter it before, and we found that a number of papers were distributed on the floor, and books and a screw-driver, and a general ransacking amongst the papers; and afterwards we sent for Mr. Currie, and he came along and locked the rooms again.

**Nixon's Pay-
master-and-
Purveyorship
Tampering
with papers.**

11129. Do you think that the person who was in the building was disturbed by the movements of yourself and your son?—I think so; I think the person was disturbed by our movements.

11130. Then is it your opinion that he had completed the work that he had intended, or that he was obliged to leave it?—I rather think he was obliged to leave it.

Thinks burglar had not completed his work.

11131. I suppose you cannot say to what extent the papers were disturbed?—No; I have no knowledge of what had been previously there.

11132. Did you call out to the person as he went away?—I do not recollect that I did, but the person that ran out mentioned something which I could not distinguish what he meant; at least I heard a sound as he ran out.

11133. Do you think he was speaking?—Yes; he was calling out some words, or some sentence.

11134. Do you know who it was?—No; I have not the slightest idea. It was a very dark night.

No idea who he was.

11135. Have you still no knowledge of the person?—I have no knowledge whatever.

11136. Is there any other matter connected with the business of the Pacific Railway on which you can enlighten us?—No; none whatever

GEORGE BROWN'S examination continued :

G. BROWN.

By the Chairman :—

**Contract No. 15.
Helping News-
papers.**

11137. Your name was mentioned yesterday as a person who could probably throw some light upon the motives of Mr. Whitehead in giving assistance to Mr. Tuttle: have you any information to communicate on that subject?—No; I do not know that I have. There was no reason given for it except the bringing of a Conservative organ into the town. That is all I understood it was for.

No reason given for assisting Whitehead save to bring a Conservative organ into Winnipeg.

11138. Where was this said?—I could not tell you; here in town. I imagined from what I gathered from Mr. Whitehead, that would be the only reason.

11139. Did you say you heard that from Mr. Whitehead?—That is what I gathered from the meaning of any conversation we ever had about it.

He gathered this from conversations.

11140. Was Mr. Tuttle present at any conversation on the subject?—I could not say. I do not think so.

11141. Were you led to believe by Mr. Whitehead, or Mr. Tuttle, or any one else, that Mr. Tuttle had some personal influence over some Member of Parliament, or some Minister of the Crown, which would be useful to Mr. Whitehead as a contractor, and which would be exerted if the paper was assisted?—No; there was nothing said in that way. From all I understood of any conversation we have ever had about it, was that if we had a Conservative organ here it would not do the contract any harm; but there was nothing said to imply that the Government, or any individual of the Government, had anything to do with it.

Nothing said implying that the Government or any member of the Government had anything to do with it.

Contract No. 15.**Helping News-
papers.**

Whitehead said he wanted a paper which would give him fair play, as the *Free Press* had killed the same man three or four times.

Of course I am speaking just from what facts I know, not from rumour, because there were all kinds of rumours at the time.

11142. Do you know the words that were used upon the subject in describing the character of the paper: was there any particular reason why Mr. Whitehead should want a paper, either Conservative or any other kind of paper, as far as you know?—I think myself, if I remember rightly, I heard Mr. Whitehead making a remark that he wanted a paper here that would give him what he called fair play. The *Free Press*, he said, had killed the same man over three or four times, that was one thing. Any accident that happened on the line, or anything that they got, they seemed to make the most of it against the old man—Mr. Whitehead. That was one reason.

11143. Did he lead you to understand that he considered himself not fairly dealt with by the *Free Press*?—Certainly.

Whitehead repeatedly said he was not fairly dealt with by the *Free Press*.

11144. Do you mean that he expressed that as one of the motives?—Certainly. He spoke of it repeatedly. That was his own idea.

11145. Did you ever hear it mentioned by any person that his assistance to Mr. Tuttle might influence some Member of Parliament or some member of the Government, in favour of Mr. Whitehead upon the matter of his contract?—I never heard him say so directly or indirectly.

11146. Have you heard Mr. Tuttle say so?—If I did it would go in one ear and out of the other. I never remember what he said. There is no doubt at all, from his conversation, that he would have every member of the Government at his beck and call.

11147. Did Mr. Tuttle say anything in that direction?—No, not that I can remember; and Mr. Whitehead was very guarded in anything he said in a case like that.

11148. Still we wish to ascertain what was said?—I do not remember.

11149. Do you know whether Mr. Tuttle's representation that he could influence any member or members of the Government was in any way the cause of the assistance given by Mr. Whitehead to him?—I never heard the reason—Mr. Whitehead's reason for giving assistance to Mr. Tuttle.

11150. Have you any other means of knowing why Mr. Whitehead was induced to give this assistance, except what you have heard from Mr. Tuttle or Mr. Whitehead?—No. Only the rumours about the town. I did not know anything. I could not swear to it.

Alleged improper influence.

11151. Is there any other matter connected with any of the contracts, or pertaining in any way to the railway, on which you could give us information to help us in the investigation?—That is a pretty broad question.

11152. It is in earnest?—I know; but it is a pretty broad one. Mr. Whitehead and I were always very great friends, and I have heard so much of it, and yet there is really no point that I can give. I knew a great deal about the road, as it was going on, but I think there is nothing of importance.

11153. Have you ever understood from him that any of his transactions were with the object of getting some advantages from the Gov-

Contract No. 15.
Alleged Impro-
per Influence.

ernment more than he would be entitled to as a matter of right?—No, certainly not; everything he did was for the purpose of facilitating matters as much as possible with all parties interested. He has been fighting, as you know, with the engineers ever since he commenced, and the engineers have been fighting him, and everything that could be done to facilitate matters, I think he always did.

11154. Are you aware of any transaction on his part with the object of obtaining an undue advantage, or which had the effect of giving him any undue advantage?—No; none at all.

Aware of no transaction of Whitehead's aiming at an undue advantage, or by which this was obtained.

11155. When you speak of his desire to facilitate matters, what matters do you allude to?—Well, one matter was the dispute between himself and the engineers about the loose rock. He, of course, thought that he had been very hardly dealt with in that matter, and, from my own business relations with Mr. Whitehead, I know that every obstacle seemed to be placed in his way in getting through his work. It was a fight every month about his estimates. He never could get anything done properly. It seems to me there seemed to be a hitch in everything.

11156. What matters do you say he alluded to when you say he wished to facilitate matters?—His loose rock and rock questions, the tie question, and the matter of getting his estimates earlier.

11157. When you speak of questions, do you mean to say to facilitate the settlement of the questions?—No; but every month there was always something cropping up—either a reduction in the estimate from what his engineers said it was, or there was always a fight going on.

Whitehead seemed constantly to have some difficulty to contend against.

11158. What was there he was endeavouring to facilitate or hasten?—To get these things in an ordinary proper form. His engineers would make their measurements and return them to him; then they would never know what would be in Ottawa.

Never would know what money he was entitled to at Ottawa.

11159. Do you mean the money that he was entitled to?—Yes.

11160. Then it was the receipt of the money that he wished to hasten?—Yes.

11161. What do you understand that he did in order to accomplish that?—He did anything in his power that he could.

11162. In what way?—To facilitate matters both for the engineers—Of course they are the Government, or Government servants.

11163. Do you think he gave the money to Mr. Tuttle to facilitate his estimates?—No.

Did not give money to Tuttle to facilitate his estimates.

11164. I asked you if you knew any of his transactions were for the purpose of obtaining any undue advantage, and you say it was for the purpose of facilitating matters?—Of his actions, afterwards and before, to facilitate matters and try to get his work done.

11165. Do you mean that getting the work done was facilitating the matters that you allude to?—In getting his monthly estimates. He spared no trouble.

11166. Do you mean getting the amount of his monthly estimates?—Yes.

11167. You see a contractor may do a great deal to facilitate the getting of the amounts of his estimates, when he ought not to get

Contract No. 15.**Alleged improper influence.**

Whitehead always said a certain amount of his estimates was improperly kept back from him.

them, and I want to understand what you mean by that remark?—His engineers, he always said himself—he thought himself that there was a certain amount kept back from him and reductions made in his estimates which were wrong, and his engineers thought so too.

11168. Do I understand you to say that he and the Government engineers were continually disputing as to what was due to him?—Yes; continually.

11169. Are you aware that any effort of Mr. Whitehead's was directed to obtaining any advantage which was not considered at the time due to him?—No; I do not think he did anything of the kind. I do not think he made any effort to get any undue advantage.

11170. Is there any other matter connected directly or indirectly with the affairs of the Pacific Railway upon which you could give us information?—No; I think not.

Whitehead's banker.

11171. Were you Mr. Whitehead's banker during his time?—Yes.

11172. That would give you a better knowledge of his affairs than other persons would be supposed to have?—Certainly.

ROWAN.**Telegraph—
Construction.
Contract No. 1.**

Report on the Narrows.

JAMES H. ROWAN's examination continued:

By the Chairman:—

11173. Can you produce a copy of the report to which you alluded yesterday, and which refers to your inspection of the route through the Narrows of Lake Manitoba?—Yes; I produce it. (Exhibit No. 106.) You asked me, yesterday: "were the suggestions in reference to the construction of telegraph by Sifton, Glass & Co., in writing."—that is, when I spoke about the inspection of the telegraph line built by Sifton, Glass & Co.—and I said that I thought an inspector should have been along over the work at the time it was being built; and you asked me had I made that recommendation in writing. I said I thought so; but I was not sure. I have since looked up the matter, and I find it was in writing.

Nothing to prevent line from being maintained in fair working order had the construction been properly done in first instance. Had suggested that some one should have been appointed to superintend erection. It being impossible for witness to do more than make a general inspection. Contractor having to maintain line for five years thought a sufficient guarantee that work would be done well.

11174. About what date?—The 9th June, 1877. I refer to my letter-book and read the following extract from that report, a copy of which is on file in the Engineers' office:—

"To sum up the whole I may say that, with the exception of three points, Dog Lake, the Narrows, and Bay of Lake Manitoba, from which a special agreement was, I believe [I have not been officially notified on the fact] made through M. Fleming, there is nothing which should prevent a line from being maintained in fair working order, if proper precautions had been taken by the contractor in its construction. That that has not been done cannot be denied, and the consequence is he has been put to great expense for repairs and maintenance; and the result is, I believe, these two items have already cost him almost as much as putting up the line a second time throughout its whole length, while the frequent interruptions in the work have also been a loss to him and an inconvenience to the public. In making these remarks it would seem as if I were passing a censure upon myself for not having seen that the work was properly done. In reply to this, I beg leave to submit the following remarks which will, I am sure, be substantiated by Mr. Fleming. When this work was about to be commenced, I suggested that some one should be appointed to superintend the erection, and accompany the contractors' men to see that the poles were sunk a sufficient depth in the ground, and properly secured, and the joints in it were properly made, it being impossible for me to more than make a general inspection of the work, and attend to my other duties; the more so as from the unsettled country through which the line passes a considerable length of time would be required to make the journey. It was considered, however, that such an officer would not be

necessary, from the fact that the contractor had to maintain the line for five years, a fact which was thought to be a sufficient guarantee that they would in their own interest take pains to put it up in a substantial manner."

In reply to the question you asked me yesterday, as to whether I had furnished Mr. Fleming with any estimate of the probable cost of the northern extension of the Pembina Branch, I beg to reply that I did, and it was communicated to Mr. Smellie, in Mr. Fleming's office, in a letter dated 16th July, 1877. You asked me, yesterday, to produce the contract with the North-West Transportation Co. for the transport of rails. The first communication I had on that subject was a letter from Mr. Burpee, dated 25th June, 1875, sending me a copy of documents relating to the transport of steel rails, delivery and storage, which I now produce, together with the letter. (Exhibit No. 107.) Further, on the 19th May, 1876, I received a letter from the Secretary of the Department of Public Works, enclosing me an official copy of the same document. I was asked for plans and profiles of Cross Lake trial lines. These are being prepared, and I will have them ready for you to-night. I was questioned, yesterday, about the completion of the eastern portion of contract 14 by Mr. Whitehead, and an agreement made between him and Mr. Sifton, which was to be subject to the approval of the Minister of Public Works. I then stated what, from my recollection, I believed to be the purport of that agreement, whatever any written document might say to the contrary. I now produce papers which, to my mind, seems to confirm the view I then took. These papers are marked A, B, and C, and were placed in my hands by the acting Engineer-in-Chief, at the time that the transaction took place. A is a letter from Sifton, Ward & Co. to myself respecting the contract with Mr. Whitehead, and dated the 13th September, 1878. B is the agreement between Messrs. Sifton, Ward & Co., properly signed and witnessed, and bearing date the 13th September, 1878. The third, C, is a letter from Mr. Francis J. Lynch, dated Winnipeg, September, 1878, addressed to Messrs. Sifton, Ward & Co., and showing them the respective costs of doing the work in different ways. I will now hand these papers in, if required, and I think an inspection of them will confirm the view that I took as to what the nature of the agreement was.

**Railway Construction—
Contract 5 A.**

Furnished Fleming with estimate of probable cost of north extension of Pembina Branch.

**Transport of
Rails.**

Produces papers asked for.

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

Produces papers confirming his recollection of agreement between Sifton and Whitehead.

11175. They will not be required at present. If wanted you can send them by mail to Ottawa. Do you remember whether a line considerably south of the present location of section 15 was made by Mr. Carre?

**Railway Location—
Contracts Nos. 14 and 15.**

—Yes; a survey was run by him on the southern line.

11176. Were profiles of that line finished?—A profile was finished of the portion he run.

Line south of section 15 made by Carre.

11177. Did that come under your inspection?—Yes.

11178. Did you consider it a favourable line?—In some respects.

11179. How would it compare with the adopted line?—As regards the amount of work especially, I think it was a more favourable section than the present line in some respects.

In some respects more favourable than present if so.

11180. Upon the whole would it have been a better line to adopt you think?—I think not.

11181. Why not?—Because it would lengthen the line considerably as compared with the present line. Notwithstanding the lesser amount of work we would have done upon it as compared with the present

But it would lengthen the line and though work lighter no saving.

**Railway Location—
Contracts Nos. 14 and 15.
Line north of Lake Manitoba.**

Work executed on contract 14 would have had to be abandoned.

This conclusion arrived at after the line through Narrows fixed on; hence it would lengthen line.

Line south of Lake Manitoba would probably have made the line south of present contract 15 feasible and the whole line cheaper.

When comparison had to be made the choice was no longer a pure engineering question.

One of the principal reasons for not adopting Carre's south line was that work had gone too far on contract 14.

Carre's line would have lengthened line by five miles.

contract 15, it was thought by the Chief Engineer, who went into the matter very fully with myself, that no saving would be effected if we had to abandon the work already done upon contract 14, what would have been necessitated by the carrying out of that line. Its increased length, and the cost of making that increased length and operating it for all time to come—these and other similar matters which were given very full consideration by the Chief Engineer and myself, led him to conclude that it was better to adhere to the present line at that time than to attempt to make a change.

11182. I believe that consideration was after the line through the Narrows of Lake Manitoba had been settled upon?—Yes; that is what I mean by stating it would have increased the length of the general line, and taken it out of the direction it was desirable to follow.

11183. Had the line as first projected, that is south of Lake Manitoba, been adopted, would it have been possible to have made this south line of Mr. Carre's work in with it, and on the whole diminish the cost of the railway?—I think it is quite probable it would, if that had been the line first struck upon when the surveys were started.

11184. What I mean is this: if, before the Government had been committed to any expenditure, there had been the choice of the two routes from Rat Portage, one by the present line to Selkirk and thence northward or north-westerly across the Narrows of Lake Manitoba, and the other the southern line from Rat Portage as surveyed by Mr. Carre, crossing the river at some point south of Selkirk so as to continue it south of Lake Manitoba, which would have been the most favourable line for the public interest?—I am not prepared to state positively which would; but I think probably the southern line.

11185. If you have made no comparisons it is not likely that you could give any opinion on the amount by which it would have been more favourable?—No, I could not say; because at the time that the comparison came up, when we had to make a comparison, we were tied down by certain facts.

11186. Contracts had been let and money expended, which no longer left the choice a pure engineering question?—No; we thought it was not necessary or requisite to go into the question, in the light which you have put it, at that time.

11187. Assuming that the Government was committed to the crossing at Selkirk, and that no expenditure had been made east of Red River on contract 14, would the south line run by Mr. Carre and joining in with the present route somewhere upon 14, have been a more favourable line than the one now adopted over 14 and 15?—I am hardly prepared to say whether it was or not.

11188. Do you think that the principal reason for not adopting the southern line of Mr. Carre's was that the work had gone too far on the line of 14 as then under contract?—I think that was one of the leading reasons.

11189. Do you remember any other reason or consequence?—One I have mentioned—the length of the line and the cost of maintenance for all time to come.

11190. Do you know by how much that would have lengthened the line?—I think, if my memory serves me right, something about five miles.

**Railway Location—
Contracts Nos. 14 and 15.
Line north of
Lake Manitoba.**

11191. Is there any mode of calculating the probable running expense of the road?—Yes.

11192. What is it?—Taking the length of the road, curvature and the gradients, you find out what amount of traffic can be carried over it by engines of a certain power, which would cost a certain sum, and the cost of fuel and other ingredients, oil, &c., that are required.

By Mr. Keefer :—

11193. But with the same gradients and same curvature it is reduced to a question of so much per mile?—Yes.

How to arrive at most favourable line.

By the Chairman :—

11194. If the capital applied to the construction of one was so much less than on another—that the saving of interest amounted to more than the saving of running expenses on the other line—would that enable you to say which was the most favourable line to adopt?—I do not think that that alone would.

11195. What else would be a material element in the calculation?—The country to be benefitted by the railway, and the probabilities of more or less traffic on the route through which the road would pass.

11196. Assuming that the local traffic would be equal on each line, is there still any other material ingredient in the calculation?—Yes; I think so. I think that in a transcontinental railway, such as this is contemplated to be, that other things being equal the shorter that you can make the route the better.

11197. That is—leaving aside the question of capital and interest involved in the construction of the one or the running expenses of the other—the line which could be travelled over in the shortest space of time might induce an amount of through traffic which a road of greater length would not induce?—Yes.

In a transcontinental line shortest route best.

11198. Are you of the opinion that this was one of the reasons why the direct line from the Narrows of Lake Manitoba was at one time projected?—I am.

This is the reason why the line through the Narrows was projected.

11199. Do you mean that the probability of through freight and passengers was an important factor in the problem?—I am of opinion that it was, and that the object was to get the shortest and most favourable line from ocean to ocean.

11200. Do you know whether the question of local traffic over a different line, but which would not be the shortest line, was taken into consideration?—I cannot say.

11201. Was it taken into consideration at any time when you and the Chief Engineer discussed the matter?—My reply to this will be given with hesitation, for this reason: I am not positive, but I think, as regards that question, it was contemplated that this railway would be pushed through with considerable rapidity, and that it was intended to be a through transcontinental railway. Local traffic on it at that time—what I mean by that time is, the short time before it was expected to be completed—would be small. Local traffic was to be subsequently furnished to it by branch railways in addition to what it would draw itself after the country became more fully settled.

Shortest line arrived at. Local traffic expected to be swelled from branch lines.

11202. Do you mean that the necessity of finishing it within a short period made it impossible to give it all the advantages that it would

**Railway Location—
Contracts Nos. 14 and 15.
Line north of Lake Manitoba.**

have had if time was not so pressing—in other words, do you mean that it was recommended to make it in a short time with less advantage than if time had not been material?—It was always contemplated; as I understood that it was going to be pushed through within a short period of time, and that consequently local traffic could not amount to much in that time—in the time I mean from its commencement to its completion.

11203. In your opinion, would the road be a more profitable undertaking if it had been built without respect to the speedy completion, but only with a view of its being made a paying matter?—I do not think I am in a position to answer that question.

11204. I want to know if that was an engineering element in the problem?—I fancy it was, but it can only be supposition.

11205. Do you remember whether you and the Chief Engineer considered the question upon those matters, or whether he alone undertook it?—I do not think he consulted me on that particular point.

Had he known as much as he does now of the extent and fertility of the country he might in choosing a route have taken settlement into consideration.

11206. As an engineer yourself, and without reference to what has taken place, are you of opinion that the more profitable undertaking would have been to consider the settlement of the country through which the road was to pass, so as to increase local traffic from the beginning rather than wait for its development afterwards by branch lines?—If I knew all about the country then when this work was undertaken that I do now, probably that would have entered very strongly into my consideration; but so little was known at that time of the vast extent and fertility of the country here, that I do not think I would have been in a position to give it that consideration which I ought to.

11207. By the light of the present day do you as an engineer think that it was a fortunate decision to plan the road in the most direct way across the continent, irrespective of the nature of the country as to settlement, through which it was to pass?—I think that a line being started and built, and intended as a quick and speedy transcontinental railway, I would sacrifice some of the benefits to be gained from local traffic and improvement to make it the most direct route practicable across the continent, provided that the engineering features of that route did not largely enhance the cost over what a road more favourable for settlement would be.

Fleming's decision right alike from past and present stand-points.

11208. Then do I understand you to say that in your opinion the decision of that day was correct?—I think what the Chief decided was right.

11209. Do you mean right according to the light of that day, or right according to the light of the present day?—I think it is right still.

11210. Then that involves this sequence: that the through traffic gained by the short line would be more profitable than any increase of local freight which would be gained by going through a better settled country?—I do not see that, for this reason: a through line is a trunk line, whatever local traffic springs up will be led to that trunk line, when it is completed; by branch lines. It is not probable that two great trunk lines will be run across the continent anywhere in close proximity to one another, and the through continental road, although

not probably placed in exactly the best position for local traffic in the first place, will have that local traffic come to it in the course of time.

11211. Will that not be after the further expenditure of building branch lines?—Certainly after the country is settled and branch-lines are required.

11212. Would not the advantage of the local traffic which may be ultimately obtained be diminished if the cost of the construction of these branches on the original shorter line amounts to more than the cost of increasing the longer line in the first instance?—It seems to me that in that way of putting it, you are leaving out of consideration altogether the through traffic.

11213. I do not intend to do that?—By the construction of a short through line, which is built to compete with through transcontinental lines, you give it a superiority for that competition, and the local lines to be subsequently built will afford it a large local traffic besides.

11214. Of course the amount of through traffic, or rather the percentage of the through traffic upon the whole traffic, would form a material element in your calculation; for instance, if upon this road one-twentieth of the whole receipts should be for through traffic it would affect the whole question materially?—Yes; but in consideration of this question and the construction of the Canadian Pacific Railway, as I understood it, the first grand object was the construction of the transcontinental railway.

11215. Do you mean irrespective of its being a paying undertaking?—Irrespective of local traffic altogether.

11216. Do you mean that the amount, whether it should be great or small, of the through traffic, was not an element in the engineering calculation?—No; the calculation was that there would be a large through traffic in consequence of the shortness and directness of the line across the continent and the very favourable gradients that we were enabled to obtain on this line.

11217. Do you know whether there was any calculation as to the probable value of the through traffic as compared with the whole traffic?—I cannot say.

11218. Do you know what percentage the through traffic over any transcontinental line bears to the whole traffic?—I have read, but I do not at this moment remember what proportion it bears on the Union or Central Pacific Railway. I fancy, however, that the through traffic bears a small proportion to the local.

11219. Do you think it is more than one-seventh of it?—I cannot say at this moment at all.

11220. Assuming it to be one-seventh of the whole, the rest will be occasioned by the nature of the country through which it passes; for instance, whether it is well settled, or whether there is much business done in it?—Yes.

11221. Now if the through traffic on this line does not exceed one-seventh of the whole, which do you think will be the more important element in deciding whether it should be a short through line or a longer line through a country well settled and in which there is more business?—I think that if I am giving up a transcontinental railway,

**Railway Location—
Contracts Nos. 14 and 15.
Line north of Lake Manitoba.**

Local traffic will come after country settled and branch lines made.

Irrespective of local traffic the first grand object was the construction of a transcontinental railway.

Proportion borne by through traffic over a transcontinental line to the whole traffic.

**Railway Location—
Contracts Nos. 14 and 15.
Line north of Lake Manitoba.**

I will build it through a country most settled. If you cease to have that the most important feature in the thing, then I will take the line through the country that will bring most local traffic regardless of length.

Object of making Canadian Pacific Railway to enable it to compete successfully with other transcontinental lines.

11222. I understood you to say that the reason why you, as an engineer, considered the short transcontinental line the best, is because it will induce the most through traffic, which will be of more importance than the value of the local traffic through the settlement?—You have misunderstood me, and what I intend to convey—that the consideration and object of making a transcontinental railway of the Pacific Railway was to enable it to compete favourably with transcontinental railways in other parts of the continent.

If after completion of line through business no more than one-seventh of the whole business that could have been secured by a different route through a better settled country; as a purely financial question, witness would have lengthened the line.

11223. If after that competition the business should be no more than one-seventh of the whole business, how would that affect the question—I mean one-seventh of the whole business that could have been secured by a different route through a better settled country?—Do you mean as a financial undertaking?

11224. Yes?—As a purely financial undertaking, I should feel disposed to lengthen the line so as to secure the local traffic.

11225. Do you mean that the question of the amount of through traffic to be secured by this particular line was not entirely a financial question?—I think it was not; I may be mistaken, but I think not.

But the question not merely financial, it was national and Imperial.

11226. What was the other question?—I think it was a national and Imperial question.

11227. Do I understand that the interests of this country and the probability of a monetary return was not considered to be of so much importance as the interests of the Empire generally in the construction of this road?—I do not know anything about this at all. I thought you were asking my views?

11228. So I was, but you went on to say what had been done, and you have gone back from the decision you formerly gave?—Of course it is purely surmise on my part. When I say I think it was, or was not, my answer is, that, as a purely financial undertaking, I would be disposed to lengthen the line so as to secure a greater amount of local traffic.

For the present irrespective of Imperial interests the longer route giving more business would be the better line from a financial point of view.

11229. Irrespective of Imperial interests and by the light of the present day, which do you say would be the most favourable engineering and financial undertaking, to make a direct short route with a view to the speedy transit across the continent, or the long route which would bring about more business from the country more or less thickly settled?—I think, for the present, the longer route giving more business to the line would be the better line.

11230. You mean better from a financial point of view and without considering the Empire?—Exactly.

11231. Then the reasons in your mind, if any, for making a short and direct line across the continent are, the consideration of Imperial interests rather than of pecuniary results to Canada? You will understand that I am only asking at present for nothing more than your own individual opinion?—Then my answer is, that I should be disposed to lengthen the line somewhat for the sake of securing local traffic.

GEORGE BROWN'S examination continued :

By the Chairman :—

**Nixon's Pay-
master-and-
Purveyorship
Private Trans-
actions with
Alloway.**

11232. Have you with you any such book as was referred to in the subpoena served upon you?—I have a book showing all notes discounted in the bank. Produces book containing all notes discounted in Ontario Bank.

11233. Will you please look at it and see if it contains a reference to any note or acceptance made by W. F. Alloway or Thomas Nixon, and drawn or endorsed by either of them? I have no desire to see any other person's business.—Can you give me any date? I should also like it noted that I give this evidence under protest. If there have been anything, I do not think there have been any transactions for some years.

11234. We wish to know nothing of any note or acceptance upon which only one of these names appears; it is only as to paper upon which both names appear. We wish you first of all to find if there is a reference to any such paper?—I do. Finds November, 1875, record of note of \$1,000, W. F. Alloway maker and Thomas Nixon endorser.

11235. When?—In November, 1875.

11236. What is the amount of the paper?—\$1,000. I am simply taking from my books. I could not say. Our books are headed in the columns "Promissor" and "Acceptor." In another column "Drawer" and "Endorser;" "For whom Discounted."

11237. What is the name of your book?—Discount Register.

11238. Whose name do you find recorded as maker or acceptor?—W. F. Alloway.

11239. Whose name do you find recorded as endorser?—Thomas Nixon.

11240. Whose name do you find recorded as the person for whom it was discounted?—It was recorded here as W. F. Alloway. Discounted for W. F. Alloway.

11241. Are you likely to have the original there referred to in your custody now?—No.

11242. Is this one of the books of your bank?—Yes.

11243. Which bank?—The Ontario Bank.

11244. Are you manager and agent of that bank?—I am.

11245. Do you find any other reference to paper of this kind?—If you could give me any date at all.

11246. I am afraid I cannot assist you. We are enquiring into matters we know nothing of. We wish to find out what other people know?—There is a matter of between 20,000 and 30,000 notes discounted, and it would be almost impossible to say.

11247. If you say you are not able to say within a reasonable time we will give you further time?—I am afraid it would take too long a time to hunt it up now.

11248. Can you, from memory, say whether there were more notes than that?—No; I could not say at all.

11249. Perhaps it will not be necessary to enquire further; if we should wish it we will notify you so as to give you time to look them up.

**Railway Construction—
Contract No. 15.**

J. H. ROWAN's examination continued :

By the Chairman :—

Verification measurements made by Peter Grant. 11250. Was there a verification measurement by Peter Grant of the work on section 15?—There was, I believe.

11251. Do you know why it was ordered?—I do not.

11252. Do you know what the result was?—I do not. I would like to say I do not. I know it was taken, and we afforded him all the assistance in our power to take it.

Received official notification that work was taken out of Whitehead's hands to serve on him.

11253. Do you know the reasons which were given for taking contract 15 out of Mr. Whitehead's hands?—An official document was sent to me from Ottawa with instructions to serve it on Mr. Whitehead. I read it over and served it. That document is, to the best of my recollection, an official notification that the work was taken out of his hands. He being absent from here at the time his lawyer accepted service. Further than that I know nothing of the matter except from my position as district engineer. I know that the work was not being carried on satisfactorily.

11254. There has been a question very much discussed, namely, the authority for the change of work on section 15 from the trestle work system to the solid earth embankment: do you remember what was the first authority for the change?—I remember the whole circumstance very clearly, from having given evidence under oath on the whole subject before a Committee of the Senate in Ottawa, about a year and a-half ago.

11255. Can you say who was the first person who directed a change—who had any authority to do so?—The question of authority to do so is, I have heard, a moot question.

Marcus Smith authorized witness to make the change from trestle work to solid earth embankment in regard to a portion of work.

11256. I will alter it by saying the first person assuming to have authority?—The person who authorized me to make any change was the acting Engineer-in-Chief.

11257. Do you mean Mr. Smith?—Yes; Mr. Marcus Smith. I looked on his order as being all that I require. This, however, refers only to a change of a portion of the work from trestle to earth embankment. The authority for the complete change was communicated to me by the Engineer-in-Chief, Mr. Fleming, last year. His letter to me stated that the Government approved of the change and had authorized it.

11258. Do you remember whether you had authorized the contractor to make any change before Mr. Smith had directed you so to do?—No.

11259. Do you mean that you do not remember, or that you did not authorize the change?—I do not remember that I authorized any change until I was authorized by Mr. Smith.

Original estimate of cost of section 15, \$1,600,000; estimated cost to complete \$2,500,000.

11260. Can you say now, in round numbers, how much the cost of the whole work on section 15 will exceed the estimated cost at the time the contract was let?—Yes. The original estimated cost was about \$1,600,000 on the tenders put in. The estimated cost to complete is \$2,500,000.

11261. Then the difference is about?—\$900,000.

11262. The trestle work system would have been a less expensive one than the one now adopted?—It is a mere matter of construction.

**Railway Construction—
Contract No. 15.**

11263. I mean the first cost—construction cost?—Yes.

11264. Can you say how much of this difference of \$900,000 is probably due to the change from trestle to earth embankment?—About \$250,000, I think.

\$250,000 due to substitution of embankment for trestle; \$650,000 to an excess of solid rock excavation.

11265. To what do you attribute the balance of \$650,000?—To an excess of solid rock excavation, in the actual quantity of rock to be removed, on the line over what was placed in the approximate quantity submitted to parties tendering.

11266. Was that from a change in the grade, so as to make the quantities greater, or was it from inaccurate calculations at the beginning?—There is a difference of opinion on that point.

This last item due in part to change of grade, in part to inaccurate calculations.

11267. How is it in your opinion?—I think it is due to both—partly to both.

11268. How much of the increase was caused by the grade being altered?—I cannot at this moment answer that question. When the discrepancy was first discovered Mr. Carre undertook to make an explanation. I desire to say that at the time that the quantities to be submitted for parties to tender on under the present contract, or at that letting, were called for, Mr. Carre was engaged in the field locating and cross-sectioning contract 15. I received instructions from Ottawa requesting an estimate of the probable quantities required in order to submit to tenderers, and I sent out from here to the line, and got Mr. Carre in to assist me in making up the quantities; and as the thing was wanted very hurriedly, I instructed him to make up the quantities of rock and earth while I went into the designing of trestle work and taking out the quantities of timber work that would be required to complete the voids. He gave me in the quantity of rock that was required to be done, and showed me at the same time an improvement that was made in the location which he was then engaged on over the previous location which would shorten the line considerably, and on that account we struck off about 20,000 yards of rock. If my memory serves me right, the quantity he had was 320,000 yards; and thinking we could safely knock off the 20,000 yards on account of the piece that would be taken off the length of the line by this deviation which he was then making, I accepted these figures as correct with that deduction, and forwarded them with my estimate of the other quantities to the Engineer-in-Chief. It was only a considerable time afterwards that I first became aware of the fact that there was going to be such a large discrepancy between the quantity of rock to be actually done and that submitted to the tenderers. I brought it to the notice of the Engineer-in Chief. He was very much surprised and displeased when I brought it under his notice, and desired that I should give some explanation of how such a discrepancy could occur. I appealed to Mr. Carre as having made up the quantities for an explanation, in order that I might lay it before Mr. Fleming, because he was, as I have already stated, completely taken aback by finding there was such a discrepancy between the quantity given and what it was turning out to be. Mr. Carre furnished, I believe, the Chief Engineer with an explanation—I think there must be a copy of it on file in the office—that accounts in a large measure for the increase of the quantity and the cost of the work now as compared with what it was estimated to cost under the form of tenders; and many people have, in consequence, thought that the increase in cost was due to the change from trestle

Explanation as to discrepancy between estimated and actual quantities.

Carre furnished Fleming with an explanation.

**Railway Con-
struction—
Contract No. 15.**

work to earth filling, when in reality a large part of the increase in cost was due to incorrectness in the original estimate of the quantity of rock to be removed.

No sufficient data in first place to obtain anything like correct quantities.

11269. Do you understand that error in the estimate at the beginning to be caused by some miscalculation upon the data which had been obtained, or because it was impossible to obtain sufficient data to make a correct calculation?—We had not sufficient data in the first place to obtain anything like a correct calculation.

Thinks there must also have been an error in calculation.

11270. It was no fault in the figuring then upon the data which were obtained?—I do not wish to say that. I think there must have been some error in the calculation; but, at the same time, I say positively that we had not sufficient data to arrive at a correct estimate or anything like a correct estimate, but I think there must have been an error in the calculation besides, although, in justice to Mr. Carre, I must say that he was of opinion that there was not, and endeavoured to explain how it was.

Requisite before calculations of quantities are made to profile and cross-section line.

11271. Before the calculations of quantities take place, what information is obtained by the persons in the field?—The longitudinal profiles of the country along the centre line of the railway is taken, and subsequently at requisite intervals cross-sections are made both of the cuts and fills.

In this case calculations based on centre line only.

11272. Do you know whether the calculation, in this instance, was made upon the centre line only, or upon the additional information which would be afforded by cross-sectioning?—On the centre line only to the best of my recollection.

Therefore assumed the country was level.

11273. Do you remember whether it was assumed, for the purposes of that calculation, that the surface of the ground was level and that the calculation proceeded on that basis?—That was the only basis on which it could proceed at that time.

11274. Then it was made in that way you think?—That was the way it was made.

11275. How would these particulars of the centre line be recorded by the person in the field?—In the level book.

How quantities are calculated on base of a centre line.

11276. Does he record particulars for each locality as he proceeds along the line?—He takes levels along the centre line of the railway and records the height of the surface of the ground at every 100 feet, or fifty feet here and there. These were necessary before a certain assumed datum. Subsequently a grade line, supposed to represent formation level, as it is called—or about eighteen inches below the rails—will subsequently be drawn on the profile, balancing the cuts and fills, or otherwise, as is deemed desirable; and the depth below the surface of that grade line in cuttings is the figure by which an approximate calculation is made of the quantities.

11277. Does the level book contain sufficient data to repeat the calculations if necessary upon that subject?—Certainly.

11278. Do you know whether they were ever repeated from the data so recorded, in order to ascertain whether Mr. Carre had actually made a mistake in his calculations or not?—I am under the impression that Mr. Carre went over them all again himself.

**Railway Construction—
Contract No. 15.**

11279. I understand that this level book being present and affording this data, that any person not connected with the field work can make the calculation?—Yes.

11280. So that it was possible to ascertain from the level book itself, without Mr. Carre's presence, whether his calculations as to quantities were correct upon the data furnished by that book?—Yes: assuming the country to be level. The correctness of Carre's calculations could have been tested from level book by anybody.

11281. Certainly; and I understand that was the way it was assumed all the way through for the purposes of this calculation?—Yes.

11232. But although that can be repeated and his calculation tested, you are uncertain whether it was ever ascertained whether he had made a mistake or not upon the subject?—I am certain it was ascertained that he had made a mistake.

11283. Where was that ascertained?—When I came to find the quantity of rock over 500,000 yards, rather than 300,000.

11284. Was it ascertained by calculations from this field book, which affords sufficient data, or was it only from the result that you say it was ascertained?—It was ascertained when we came to calculate from the cross-sections that the quantity of rock that would actually have to be done was in excess of the figures given by Mr. Carre. Whether the figures were gone over again of the mere centre line profile or not, I am not prepared now to state, but I rather think they were.

11285. The information given by the cross-sectioning would afford altogether new data for the calculation?—Certainly; and correct data.

11286. I am at present not directing my enquiry to that matter; I understand you to say that Mr. Carre contended he had made no mistake in the data which his field book afforded?—Certainly.

11287. But he contended if there was any error it was because his field book did not afford sufficient data, inasmuch as there had been no cross-sectioning?—I think that was Mr. Carre's contention.

11288. I understand you to say that you thought there had been a miscalculation of the data which his field book did afford?—That is my impression. Of impression that Carre had miscalculated.

11289. And you say you think that was tested?—I think Mr. Smellie, in the office, had the quantities re-calculated. Thinks Smellie had had quantities re-calculated.

11290. Do you think it likely that the level book is still preserved? Do you know whether it is the practice to do so?—I think it is; but if it is not, the profile is preserved. The original profile is in the office at Ottawa from which the heights can be taken and calculated the same as from the field book.

11291. You will probably see the drift of my question when I remind you that if he was instructed to make his calculation upon a simple centre line, and the result turned out to be insufficient, it would be no fault of his; but if the centre line gave him sufficient data to make the calculation, and in the calculation he made serious errors, then he would be at fault, and it is with the view to ascertain where that responsibility lies that I am pushing these questions?—It is not a fault. An error may happen to any one.

**Railway Construction—
Contract No. 15.**

11292. Well, call it an error or mistake?—Yes; it was an unfortunate one if it was an error.

11293. I am not sure whether I asked you before what excess of rock excavation was due to the change of grades—I mean in round numbers?—I think you did; and that I replied that I was unable from memory to get at this moment the quantity.

Grades revised by Rowan and then sent to Ottawa to be revised by Chief Engineer.

11294. In the matter of grades who governs: are they revised by the Chief Engineer?—They are revised by me in the first place, and I send them subsequently to Ottawa for the approval of the Engineer-in-Chief.

11295. Have you any recollection as to what quantity of rock excavation had been executed when the error in the estimate was discovered?—I can tell you by reference to my estimates and letter-books.

11296. Please do so?—I will take a note of it.

11297. Do you know whether the levels of Lake Manitoba and Lake Winnipeg, as marked upon the map, are correct?—The relative levels between the two lakes?

Lake Winnipeg 710 feet above the sea, Lake Manitoba 804.

11298. Yes; either the positive levels or the comparison between them. I would like to know what the levels on the map are?—They are not correct as now known; they were supposed to be accurate at the time this map was made, but I believe they were arrived at from adding to the height of Lake Winnipeg, which is arrived at from our surveys at the east, the figures given in, I think it is, Professor Hind's report of his examination of the country in 1857, or thereabouts. Our own subsequent levels, run subsequent to the date of this map, make the relative levels to be, assuming Lake Winnipeg to be 710 feet above the sea, Lake Manitoba would be 804. I speak from memory, I can give it to you exactly to-morrow. It is only a saving clause to say it is from memory, as I think it is correct, though I would like to be sure.

11299. Do you remember a dispute between the contractor and the Government on the subject of loose rock measurement?—Yes.

Did not direct loose rock to be put into embankment without measurement in any classification.

11300. That has been explained very fully both by Mr. Carre and by Mr. Whitehead; but there is one matter which, perhaps, you can explain also: whether loose rock was put into the embankment at any time without being measured in any classification to the contractor under your directions?—I think not.

11301. Were you aware that it was done?—No.

When contractor took two yards of rock outside prism was allowed for three yards of earth in the bank.

11302. Were you aware that solid rock outside of the prism was put into the banks without being allowed for?—No; he was allowed for all the rock put in the embankment, that was taken from outside the authorized prism of the cuttings, as earth, at the rate of three to two; that is to say, if he took two yards of rock from outside the prism and put it into the bank he was allowed at the rate of three yards of earth.

11303. Is that because two yards of solid rock is supposed to fill a space in the bank equal to three cubic yards of earth?—Yes.

11304. So that you allowed him the same price as if he had made that filling with earth instead of rock?—Exactly; that is to say, we allowed him the space of three yards of earth in the bank. I think, but I am not quite positive, that he makes a still further claim than that, which is this: that owing to the fact that rock stands at one to one

Railway Construction—Contract No. 15.
Contractor's claim for more lineal measurement not allowed

while earth will only stand at a slope of one and a-half to one, he should be paid for the length of bank made up with rock as if it had been made up with earth; that is, that it would make more bank lineally. That, I believe, has not been allowed to him.

11305. The question of loose rock is still an open question between him and the Government?—He disputes the measurement; there is no doubt about that.

Measurement of loose rock disputed.

11306. It is more a question of classification than of quantity?—Of quantity.

11307. There is a dispute about classification: does that apply to the rock outside the prism?—No. That applies to boulders and rock, other than rock *in situ*—solid rock.

11308. It is contended, on the part of the Government, that stones found in earth if they cannot be handled in a certain way, are only to be counted as earth?—If less than fourteen cubic feet they are to be classified as earth; if forty feet, as solid rock.

Government's view that stones less than fourteen cubic feet should be classified as earth; if forty feet as solid rock.

11309. Were you aware that the engineer in charge certified to a smaller quantity of rock excavation than had been actually excavated, for the reason that it might require more than the regular price to take out the balance—at the bottoms of cuttings for instance?—I was.

Engineer in charge under direction of witness certified to a smaller than the actual quantity of rock excavation.

11310. Was that with your approval?—Yes.

11311. Upon what principle was that done?—It was done on the principle that he was going on: doing all the massive part of the work, if I may use the expression, and leaving the minor or costly parts until the end to be done, in spite of repeated orders to the contrary, stating that he would do all this when he laid the track and had the cars to do it. In my judgment, as well as the judgment of the division engineer, there was a large part of that work that could not be done in that way; and, when we found that he would not obey orders, to keep ourselves safe, in case at any time he should fail to complete his work, and it should be thrown upon the hands of the Government, with all the costly work left to do and all the remunerative work done, we refused to give full measurements.

11312. Then is it understood that the certificates are not statements of the real work done, but only a certificate of the work he ought to be paid for, although more work was done?—The certificate states on its face that it is an approximate estimate. Every certificate we make purports only to be an approximation; and every certificate which is made up monthly is an approximate statement of the total amount of work done from the commencement on the contract up to the time when it purports to be a return of work, and it only professes to be an approximation.

11313. But is it intended to be as correct a statement as can be given of the actual quantities known?—Yes; that is the intention.

11314. Then why is a smaller amount named: is it for the reasons you have given?—Exactly. It is because I conceive that a certain amount of discretion is left in the hands of an engineer, occupying the position I did, as to the amount of the returns that are to be made.

11315. Then you consider that, although the certificate purports to state, as far as your knowledge will permit you to state, the quantities

**Railway Construction—
Contract No. 15.**

executed, that it is not intended really to state the full amount, if for any reason you should think any portion of the price should be kept back?—I do not think it does.

11316. You consider it necessary to frame your certificate in that way to save the Government the expense of finishing at a higher price that work which was left undone at the contract price, and the retaining of the percentage which is always left in the hands of the Government might not cover it, so as to save them from this loss?—No.

11317. Have you considered up to what height of the embankment trestle work, as originally contemplated, would be the cheaper mode of construction?—Beyond what height, not up to what height?

Trestle and bank equal price at eighteen feet.

11318. Yes; beyond what height?—I have. At the contract rates in this particular contract, the point where embankment and trestle were of about equal cost was eighteen feet. This was due to the high price of material for forming the embankment, and to the low price of timber. Had the things been more equal the relative quality would have given a deeper bank.

11319. Does that include the solid rock bases, or do you assume that that is present in both cases?—No; I think that is compared with the earth bank.

11320. Do you mean to compare a rock base and trestle superstructure on the one side, against solid earth embankment, without any base, on the other side of the question?—No; I mean to compare the filling of any valley up to a certain level, where that valley would be crossed by trestle work up to that level the whole way across from the bottom up, with earth without any trestling.

Rock base would alter comparison

11321. Does the question of rock bases alter the comparison in any way?—Yes.

11322. How would it alter it: I mean would it alter the height at which you say they are equivalent?—Certainly.

11323. Have you considered it with that element in the calculation?—I have. I have submitted a voluminous report considering it in every possible way, and showing the price per lineal foot of the embankment in every way it was possible to make it under the contract: earth bank, earth bank with rock base, and earth bank with rock sides and base, the centre and bottom being earth.

11324. That report was made to Mr. Smith: is it likely to be found at Ottawa?—I think so. If not I can furnish a copy.

Dispute as to number and inspection of ties.

11325. Is there a dispute upon the subject of the sufficiency of the ties used upon contract 15?—No; not as to the sufficiency but as to the number and the inspection.

Contract No. 14.
Contractor put in ties in spite of positive orders from the division engineer.

11326. One of the contractors, either on 14 or 15, represented that after ties having been accepted by the Government he used them in the road; and after they had been used for a considerable time—a year or a year and a-half—he was required to take them out and put in others, which has not been done yet?—That all occurred on contract 14, but as a part of contract 15. The facts are these: the contractor went ahead with the track-laying night and day, and put in ties in spite of positive orders to the contrary from the Division Engineer, Mr. Thompson. I have his report upon the subject, which, if deemed necessary, I can submit a copy of it. In consequence

of his doing this I declined to return that part of the track as completed, and subsequently sent over the road to cull the bad ties that were put into the road after he had been using the road quite a time himself.

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

Hence bad ties had, after being put in, to be culled.

11327. We understood Mr. Carre to say, in his evidence, that he considered you had not visited the road very frequently while he was finally locating the line. It may have been later, but he mentioned the intervals which happened between your visits; are you able to say about how frequently the line was visited by you, or whether it was visited as often as necessary?—I visited it as often as I possibly could in connection with my other duties; I could not say exactly how many times I visited it, but it must have been twenty-five or thirty times.

**Railway Location—
Contract No. 15.**

I must have visited line about thirty times.

11328. Do you think the work done was less efficient than it would have been had you been able to visit it oftener?—Possibly, if I could have visited it oftener it might have been better.

11329. Have you any reason to think that it would have been better?—Viewed by the light of subsequent events, I suppose it would. I want it to be distinctly understood that I could not visit it more frequently, and attend to the other duties that I had to attend to.

Better if he could have visited it oftener.

11330. It was not from any neglect on your part?—No; it was not through any intentional neglect or wilful neglect.

11331. Have you ever estimated the comparative cost of bridging the Red River at Selkirk and at Winnipeg?—I think I did make some rough calculations some years ago.

Red River Crossing.

11332. Can you say what the result was?—My recollection was that there was very little difference in the absolute cost between bridging here and bridging at Selkirk, if these are the two points to which you allude.

Very little difference in cost between bridging Red River at Selkirk and at Winnipeg.

11333. Did that include the filling for any distance east and west of the banks of the river?—To the water's edge?

11334. Yes, to the water's edge?—Yes; it included not the filling but the trestling at Selkirk.

11335. So as to reach the general level of the prairie?—Yes.

11336. Have you compared the cost between the bridge at Selkirk in that way, and at any other point besides Winnipeg—Stone Fort, for instance, on St. Andrew's Rapids?—Yes; it is my impression I did. I am pretty sure I did, only in rough approximation, never going into details. The result was that the difference in cost would be very trifling at any point, if that was the only comparison that was to be made.

Difference in cost very trifling at any point.

11337. What other element do you think ought to be taken into consideration in comparing the two points?—A large number which are all set forth in my report on the subject.

11338. Do you mean the report in which the level of the water was given when the country was inundated?—Yes; all the various matters which in my judgment required to be taken into consideration in determining on where the site of the bridges should be, are brought under notice in that report; possibly, speaking from memory, the consideration—which at the time the location was made was considered to be a very important one—was the question of property, to whom it belonged, on the bank of the river—I mean that at Selkirk a large amount of property was owned by the Government; and this utilized

At Selkirk a large portion of the property owned by Government.

**Railway Location—
Red River Crossing.**

as a town site, as it very probably would be, would have brought in a very large amount of money to the Government, amply sufficient in my judgment to more than pay for the cost of bridging the river.

11339. Do you remember, in round numbers, what value was attached to that fact?—I submitted the fact. I do not know what deduction the Chief Engineer drew, or what value he placed upon it. I submitted the fact to him.

11340. I mean in the calculation of amounts: do you remember the amount which was set down as the advantage to be gained from the property owned by the Government in that locality?—I do not know. I do not know what value might be placed upon it; it was a question of the extent of property to be sold.

11341. Had you estimated the cost of the bridge and approaches?—Yes.

Cost of bridge and approaches \$200,000 to \$250,000.

11342. What was that?—I think it was between \$200,000 and \$250,000. The value of the property would largely exceed that. There is something like two miles square of a town site laid out there.

11343. Do I understand you to say that the difference between the cost of the bridge and approaches at Selkirk and at Winnipeg would be equalized or thereabout, the advantage of the present selection being only the value of the land at Selkirk belonging to the Government?—No.

At the time the cost of a bridge at Winnipeg and at Selkirk would not be very dissimilar

11344. It was independent of that?—Independent of that. I may illustrate: I think that the cost of the bridge here—and you will understand me I am speaking of things as they stood at the time it was done and not as you see it now—the cost of the bridge here and there would not be very dissimilar, if both bridges were placed in an equally perfect position of safety. I add that because a bridge is now being built here; and it is being built for less money and at a very considerably lower level, but of a much more fragile construction, than any bridge I contemplated.

11345. Have you set out in the report to which you have alluded, your views upon the question of inundations and the waterway of the river, and the effect upon the bridge or the crossing?—I have, not only the effect upon the bridge itself but the danger to surrounding property.

Still holds the view of his report.

11346. Are the views set out in the report still your views?—They are. It is the report which Mr. Fleming publishes—that is the report.

By Mr. Keefer:—

11347. There is no cross-section of the river at Selkirk in that?—If not I shall ask to put in a cross-section of it, because I put in cross-sections of every cross-section that was taken of the river.

Length of bridge 700 feet, trestle work at side 2,000 feet.

11348. Do you remember what might be the extreme length of a bridge at Selkirk, from the higher banks; there are two plotted: higher and lower?—The bridge itself about 700 feet across the river, the trestle work at the side 2,000 feet.

11349. Additional?—Yes.

Fullest information regarding every suggested point given in report.

11350. Making altogether 2,700 feet?—Something over that; but I want you to understand that in the report I submitted, not only was there a longitudinal section of the river with the general prairie level shown, and every water level given, and from the most accurate and

**Railway Location—
Red River Crossing.**

disinterested testimony that could be obtained, but also cross-sections of the river at every point that was ever suggested by anybody were attached to the longitudinal sections.

11351. Would not the line of railway after it had crossed the bridge also have crossed the low lands to the west of the river that would be overflowed with the flood?—About ten miles west.

11352. To what extent would it be overflowed?—To a depth of three feet, about.

11353. And what width?—Speaking from memory, I think from 1,000 to 1,500 feet.

11354. You spoke of the depth to which it would be overflowed; did you refer then to the flood of 1852?—I presume so; that is what I presume you are referring to.

11355. Yes; I referred to the flood of 1852?—I may further add that my idea—if the work had ever got to that stage, when that portion of the line was gone on with—was to suggest that an opening should be left at that place, by means of trestle work, so as to afford an outlet for the surplus water should ever a flood occur.

11356. You would not propose to make a solid road across that part of it?—No; certainly not.

By the Chairman:—

11357. Are there any other matters appertaining to the question of inundations which you have mentioned in that report, and which you now think material to the investigation of the subject?—I do not know that there are; but there is one thing I would like to mention now, because it so happens that I heard remarks made about it here yesterday, in the evidence of one of the gentlemen who gave testimony before the Commission, that is as to the widening of the river and consequently the lessening of the chances of future inundations. With reference to that point, I am willing to bear out fully what is said with reference to the widening of the river in some places to a very considerable extent indeed, almost double, I think. I, myself, since I have been in Winnipeg, about nine years, think the river opposite the foot of Broadway must be at least 100 feet wider than it was when I first came here; but I think it is fallacious for anybody to suppose that because the river has widened at some point that that diminishes the chances of an inundation, because as long as there is one single point on the river between here and the lake that is as narrow as it was at the date of the floods, the chances of inundations still continue, as you cannot pour a quantity of water through a funnel any faster, no matter how large you make the upper end of it, as long as the lower end is only of a given diameter. That there are such points in the river which are to-day no wider or very slightly—imperceptibly wider than they were in the flood of 1852—I think can be ascertained by disinterested testimony. I should gravely regret—seriously regret—should such an event ever happen again; I think it would be a fearful calamity to the country; but that it is impossible is not the fact.

Witness's idea to have an opening left by trestle work so as to afford an outlet for surplus water should a flood occur.

River has widened to almost double.

But this does not diminish the chance of a flood.

Because to-day there are places where the river is not perceptibly wider than in 1852.

11358. Do you remember what was the price of transportation of rails from Winnipeg to Selkirk by any means then available at the time that it was decided to get Mr. Whitehead to finish the Pembina Branch North?—I think there is a tender for the transportation of rails that will show that.

Transportation of Rails.
Contract No. 18.

**Transportation of Rails—
Contract No. 18.**

Witness told contractor to land rails at Selkirk.

Contractor refused.

11359. Do you remember who made the tender?—Kittson. The facts are these: the first I knew of such a contract at all was the rails coming here and parties asking me where they would unload them, and I told them at Selkirk; and they told me they could not go down the Rapids at St. Andrew's. I said: "You must go down; I want the rails down there." They said they would not, that their agreement with the Government was that they could navigate the whole Red River from Moorhead to St. Boniface, and were bound by the Government to carry the rails as long as there was two feet of water in the river, but to go over the St. Andrew's Rapids they had to have six feet. I thought it was a very peculiar thing, and if my recollection serves me right, I applied to Ottawa to know if it was the case, and I got a copy of the agreement that was made, and I insisted upon their going down notwithstanding their contract. I said they must go down, that there was six feet of water there. They went down with the first load part of the way, and then turned back when they got to the head of the Rapids, and unloaded them when they got to a place called the Birches, opposite Bird's Hill, Pembina Branch now. I think it was the following year they made the same pretext, and said there was not six feet of water in the Rapids; I said there was, they said there was not. It was a question of assertion; and I hired a small steamboat and had a beam stretched across her forty feet long, and had teeth put into it like a rake three feet apart, and made her go down the river from here to Selkirk, and took the levels in the river when she went down, and there was no denying that there was eight feet of water, without any boulders to strike the teeth three feet apart, and by that means I got the rails, 900 tons, down to Selkirk. Then the water fell to the level that we knew by our levels would not leave more than six feet over some of the boulders, and I ceased to insist. But my own impression is that the difficulty was not so much that they could not go down, as that having gone down they had not the power to tow their barges back again up the Rapids.

11360. I understand that the time arrived when, in your opinion, they were no longer compelled to take them down?—Yes.

**Railway Construction—
Pemb. Branch.
Contract 5 A.**

Building Pembina Branch would enable those rails to be taken to where needed at small expense.

11361. It was necessary then to procure some other means of transportation?—Yes; in addition to which we had a large quantity of rails landed on the bank of the river between here and Selkirk, which was neither near St. Boniface to be utilized where we wanted rails, nor yet near Selkirk. The building of the Pembina Branch would enable us to get these as well as other rails to the part of the line where they were required, at a comparatively small additional expense, beyond building the Pembina Branch.

11362. Do you remember what would have been the cost of transporting those rails from the points near Winnipeg down to Selkirk so as to make them available for section 14 or 15, as the case may be, if you had not built the North Pembina Branch?—I do not remember at this moment, but I presume the figures Mr. Fleming submitted must have been nearly correct, because he had the contract to judge by when he made the proposal to the Government about building the Branch.

Contract No. 33.

11363. Do you remember the substance of the contract between Kavanagh, Murphy & Upper as to completing the Pembina Branch?—I do.

11364. What was it?—The road was to be completed and partially ballasted by the time named in the contract, and fully ballasted by the December following.

**Railway Construction—
Pemb. Branch.
Contract No. 33.**

Upper & Co.'s contract completing Whitehead's work on Pembina Branch South.

11365. That was the completion of the grading which had been left undone by Mr. Whitehead under his contract?—Partly that and partly a portion of the road, about seven or eight miles between St. Boniface and the northern end of what had been Mr. Whitehead's contract that had never been let before at all. In other words, it included the grading from a mile south of St. Boniface station to the point where Mr. Whitehead's grading had been done, and the putting of Mr. Whitehead's grading in proper shape to complete the road, together with all the bridges, culverts, cattle guards, road crossings, &c.

11366. Did they complete their contract?—They did not.

11367. Was the work taken out of their hands by the Government?—Yes.

Work taken out of their hands.

11368. Under what sort of arrangement, or was it in the absence of any arrangement?—I cannot say what arrangements were made, except that I got orders to go on and complete the work myself at the expense of the contractor by days' labour.

Ordered to complete work at contractor's expense by day labour.

11369. Was it done in that way?—We are doing it still.

11370. Then the work undertaken at that time by Kavanagh, Murphy & Upper has never been entirely finished?—No; we are urging it forward to completion as fast as we can.

By Mr Keefer :—

11371. What remains to be done to complete it?—Several bridges have to be built, some road crossings have yet to be put in, and a portion of the fencing has to be completed, and also a portion of the ballasting.

What yet remains to be done.

By the Chairman :—

11372. There was a contract with William Robinson for delivering ties on the Pembina Branch; do you remember whether that contract was fulfilled?—It was not.

**Ties—
Contract No. 36.**

11373. In what respect?—He did not deliver the ties that he contracted to deliver at all, nor those that he did deliver within the time specified.

Robinson failed to perform his contract.

11374. Have the ties been delivered that were intended to be delivered under the contract?—Yes; we procured them by other means.

11375. Is there any other matter upon the subject, or any dispute or difference of any kind?—Not that I know of.

11376. You are not taking part in the settlement of any dispute on the subject?—No; I have made all my reports on the subject. What action the Government have taken on it I do not know.

11377. Had you any jurisdiction over the fulfilling of the contract made for the equipping and working of the Pembina Branch with Mr. Stephen?—None whatever.

11378. That contract was ended and the work taken into the hands of the Government—the running of the road?—Upper & Co. ran it for a while until the work was taken out of their hands, and since that the Government have been operating it themselves under their own officers.

**Operating Line—
Government
operating Pem-
bina Branch.**

**Pemb. Branch.
Operating Line.**

11379. Is it worked under your supervision?—No; I have only charge of the construction.

11380. The manner or efficiency of the working of the road as a running road is under the direction of some other person?—Yes.

11381. Who is that?—Mr. Lynskey.

Pembina Branch worked well.

11382. Have you any information, which would help us in the investigation, to give on that subject: have you been enabled to notice whether the work has been well managed or ill managed, or is it paying, or anything of that kind?—As to paying, I could not say; but as to working, I think it has been as well managed as it is possible to do with the means at his disposal.

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

11383. The first 100 mile section west of Red River is under your supervision?—Yes.

Some delay took place in locating line.

11384. The contractor, Mr. Ryan, has mentioned that he considered that a considerable delay occurred in the locating of the line after he was ready to go on with the construction, what is there to be said about that?—There was some delay at the commencement no doubt. The amount of water at the back of the town here, where nobody seemed to be aware before that there was such a quantity, seriously interfered with the prosecution of the work. It is very difficult indeed to get at the point where the work was to be started, even to make the survey. The engineers were over their waists in water. There was a difficulty in getting away that water, and from this and other causes there was delay in setting out the work; but I think that that was really the principal cause of delay—the amount of water both inside and outside of the city limits and the difficulty of getting rid of it.

Engineers above their waists in water.

Large amount of water cause of delay.

11385. Are you aware that there has been a change in the character of the road-bed from that which was intended originally?—I do not know that there is any change in the character of the road-bed. There is a slight change in the way of the carrying on of the work.

Character of road-bed.

11386. When I said the character of the work I meant that the road-bed was to be of earth originally, and that now it is made for a considerable distance of ballast without any earth being taken from the ditches or put into the road-bed?—The way I would put that is that it was contemplated to make portions of the road from ditches dug at the sides of the road, but now some of the places that would have been made up on that way have been made by hauling material from borrow-pits. It so happened that these pits are of gravel, and the portion used for that purpose—I mean the bank purpose—may be considered as earth work, and the portion that is put on top for holding the rails in place as ballast.

11387. Is it not contended by the contractor that because this lower portion of the road-bed is of a different material from that originally contemplated that it will not be necessary to make the road-bed so wide, but he has to be paid just as if it had been made to the full width originally intended?—I do not know what his contention is at all.

11388. Has not that matter been submitted to you at all?—No.

Contractor claims that laying the rails on prairie and ballasting them afterwards more costly to him.

11389. Have you understood that he was not making the road-bed of the width, for instance, that it was originally intended?—I understand that he raises a claim that in consequence of his having to go on and lay the track on the prairie, in order to expedite matters now, and

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

put material in underneath afterwards, that it is more costly to him than if he had graded it first and laid the track afterwards. That is what I understand to be the contention.

11390. Has he made this contention to you, or has he made it direct to some superior officer in the Department?—I think he has mentioned the matter verbally to me. I do not think he put it in the form of a complaint that I was to take notice of, but I fancy that he has discussed the matter with the Chief Engineer.

11391. Then whatever his contention is, I understand you to say that it is a matter upon which the Chief Engineer is giving an opinion or considering?—Yes; and which I expect at some time or other, probably, to be called on to give an opinion too; and I would not like therefore to hazard any opinion now until the matter is put before me in some shape by the party making the claim.

Prefers not giving his opinion at present on the claim of contractor.

11392. That change in the manner of making the road-bed is a matter which you have not given sufficient consideration to pass a final opinion on?—That is the fact. As the matter will probably come before me officially, I would rather not express any opinion on the subject at all until it is brought before me in that shape.

11393. Is there any other matter that you think of which you consider would be desirable to give, in the way of evidence, so as to assist us in this investigation?—Not at this moment; but I would like to have permission to do so if I think of anything before you leave.

WINNIPEG, Friday, 8th October, 1880.

NIXON.

THOMAS NIXON's examination continued:

Paymaster and-Furveyorship—Private Transactions with Alloway.

By the Chairman:—

11394. Do you know whether there was any other person of your name living in Winnipeg in the fall of 1875?—There was a man named Thomas Nixon. The way I know is that I received letters in that name which were not for me and I returned them to the office.

In fall of 1875, a man named Thomas Nixon, other than witness, lived in Winnipeg. He knows this because letters came to him addressed to Thomas Nixon.

11395. Mr. Brown, of the Ontario Bank, yesterday led us to understand from some memorandum in a book which he produced, that there had been a note of Alloway's endorsed by Thomas Nixon in the fall of 1875, passed through the bank, and we wish to know whether it was you or some other Thomas Nixon?—I do not remember of any such note.

Does not remember endorsing Alloway's note.

11396. Now that I mention this fact to you, does it induce you to alter your opinion on the subject?—It might, but I would like to see the note, because I do not remember. I have no recollection of the matter directly or indirectly. Of course if I had I would not have made that statement so positively. There were no relations between us that I could call to mind why such a thing should have occurred. Do you know the amount of the note?

11397. \$1,000.—I do not remember the transaction.

11398. In what business was this other Thomas Nixon?—I do not know. I did not know him at all. I never saw the man.

**Paymaster-
and-Pur-
veyorship-
Bank Account.**

11399. Mr. Brown thought it would take a considerable time to look through his books to ascertain whether there were other discounts of the same name, therefore we did not ask him at the time to give the matter a full investigation; but if you would be good enough to go yourself to the bank you could see if any light can be thrown upon that subject as well as this other, unless you have in the meantime discovered the bank-books or some other materials which would enable you to give us the information—that is, the amount of deposits to your private account while you held your official position?—I could not tell that; I could not discover that from my bank-books. I find in my bank-book with the Merchants Bank, on the 17th June I placed \$505 to the credit of the Canadian Pacific Railway, but what it was for I could not tell.

On 17th June, placed \$505 to credit of Canadian Pacific Railway.

11400. Was that in the official account?—No; if I remember right—and I think I am correct—the ledger-keeper gave me to understand afterwards that it was no business of theirs. They did not care who it was for. I produce my private bank book showing a credit on the 17th June, 1875. My returns, of course, would enable me to know what that was, whether it was all one sum I received that day or not, but there is no other entry in any of my private books which would lead me to find out. That is marked “C. P. R.” as you will notice (handing the book to the Chairman).

Exhibit 104 (List of deposits to credit of Receiver General) shows that money was rapidly placed to credit of Receiver General.

11401. May there not have been credits in your private account which in your bank-book would not be marked C. P. R.?—Certainly; that is the only one that is marked. It was either a question of keeping the money in my cash-books in the office or placing it in the bank. You will notice by the exhibit which is before you (Exhibit No. 104) that the moneys were placed with rapidity to the credit of the Receiver-General. August 24, 1875, for example, \$100; August 25 (next day), \$91. Then coming down to 1877: twice in October, 2nd and 18th; twice in December—the second time is for the Red River road, however. In February, 1878, twice; again early in March: 12th; twice the same day in July the same year; twice in August the same year; twice in November the same year, and four times in December the same year; showing you that the moneys were not detained by me for any long period of time.

This statement does not show that other moneys were not accounted for.

11402. That statement would not show that some moneys have not been always retained by you. I am not suggesting that they were; I am only speaking of the value of that statement. That statement only shows that you accounted for those moneys in that rapid way which you describe, but one might make a mistake and not account for other moneys?—Certainly; I suppose so.

11403. Yes; and it is with a view of ascertaining whether any such mistake did occur?—I did not discover that, because I cannot discover what never occurred. That is an impossibility.

An impossibility for witness to have made a mistake.

11404. Do you mean it is an impossibility for you to have made a mistake?—Yes; almost, certainly. I do not see how I could.

11405. Will you see if you have made a mistake about this endorsement?—Certainly; that is not moneys though.

11406. Would this bank-book which you have show the amount of deposits which went to your credit in your private account in January,

1877?—No; it would not. This is my book with the Merchants Bank.

11407. You remember an item of \$2,861, or thereabouts, which was the balance to close up Brown's account being spoken of when you were giving evidence before?—No; I do not remember.

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

\$2,861 charged to
Brown and credit-
ed to him under
heading "Bank
Account."

11408. Do you remember my asking Mr. Conklin about that particularly, when you were present?—Yes; but I do not remember the circumstance.

11409. I am asking whether you remember such a sum was credited to him to balance his account?—Yes; I see a statement of that account in the books.

11410. It appears by the books that about 14th December, 1876, Brown was charged with a cheque of \$2,861, that on the 15th December he was credited with an item of the same amount, under the heading "Bank Account?"—Yes.

11411. And it also appeared by your cash-book, which was in effect a bank-book, that that amount had been drawn from the bank, and the cheque itself was produced showing that it was endorsed by John Brown?—Yes.

11412. I would be glad if you would ascertain whether that amount went to your private credit, which you can do at the same time that you endeavour to ascertain this matter of endorsement. It will save us some time if you will do it, instead of our having the books here to look over them ourselves?—Yes; I will do that.

Wm. T. JENNINGS, sworn and examined :

By the Chairman :—

11413. Where do you live?—At Rat Portage.

11414. What is your occupation?—I am in charge of works of construction on contract 42.

11415. Had you been engaged in any work connected with the Canadian Pacific Railway before that?—Only on surveys.

11416. When were you first engaged?—In the spring of 1875.

11417. About what time?—In April, 1875.

11418. Please state the progress of the work which you undertook and your connection with it?—During 1875?

11419. From the beginning?—On receiving instructions I proceeded to British Columbia with other members of the staff, and there my party was formed, and we proceeded to the point at which I was to commence operations.

11420. What was the number of the party who accompanied you to British Columbia?—I do not remember the exact number, but I think there must have been some thirteen or fourteen.

11421. All of your party?—No; in my party I think there was only one or two who accompanied me from Canada.

JENNINGS.

**Surveys, B.C.—
Chilanco to
Blackwater
River.**

**In charge of
works of con-
struction on con-
tract 42.**

**April, 1875, went
to British Colum-
bia.**

**Size of party :
seventeen.**

Surveys, B.C.—**Chilanco to Blackwater River.**

11422. Had you charge of the party?—I had charge of my own party.

11423. What was done when you arrived at British Columbia?—The party was fitted out and men were engaged.

Axe men engaged at office, Victoria.

11424. How many men were engaged, and where were the engagements made?—At our office in Victoria. We engaged the axe men necessary for the work. These men were hired at so much per month, and their board and expenses from Victoria to the works and back; and after getting the requisite number and supplies—

Whole party in field: twenty-five.

11425. Do you remember about the requisite number?—I had thirteen altogether that season. My whole party in the field, if I remember rightly, consisted of about twenty-five altogether, including the packers. After all preparations were completed we left Victoria and proceeded by the waggon road to Soda Creek.

Survey from Chilanco River to vicinity of Blackwater River to find head waters of Nazco River.

11426. What was the locality in which you were to make the survey that season?—From Chilanco River to the connection with Division M. in the vicinity of the Blackwater River. I was instructed to find the head waters of the river called the Nazco, if practicable, to proceed in that course to the Blackwater, or to the junction with Division M. Division M party was working from Fort George down the Chilanco River to Blackwater, but they were to go on and meet me on the Nazco, if I should succeed in getting over the divide.

Trial location.

11427. What was the nature of your survey to be?—A trial location simply. Over a portion of the distance I had information gathered from a previous survey, the first twenty miles probably.

11428. Had that been a trial location survey?—No; a trial or exploratory line had been run through there the year before, and I was instructed to commence at a point near that line to be decided upon by Mr. Cambie and myself.

Excepting flour and pork brought supplies with them.

11429. Where was your base of supplies that season?—With the exception of some pork and flour, we carried all our supplies with us.

11430. From where?—They were sent from Victoria, as far as I am aware, but we got them at Soda Creek, and we bought our cattle twenty miles, I think, from Soda Creek, on the way to our work.

11431. Is Soda Creek a tributary of the Fraser River?—Yes; it is a very small creek. It is just a crossing point—that is where we crossed the river.

11432. That is somewhere in the latitude of your point of commencement, or is it a little north?—Soda Creek is a little further north than the point of commencement in latitude.

11433. How long were you engaged on that work?—I returned to Victoria on the 4th November.

Engaged on work from 9th June to 15th October.

11434. How long were you engaged on the work?—From the 9th June to the 15th October—perhaps the 16th. During that time we were engaged in surveying work entirely.

100 miles.

11425. That is the extent of the field operations for that season?—Yes, that is the extent; altogether about 100 miles.

No difficulty about supplies.

11436. Had you any difficulty about supplies?—No; our supplies were sufficient—we had all that we required.

11437. Who had the responsibility of obtaining the supplies and fixing the prices for them?—Mr. Robinson was the purveyor for that district.

**Surveys, B.C.—
Chilcano to
Blackwater
River.**
Robinson,
purveyor.

11438. Where was his headquarters?—Victoria.

11439. Did he go with you to purchase them at this point?—No; I had a deputy purveyor with me, and the only supplies that were purchased by me there were the cattle and some minor articles. We got nine head of cattle, as far as I can remember.

Deputy purveyor
with witness.

11440. Did you meet with any unexpected difficulties in the progress of the work?—According to the instructions I received, I thought my course would have been more direct, but owing to the barrier of mountains, I was obliged to deflect to the east, after reaching the head of Chizicut Lake.

Obliged to deflect
east after reach-
ing Chizicut Lake

11441. Did you meet with any other difficulties?—No; our only difficulties were not getting the line through. I was rather disappointed in the gradient, but I did not consider these difficulties.

11442. Were there any troubles with the men?—No; not more than ordinarily. At one time the men were inclined to be a little unruly, but they were quieted. On two occasions they were a little troublesome.

11443. Did it end in delaying the work?—No; there was no delay whatever in consequence of these disturbances.

11444. You say you arrived in November in Victoria; did you remain there during the winter?—I remained there until January.

In Victoria until
January, 1876, at
work on profile,
&c.

11445. At work?—In the office, engaged on the profile and office work of the field operations of that season.

11446. What was your next operation?—I returned to Ottawa.

At Ottawa.

11447. Was any work done there?—Yes; the profiles and plans were completed there, and quantities taken out.

11448. Was the result of the operations of 1875 to find a practicable line if the connectious with it had been feasible: I mean was that link of the line feasible?—The object was to get as good a line between these two points as possible.

11449. Do I understand you to say that you surveyed what was considered to be a feasible link in the line, if the rest of it had been feasible?—I believe that this portion of the line was as good as could be got in that country in the time and with the staff at my command.

11450. Without comparing it with any other line or with any other part of the country east, was it a feasible location?—For a mountainous country it was.

From Dean
Inlet through
Salmon River
Valley.

11451. What was your next operation after being in Ottawa in the winter of 1875-76?—I was sent back to British Columbia in charge of a party to proceed to Dean Inlet. My instructions were to run a trial location line from Dean Inlet through the Salmon River Valley to the connection with the line previously run by Mr. Hunter.

1876, back to Col-
umbia to run a
trial location line
from Dean Inlet
through Salmon
River Valley.

11452. Where did you make up your party?—Some members of my staff came from Ottawa, others I obtained at Victoria. The men were all engaged in Victoria; of course the canoe men were partly taken from the Fraser Valley in the Lillooet District.

How party made
up.

Surveys, B.C.—

From Dean Inlet through Salmon River Valley.

Party a double one, one time sixty.

Double staff required so that location and trial lines might go on simultaneously.

Fifty-two miles.

Survey closed end of September.

Supplies.

Party returned to Victoria with exception of men engaged on ground.

11453. What was the number of the party?—At one time the party must have numbered on to sixty. It was a double party.

11454. You mean a party for running two different explorations or surveys?—No; the nature of the country being such, we required a larger force than ordinary to enable us to get through the mountains during the working season, and for that purpose I was allowed a double party.

11455. You mean because of carrying supplies?—No; on account of the nature of the country we required to have a double staff, so that location and trial lines could be going on at the same time. To all intents and purposes it was the same as two ordinary parties.

11456. Each of them carrying on different work?—Yes; one party engaged on the trial line and the other following up with the location.

11457. What was the extent of the country surveyed at that time, and between what points?—The length of the location line was between fifty and fifty-two miles from Keni-quit, the head of Dean Inlet, through the Salmon River Valley, to the rolling country beyond the main range of mountains.

11458. Did you complete the operations that were undertaken?—Yes; I completed the full distance.

11459. Until about what time were you occupied in the field?—I closed my survey about the end of September.

11460. Where was your base of supplies for that season's operations?—At the sea coast in the first instance, and during the latter part of the season the supplies were brought through the country by the mule train. At the same time I had a depot on the coast.

11461. Were the mule trains provided under your direction, or by some other officer of the Government?—The mule trains were under the control of the purveyor, who had, I believe, an agent in the upper country to look after them.

11462. Had you any difficulty about supplies that season?—I was rather short in July. Owing to the high state of the water in the Fraser River they were unable to get the supplies through from Yale.

11463. Was there much suffering in the party in consequence?—No, not at all; no suffering.

11464. Was there any delay in consequence of the absence of supplies?—No delay.

11465. Did you meet with any particular difficulties in the operations of that season?—It was rather a difficult survey to make, the country was so rough and rugged we were in danger constantly.

11466. From the nature of the work?—From the nature of the country and necessarily from the nature of the work.

11467. Was there any difficulty which you might not expect in such work?—Not at all. The ordinary difficulties to be met with in a country of that description.

11468. Then, after the field work was over, what did you do?—We returned to Victoria.

11469. With all the axe men and men?—With the exception of those who were engaged on the ground. Those men were paid off.

Surveys, B.C.—**From Dean Inlet through Salmon River Valley.**

11470. Men whom you had engaged at Victoria, you took back at the Government expense?—Yes.

11471. You only discharged on the spot those who were engaged on the spot?—With the exception of some men who were discharged from the works and sent home, I remember that there were some four or five men during the progress of the work.

11472. Was it the system to pay men of the force their passages to the point at which they were engaged?—It was, as far I know. On that occasion we had a Government steamer to take us to the beginning of our work.

11473. When did you arrive at Victoria?—On the 4th or 5th of October.

11474. And then?—I was the first one to return. While there the Lieutenant-Governor mentioned to me that he would like me to go up the country and see Mr. Cambie, up the Fraser River. I went up to meet him. I proceeded as far as Hope and gave him the letter of instructions, but as he did not require me I returned to Victoria. There I remained for ten or fifteen days, perhaps not so long, and then returned to Canada, and after spending ten days, or perhaps two weeks, at home, I went to Ottawa.

In October, 1876, Lieut.-Governor Trutch, desired witness to go up country to Cambie; not being wanted returned to Victoria.

11475. What was done there?—I commenced on the plan and profile connected with the works during the winter months.

At Ottawa works at plans and profile.

11476. After that?—After that I proceeded to British Columbia in the month of May, 1877, to make a survey of a portion of the Fraser River route.

May, 1877, to British Columbia to survey portion of Fraser River route.

11477. Were you in charge of the party?—Yes.

11478. Where was it made up?—In Ottawa. The staff came from Ottawa with me, with the exception of one member. The axe men, as formerly, were engaged in Victoria.

Party made up at Ottawa; axe men engaged in Victoria.

11479. What was the extent of the survey undertaken after that, and between what points?—I commenced at Boston Bar, on the Fraser River, and worked down the river to the junction with division X at the mouth of the Harrison, a distance of seventy miles. I had a double party on that work and ran both trial and location lines.

Boston Bar to the Harrison.

Ran trial and location lines from Boston Bar to mouth of Harrison.

11480. Where was your base of supplies?—We carried our supplies with us. Any we required from time to time were ordered by the commissariat officer and delivered to us on the work.

Supplies.

11481. About how many were there?—As far as I can remember there would be perhaps thirty-five altogether. During the first thirty-five miles we had a mule waggon, a waggon with four mules, to draw our supplies and camp equipage. After that we used large canoes—we had two large canoes.

Size of party: thirty-five.

11482. What was the result of the season's operations?—It was considered very favourable; that the line was better than was anticipated. I have just heard this casually. Shortly after the report appeared I read it, but I have not looked at it since.

Line considered favourable.

11483. What impression did it make upon your mind irrespective of any report of any one else?—I thought the line was a very favourable one for that kind of country.

Surveys, E.C.—**Boston Bar to the Harrison.**

11484. One that could be used for a railway?—Yes; we obtained very good gradients, and I do not think the cost of it all through was excessive—that is the estimated cost.

Survey ended 23rd September.

11485. Up to what time were you engaged on that work?—I completed my survey in the middle of September, about the 23rd of September; and after a few days I continued down the river, making a track survey to connect the river with the survey that had been made by the Local Government, to a point some ten miles below where I had stopped work. I had been continuing this river survey throughout as well as the railway survey, and completed it after I had concluded the railway survey.

11486. What time did the operation cease for that season in the field?—As far as I was concerned the field operations ceased on my completing that survey. That would be probably the 25th of September. I do not remember whether any other parties were in before me.

Puget Sound.

11487. Did you discharge your party in September?—I did; and then I remained in the office at Victoria for some time and went to Ottawa. Before going to Ottawa Mr. Smith asked me to go over and examine the harbour on Puget Sound.

11488. Do you mean Mr. Marcus Smith?—Yes, Mr. Marcus Smith.

Early in November at Ottawa when worked on plan and profile.

11489. Then what time did you reach Ottawa?—Early in November I reached Ottawa.

Emory Bar to Boston Bar.

Spring of 1878, to British Columbia to revise survey on Fraser between Emory Bar and Boston Bar.

11490. What did you do at Ottawa?—Worked on the plan and profile of the survey.

11491. When did you leave Ottawa again?—The following spring I left Ottawa for the purpose of revising the survey on the Fraser River, at least my portion of the work between Emory Bar and Boston Bar.

Kamloops Lake to North Thompson.

Survey along north side of Kamloops Lake; also trial line along south side of Kamloops Lake.

11492. Were you in charge of the party?—Yes; I had charge of the party and revised my former location. After completing that I was ordered to proceed to Kamloops Lake District and commence another survey, branching from one of the year before and extending along the north side of Kamloops Lake to the junction of the portion of the line of 1877 on the North Thompson. In addition to that survey I also ran a trial line along the south side of Kamloops Lake on a very rough country to satisfy the district engineer.

11493. How long were you engaged in that work?—Until the middle of September—the 22nd of September, perhaps. These dates I am giving simply from memory.

Size of party: twenty-two.

11494. What was the size of your party that season, in 1878?—In the neighbourhood of twenty or twenty-two.

11495. Was there any difficulty about supplies?—I think not; I do not remember any difficulty.

11496. Was the work delayed by any unforeseen difficulties?—It was not; we lost, I think, a day and a-half from a very high gale of wind. The wind was so strong it was impossible to work along the bluffs.

11497. Was the party discharged at the end of the operations?—Yes; the party was discharged immediately on returning to Victoria; those that were engaged there were discharged.

11498. And then?—And then I returned to Ottawa.
11499. How long did you remain there?—I remained there until the following spring.
11500. Doing the office work for this past season's operations?—Yes; I was doing office work when I was required.
11501. What was your next work?—I was sent out to take charge of construction on contract 42. I left Ottawa early in May, 1879, and came on to Winnipeg, and from there to the works.
11502. Were you in charge of the party?—I was in charge of the party.
11503. Did your jurisdiction extend beyond the limits of 42?—No; my jurisdiction only extended on contract 42.
11504. What did you find on reaching the ground?—We found the line of the year before, of which we had a plan and profile; we saw the portion cleared for the telegraph purposes on the former line, and the pegs belonging to the line that our plans referred to.
11505. What line was that, the centre line or cross-sectioning?—The centre line, and I dare say there were cross-section stakes also.
11506. Did you find evidences that the line had been fully located and cross-sectioned?—In places these stakes were to be found. In going over the work I would not look as closely at all these little points on the ground, as the assistants and division engineers would, but I saw both centre and cross-section stakes on the work.
11507. Had you any information given you as to the quantities which were expected to be executed?—I had the bill of works, and also a sheet showing abstract measurements, and the profile and plan.
11508. Did these show you the estimated quantities at each locality?—Yes; I think they did show every little cutting and embankment.
11509. I mean would you be able to see whether the quantity at any particular locality had been incorrectly calculated?—Yes; between certain stations I could take from this original bill of quantities, make up my own and compare them.
11510. Were the contractors on the ground when you reached there?—I think one member of the firm was there.
11511. Who was that?—Mr. Grant.
11512. Was the work laid out so that they could proceed without delay, or were they hindered at all?—I do not at all consider that they were hindered by us. We laid them out work from station 3, some distance forward.
11513. From which end of the line do the stations number on that section?—They numbered from west to east in divisions, commencing at Rat Portage or junction with contract 15.
11514. That was the first division?—Yes.
11515. Was each division numbered separately?—Yes; each division commences at zero.
11516. You say you laid out work for them at station 3?—Work was commenced from the east side of the eastern outlet of Winnipeg River on for some distance on the line—perhaps a mile or a mile and

**Surveys, B.C.—
Kamloops Lake
to North
Thompson.**
At Ottawa until
spring 1879.

**Railway Con-
struction—
Contract No. 42.**
May, 1879, on
works.

How he found
the line.

Had with him
data showing
every cutting and
embankment.

Contractors not
delayed.

**Railway Construction—
Contract No. 42.**

Work was ready before contractors had any appliances on ground.

a-half was laid out at once; that is without causing the contractors any delay.

11517. You mean laid out sufficiently not to hinder them?—Yes; we had work ready, if I remember rightly, before they had any appliances on the ground.

11518. Was there any complaint upon their part that you did hinder them?—There was no official complaint made to me.

11519. Had the contractors an engineer on the spot when you arrived?—No, I think not when I arrived; but very shortly after they had. If they had, I was not aware of it.

11520. Did you hear any complaint, either officially or otherwise, that the Government retarded the progress of their operations?—I think I have heard the contractors say that—that the works have been retarded.

11521. I am speaking of the beginning of the work?—They may have said so. I remember one or two points where we had not quite decided the gradient; they were allowed to open cuttings at a grade which it was likely we might take, so that in case the grade was dropped we would still be safe.

11522. Then that would be such a grade as you would be sure to take, or perhaps lower?—Yes.

Grade altered and improved.

11523. Has the grade been materially altered, either over the whole section or in localities, since the work commenced?—The grade line has been altered in places, and I think improved. I think there is less steep gradients. The gradients were reduced.

Rock cuttings reduced.

11524. Has the effect of the change of grade been to increase the rock cuttings?—No; the rock cuttings throughout have been reduced.

11525. Is it by raising the grade or by deviations in the line?—By deviations in the line which I approved of.

11526. Has it been materially decreased?—I think it has.

Amount of rock reduced.

11527. Will that have any effect upon the time within which the line can be finished?—It reduces the amount of work, and it will in that way. It reduced the amount of rock excavation, and consequently the time required. For instance, if a given force is employed they could be engaged on some other work.

11528. Has it also the effect of increasing the earth embankment?—I am satisfied that they have been reduced all over.

Earth also reduced.

11529. Then, do you mean that the quantities of the two principal kinds of work have been materially diminished by the deviations?—The line as at present located gives quantities much less than that of the line the year before.

11530. Do you mean both of rock and in earth?—Yes.

No reason why changes should delay work.

11531. Do you know of any reason why the change made by the deviations will delay the finishing of the work beyond the time that was originally intended?—I do not. I do not think that the work has been delayed in any way by any change in the line at all.

11532. In a conversation with one of the contractors he led us to understand that the earth embankments would be very largely increased, and that the rock cuttings would be diminished, and that the

**Railway Construction—
Contract No. 42.**

effect of that would be to delay the completion of the line, because he could not do the earth embankment in winter, but he could do the rock cuttings; and that if the rock cuttings were not gone on with it would take longer to finish the earth embankments than was originally contemplated?—That depends on the manner of construction.

11533. Is there anything in the manner of construction which will enlighten us on this contention of the contractor?—I do not think the changes have affected the contractor in that respect materially, that is as far as the cuttings and embankments are concerned. The less cuttings there are the more rapidly he can get on with his contract, and if necessary complete it by train work; and in placing the grade line through cuttings and embankments, I would place it so that it would be at the most economical elevation; and I believe that I did so.

Nothing in manner of construction to retard Contractor.

11534. Have these deviations been submitted to your superior officer?—I have sent a profile and plan to Ottawa showing the present line. I have sent two or three profiles.

11535. Have you authority to make deviations from time to time as you think proper, without submitting the matter to the Chief Engineer?—I believe I have. I have been acting under that belief, and as far as I can remember have sent copies, or in sending the profiles to Ottawa have noted the changes, and since the beginning of this year I have pointed out to Mr. Schreiber any changes that I have made.

Has acted on belief he had authority to make deviations.

11536. Have you submitted them to any person on the spot? Has Mr. Schreiber visited the line?—Yes; I have also pointed them out on the ground to Mr. Schreiber.

11537. Has he approved of the deviation which you have recommended?—He has; with the exception of one point, he approved of every change. There was one point where he thought I could get a little further up on the side hill, and I directed Mr. Gordon, the Division Engineer, to run a line there.

Schreiber approved of every change but one.

11538. Was that a further deviation from the original line than you had made?—Yes.

11539. Had the quantities, as originally estimated, been materially altered besides the items of rock and earth?—In some items they have been very materially reduced.

11540. What work?—Iron pipe culverts; we have done away with that item altogether. In the original bill of works there is an item for iron pipe culverts.

Item for iron pipe culverts done away with.

11541. Has that been the subject of any dispute between the contractors and the Government as far as you know?—No; not that I am aware of.

11542. Is there any other item in which a change has been materially made?—The clearing and the cross-laying.

Other items reduced.

11543. What do you mean by cross-laying?—A platform of logs across muskegs.

11544. What else?—The rock-borrowing has been very largely reduced, and train-borrowing has been very much reduced.

**Railway Construction—
Contract No. 42.**

11545. Is that of earth?—Yes, of earth.

11546. Is that what is spoken of as extra earth-borrowing?—It is.

11547. That applies to the haul, when it exceeds one mile; did you say that has been diminished?—Yes; I am speaking from memory.

11548. I am speaking of your impression at this moment?—It has.

Bridge masonry reduced 50 per cent.

11549. Earth excavation ordinary?—That has been reduced also. I think, as at present arranged, the culvert masonry will be about the same; the bridge masonry has been reduced, I think, 50 per cent., at any rate it has been very much reduced.

11550. I suppose that the clearing has been increased, and that the grubbing will be increased accordingly?—Although a line was cleared through the country still the change would not necessarily alter the amount of grubbing. It might; it just depends on the line.

11551. You are not decided upon that, whether it will or not change it materially?—No; however the grubbing is a small item.

Grubbing increased.

11552. In the estimate it is an item considerably larger than clearing?—The grubbing may be increased.

Stream tunnels through rock decreased.

11553. Do you remember about stream tunnels through rock?—They have been reduced very much.

11554. Then, according to your opinion now, the whole cost of the work will be very much less than what was expected?—Yes, very much.

Character of fillings.

11555. Through the water stretches are the embankments of earth or based by rock, or is there rock in part of it?—They differ. Some of the bays of lakes are to be filled with earth, and others, where the water is not of great depth, will have the base of rock, and in others rock-borrowing adopted to complete.

Manning mistaken in saying that the earth excavation would amount to 2,000,000 yards in excess of original estimate.

11556. Mr. Manning, one of the contractors, gave evidence before us and estimated that the total amount of earth excavation would amount to some 2,000,000 or more in excess of the original estimate, so that the aggregate now would be somewhere about 6,000,000 or 7,000,000 cubic yards?—I think Mr. Manning is mistaken about that. I saw the item in a newspaper and I thought that was greatly in excess.

11557. I understand you to intimate now that the total cost will be actually less than was originally estimated?—The total cost of the work now will be much less than formerly estimated.

With exception of off-take ditches aggregate earth excavation will be less than was estimated.

11558. Will the quantity of earth excavation of all the different kinds be, in the aggregate, in your opinion, less than was originally estimated?—It will, with the exception of off-take ditches.

11559. Well, as to off-take ditches?—That, I think, will be increased.

That item will be nearly double.

11560. By how much?—It may be double. In making up an estimate of the work yet to be done, I made an allowance for off-take ditches, which I thought would be sufficient to cover it, and I think I doubled the original amount.

11561. Will the increased amount for the off-take ditches affect the question whether the whole earth excavation will exceed the original estimate?—Not at all.

In water stretches depth of water the same

11562. As to the water stretches, have you been able to ascertain whether the depth will be about the same as originally expected, or

whether it will be very much increased?—We have ascertained that the depth of water will be as shown on the original profile, but in some places the deposit of clay, or mud, or sand at the bottom is greater than was supposed.

Railway Construction—Contract No. 42.
as expected but in places deposit at bottom greater.

11563. Do you mean that that will be displaced by the embankment? —Some of it will be displaced; but speaking of water stretches, a large amount of earth and rock work provided originally, has been done away with by the substitution of trestle work.

A large amount of earth and rock done away with by substitution of trestle work.

11564. Then there is a new item now in the expenditure for trestle work of a much larger amount than was intended in the original calculation?—I do not think that the trestle work on the whole—the timber in the trestle work—has been very materially increased, but some of the items have, the piling, for instance, will be largely increased, but the total amount of timber in trestle work does not form a very large item in the cost—that is, the difference will not be much greater.

Piling increased, but total amount of timber used in trestle not very much in excess of what was anticipated.

11565. Will this item of trestle work affect the general result on which you have given your opinion, that the total cost will be diminished?—Yes; it will materially affect it.

11566. Does it alter your opinion then?—No.

11567. Then how will it affect the general result?—As between completing those water stretches without earth and rock, as previously arranged.

11568. When I speak as to the general result, I mean as to the cost? —By the substitution of trestle work the cost has been very materially reduced.

By substitution of trestle work cost has been materially reduced.

GEORGE BROWN'S examination continued:

G. BROWN.

By the Chairman :—

Nixon's Purveyorship—Private Transactions with Alloway.

11569. You stated yesterday that one of the books of your bank showed that a discount had been made upon some note upon which the name of W. F. Alloway appeared as the maker, and Thomas Nixon as endorser?—Yes.

11570. Were you in charge of the bank at that time?—Yes.

11571. Do you know any other Thomas Nixon than the one who was purveyor?—There was a man named Nixon here, but that was not his name.

11572. Do you mean that that was an assumed name?—No. There was a Nixon here, but I do not think his name was Thomas.

11573. Was there any other Thomas Nixon, at all events, whose name you would have taken as endorser on Alloway's note?—Not that I remember.

No other Thomas Nixon that witness would have taken as endorser to Alloway's note.

11574. Then what is your impression upon this question, whether that Thomas Nixon whose name appears in your books was the purveyor, or some other person?—Certainly it was Thomas Nixon, the purveyor; there is no question about it in my mind.

No question the Thomas Nixon on Alloway's note was Thomas Nixon the purveyor.

**Nixon's Pur-
veyership—
Supplies.**

11575. Do you know whether Cooper, Fairman & Co. were engaged in furnishing supplies for the Pacific Railway—I do not mean to the contractors but to the railway, or the Government on account of the railway?—They furnished, of course, the contractors. I do not remember anything; they may have, and of course not come through my observation.

11576. Mr. Luxton mentioned in a letter to the Secretary that Cooper, Fairman & Co., of Montreal were engaged in furnishing certain supplies for the Canadian Pacific Railway; I do not know whether he means for the owners of the railway or the contractors on the railway?—He means the contractors.

11577. Do you know if they furnished supplies except to the contractors?—No.

**Contract No. 15.
Alleged improper
influence.**

Believes Cooper, Fairman & Co., did assist the *Times*, but not on account of railway.

11578. I mean, do you know that the Government, or any officer of the Government, have obtained supplies from them for the railway?—No; I do not.

11579. Do you know of any arrangement by which Cooper, Fairman, & Co. assisted Tuttle in the establishing or maintaining of a newspaper on any ground connected with the railway or its affairs?—No; I believe they did assist the *Times*.

11580. On account of the railway?—Not that I ever heard of.

TUTTLE.**Contract No. 15.
Supplies.**

C. R. TUTTLE's examination continued :

By the Chairman :—

11581. Do you know whether Cooper, Fairman & Co. were engaged in furnishing supplies for the Canadian Pacific Railway to the Government, or through any officer of the Government?—I do not think they ever were.

Cooper, Fairman & Co. furnished contractor with supplies.

11582. Were they to the contractors?—Yes.

**Alleged improper
influence.**

The assistance given witness by Cooper, Fairman & Co. not based on influence with any person connected with Government, but possibly on having obtained a contract for them from Whitehead.

Gave them a note

11583. Did you receive any assistance from them on any ground connected with the Pacific Railway, or any person connected with the Government?—Certainly not on account of any person connected with the Government; but it is just possible that the assistance they gave me was given to some extent, because I had been instrumental in securing a contract between Messrs Cooper, Fairman & Co. and Whitehead, but such an understanding was never expressed. Whatever assistance they gave me was on my note and the arrangement was that it was to be paid.

11584. Then it was an advance on your promissory note, and not a gift; is that what you mean?—Yes.

11585. Did you endeavour to obtain the contract between Mr. Whitehead and Messrs. Cooper, Fairman & Co., upon any understanding that you should receive money assistance for so doing?—No.

11586. Do you mean that after having done so you asked for assistance in the shape you have named, and received it?—Yes. I do not mean to say, however, that I asked the assistance on that ground.

11587. How does it apply to the question: what do you mean?—I simply mean that if I had been in any way instrumental in benefitting any person, I would feel more like going to that person and asking for assistance, though I would not naturally state that I came to him on that ground. I may say, however, that Cooper, Fairman & Co. had assisted me previous to my going into the newspaper, financially, and before I ever knew Mr. Whitehead, so that there was a considerable acquaintance between us—a former acquaintance.

11588. Have you at any time received any advantage from any contractor, upon the understanding that you would exert your influence with any one connected with the Government?—No.

11589. Have you upon an understanding that you had previously exercised your influence with any member of the Government?—No.

11590. Is there any other matter connected with the transaction of Cooper, Fairman & Co., which you would wish to explain?—I think not; but it might be, perhaps, since my name has come up in this connection, proper for me to state this: the way I became acquainted with Mr. Whitehead, and to be thrown in connection with him and people from the North-West, and contractors generally, was that being engaged upon the seventh volume of my History of Canada, at Ottawa, where I located myself in order to get copies of various volumes from the Parliamentary Library, and to take them into the Russell House; while there and so employed, I became the agent in a friendly way for Cooper, Fairman & Co., to get a contract between them and Mr. Whitehead. I had been very intimate with Mr. Fairman's family, as friends and neighbours in Montreal. He was visiting there, of course, and always came to my rooms. His wife was with him in Ottawa, and on one occasion his wife visited with mine; and talking over this matter with him I told him I would help him, and the contract was given to Mr. Fairman.

11591. You mean by Mr. Whitehead and not by the Government?—Yes; in that way I came into conversation and acquaintance with these gentlemen.

11592. Do you consider that the Government, or any member of the Government, is in any way involved in arrangements between Cooper, Fairman & Co. on the one side, and Mr. Whitehead on the other?—Certainly not.

W. F. JENNINGS examination continued:

By the Chairman:—

11593. You have alluded to a material change being effected by trestle work: please explain what change it is and how will it affect the result?—The change that has been made will reduce the immediate cost of the work to the extent of some \$500,000. The reduction may be less, but I believe that will be about it from the quantities returned to me.

11594. Then upon the whole cost of the work, including every kind of item, what do you consider will be the total reduction from the estimate at the beginning?—As at present arranged the reduction will amount to about \$1,500,000.

**Contract No. 15.
Supplies.
Alleged Improper
Influence.**

Cooper, Fairman & Co. had assisted witness long before he started a newspaper.

Never received any advantage from any contractor upon the understanding that he would exert or had exerted any influence with Government.

How witness came to know Whitehead.

JENNINGS.

**Railway Construction—
Contract No. 42.**

Change as affected by trestle will reduce cost of work by about \$500,000.

Upon whole cost the reduction will amount to \$1,500,000.

**Railway Construction—
Contract No. 42.**

Work as finished will amount to \$2,500,000 instead of \$4,000,000.

Trestle work temporary, gaps at future time to be filled in with earth.

Boring rods used for testing the depth of those water stretches with soft deposit at bottom.

From two to four men required for boring.

Some borings sixty feet, in one case 100 feet.

Borings made were not exhaustive. Points at which more borings must be made.

11595. The moneying out of the items in the original estimate, upon which tenders were given, we understand to be something over \$4,000,000 for the whole: is it that what you have understood?—It is.

11596. And do you think now that the work as finished under the changes which you have alluded to, will amount to somewhere about \$2,500,000?—That is about what I make it by the estimates returned to me. My returns would show that correctly.

11597. Is it intended that this trestle work should be only temporary and shall be at some future time filled in with solid earth embankment?—I should say that that course will be pursued.

11598. Then the expenditure required for that is not actually saved, but deferred?—In some cases there is a permanent saving made, and a very large one. For instance, if trestle work is used in some places for a number of years it defers the total cost of heavy works to such an extent that the interest derived from the sum may be saved, as it would more than pay for the trestle work. It is just a matter of calculation. In some cases it is decreased, and in some it is not.

11599. You were speaking of the bottom of the water stretches that in some places it was likely to be displaced to a great extent by the embankment?—The softer material on top will be displaced by the heavier material used for filling.

11600. How have you endeavoured to ascertain the depth of those water stretches which will probably be displaced?—We have used boring rods for the purpose of testing the depth.

11601. What kind of boring rods?—Three-quarter inch iron pipes jointed.

11602. How were they driven down?—They were bored down. There is an auger on the end and a cross bar through an eye on the upper end. This work was done over the water stretches, principally in the winter through the ice.

11603. Was the boring done by hand?—It was.

11604. No machinery was used?—None whatever.

11605. What force did you put on?—Sometimes four men and sometimes two.

11606. To what depth have you gone with any of those tools?—I think that borings have been taken sixty feet. It would be a great deal farther from the surface—100 feet in one instance—but there was a very small deposit of mud at that crossing.

11607. What is the greatest depth at which you have found a foundation sufficiently firm, in your opinion, to sustain the embankments put over it?—Ninety-eight feet is the greatest depth we have found, but at this point there will be no trestle work, it will be filled with rock.

11608. Do you think that you have made a sufficient test to ascertain the point at which it will be firm enough for trestle work?—I do not. Our borings were made to ascertain, as soon as we could, the character of the bottom; but now the trestle work has been substituted to such an extent, there are points it will require to take additional borings yet, and, as far as one can tell, to get a correct idea of the density of the material at the bottom.

**Railway Construction—
Contract No. 42.**

11609. Then do we understand that you have not had sufficient data yet to know how deep the bottom will be displaced?—Not generally so. I believe we have data sufficient for the completion of the work in the one decided upon, but you see by the substitution of filling there will be no displacing of material in the bottom, except the displacement in driving the piles.

Not enough data yet to know how deep bottom will be displaced.

11610. For the purposes of the work which at present is intended to be made over this line, have you, in your opinion, tested sufficiently the depth of these water stretches?—We have practically; but there are some points that we will have to go over to determine the length of pile necessary.

Generally depth sufficiently tested for present work, but points will have to be gone over in order to decide the length of pile.

11611. Mr. Manning stated, in his evidence, that he thought a depth of 200 feet, or thereabout, would be reached in some places?—Mr. Manning is entirely wrong. There is no point on the line that I know of where the solid rock lies at a greater depth than I have stated—ninety-eight or 100 feet—that I can remember of.

Manning entirely wrong in saying a depth of 200 feet would be reached. No point where solid rock farther than ninety-eight or 100 feet.

11612. Are you aware of any tests having been made by Mr. Manning or the contractors, or any one on their account, which showed a greater depth than those which you have mentioned?—I am not.

11613. Then you are not aware of any reason why he should have come to this conclusion?—I am not.

11614. What is your opinion as to the probable time when this work may be completed, if proper force is used upon it?—The work is to be completed on time as I understand it.

11615. You mean as agreed to be completed. I am not speaking of the time on paper, but of the physical results?—I do not see any reason why the work should not be completed within that time, with a reasonable force.

11616. Have definite instructions been given as to the manner of treating this work over muskegs or water stretches?—Definite instructions were given to me, or sent to me shortly after I left Ottawa, how they were to be constructed.

11617. Mr. Manning was under the impression, apparently, that it was still an open question as to the kind of work that was to be adopted, but that was before he went down lately on the line; do you know if he is still of the same opinion, or whether any one on the part of the Government has informed him to the contrary effect?—No; the original arrangement as to the construction of the line over muskegs, was that the muskeg was not to be used.

Original arrangement that muskeg material not to be used for bank, but Schreiber ordered muskeg to be allowed.

11618. You mean the muskeg excavation?—I mean the muskeg material. However, that was cancelled by Mr. Schreiber, who ordered me to allow muskeg to be used.

11619. Have the contractors, as far as you know, assented to the change from rock-borrowing and earth filling to the trestle work in the localities to which you have alluded?—I do not know that they have done anything with the exception of one point where they have asked for a bill of timber relating to work. It does not affect the water stretches materially. The order in connection with this was given to me at the same time, but it does not refer to these water stretches.

11620. Have they objected to the change from rock-borrowing and earth filling to the trestle work, in any case?—Not to me officially.

**Railway Con-
struction—
Contract No. 42.**

11621. Have they consented that such a change may be made at any locality or every locality?—They have done nothing definite, as far as I know, as regards it.

11622. Do you mean they have not dissented or assented formally to it?—I believe they will dissent from the present mode of construction.

**Notified contrac-
tors of changes
from rock-
borrowing and
earth filling to
trestle-work.**

11623. Are the instructions as to these changes positively given up to this time?—I sent the contractors a memorandum of the changes as directed.

11624. When?—On the 10th of last month.

11625. Was that the first time at which the contractors were notified of those changes being made, or being about to be made?—In writing it was; at two points. At a previous date I informed Mr. McDonald, one of the contractors, that at two or three points rock-borrowing had been adopted, but it had not been decided as to when the work would be allowed to be commenced on it.

11626. Has there been any dispute between the Government and the contractors or their respective engineers, upon the subject of measurements—I mean either quantities or classification?—The contractors claimed that the classification of loose rock is not according to their ideas. They think that the items as returned in the estimates are far too small.

**Loose rock - dis-
pute as what is
between Govern-
ment engineer
and contractor.**

11627. Upon what ground?—On the ground that they say anything in the shape of a stone, no matter what size it may be, is loose rock, from the size of one's fist upwards. Of course I could not admit that.

11628. Are you adopting the classification directed by your superior officer?—I believe I am as far as possible. The only classification, as far as loose rock is concerned as to the size, is that anything under what two men can put into a cart alone is not to be considered as loose rock, unless boulders were found in a mass or cemented. I do not know whether I gave written instructions to the division engineers, but certainly I stated that anything over that should be measured and returned, or, if it was found loose, that the rock in cuttings was found in an awkward position that would put the contractors to greater expense in taking it out, their judgment was to be exercised in the matter. Speaking about the loose rock matter lately, I said I would go into it more fully.

**Line improved in
consequence of
changes resulting
in a reduction of
cost.**

11629. Have the changes of line and the grade and the consequent reduction of cost in any way affected the efficiency of the railway?—Not at all. I think it is improved.

**Telegraph—
Maintenance.
Contract No. 4.**

11630. Is there any other matter connected with this particular section which you think ought to be given in evidence in order to assist us in our investigation?—Not that I can think of relating to the contract.

11631. Is there any other matter connected with the railway generally, any part of it or any work on it, which you think ought to be given in order to assist us in our enquiry?—Relating to the telegraph, I think that a change would be beneficial.

11632. Have you found difficulties?—We have.

**Line down a good
deal.**

11633. What are the troubles?—The line is down a great deal; at least it was down during the early spring, and up until lately it was in a very bad state.

**Telegraph—
Maintenance—
Contract No. 4.**
Manning & Co.
supposed to keep
a telegraph line
on their section
in repair.

11634. Who was the person representing the contractors for the maintenance of the line?—As far as my section is concerned, Manning, McDonald & Co. have had the maintenance for some consideration, that is in connection with their work. I believe they keep it in repair for the privilege of doing their business over the line.

11635. Have you complained to them of its inefficiency?—I have. They have spoken to me about it, and I have telegraphed to Mr. Brown to send repairers out, which he did.

11636. What Mr. Brown?—Not Mr. Brown. I should have said Mr. Macdougall.

11637. What Mr. Macdougall?—I believe he is the superintendent of the line.

11638. Where?—In Winnipeg; and last year I telegraphed to Mr. Macdougall, at Thunder Bay, if I recollect aright.

11639. Have these obstructions delayed your business?—My business has at times been delayed, and I have been obliged to wait sometimes for answers to my questions.

11640. How long have you waited?—Several days at times; in fact until the time of my departure I have waited three days for an answer to a telegram that I sent to Eagle Lake, and had not received it up to the time I left Rat Portage to come here on this occasion; that is the longest interval that I can remember of just now, but according to the returns sent to me the line was in a wretched state; now it is somewhat better, although I have not got this last month's report in yet.

Line was in
wretched state.
Now somewhat
improved.

11641. Could you say in what proportion of the time it is not in working order, owing to defective maintenance?—I think during the spring; as a through line, it must have been more than half the time out of order.

During spring
line more than
half the time out
of order.

11642. Is it better maintained or does it work better at any other season of the year than the spring?—In winter time it works better.

11643. Can you explain the reason?—On account of the dryness of the atmosphere, the want of rain and fewer storms, the poles are more firmly held in the ground with the frost.

11644. Does the line go over water stretches?—It extends over several of the water stretches.

11645. Does the ice affect the usefulness of the line?—I have never seen the line down on the ice, but I have found it myself down in the water of the Winnipeg River, and ordered it to be put up, and I have heard of it being in the water at other points.

11646. Then, upon the whole, do you say that it is insufficiently maintained?—It would not be called now a first-class line. During the spring it was certainly in a wretched condition, but repairers have been at work during the last month or six weeks.

11647. Of course it is not very easy to understand the distinction between a first-class line and a second-class line; but we can understand if you say whether it is sufficiently or insufficiently maintained?—It is insufficiently maintained.

Insufficiently
maintained.

11648. Is there any matter pertaining to the Pacific Railway which you think proper to give by way of evidence?—I think not now.

**Railway Location—
Contract No. 42.**

With more time probably a better line could have been laid.

11649. Have you any reason to think that if further time could have been given you would have been enabled to give a better line than the one as now at last arranged for?—I think the line could have been improved in places a little—perhaps deviations made. I am not at this moment positive, but it seems to me that a country of that kind will stand a very great deal of surveying, because when one can make changes from time to time, by which large reductions are effected, I think the more time you have, that is within a reasonable period, the more you can do.

With more time the line might have been somewhat though not materially improved.

11650. Would the changes which you think are possible materially affect the line?—I do not think that material changes could be made. I do not know of any, but of very minor ones. What I mean is, that if the contract had not been let, and the construction people following us, I would have, perhaps, diverged to other lines and tried other points. I did the best I could under the circumstances; but if I was going into the country to find a line I would take more time and go over a larger area of country to look for a line.

11651. Have you any reason to know that if you had taken more time there would have been a materially different result?—None whatever. I simply make that statement on the belief that a rough country will stand a great deal of surveying, and that it will turn out to be economical.

11652. Have you anything further to say on the subject?—Nothing further that I can think of.

NIXON.

THOMAS NIXON'S examination continued :

**Furveyorship—
Private transactions with
Alloway.**

Knows nothing about note for a \$1,000 which Manager of Bank swears bears his endorsement.

By the Chairman:—

11653. Since you gave evidence this morning, Mr. Brown has appeared again on our summons, and has said that, in his opinion, there was no other Thomas Nixon at that time whose name would have been accepted by him on Alloway's paper, and he expressed the opinion very strongly that you were the endorser: are you of the same opinion now?—I do not know anything about it. You can get the note from Alloway, I suppose, if you wish to do so.

11654. Do you say, as a matter of evidence, we can get the note from Mr. Alloway?—No. I said I supposed you could. I suppose Alloway is an amenable and can be brought before you. Mr. Brown showed me that there was a note discounted in the month of November, 1875, for fifteen days, for \$1,000.

11655. From what you know of Alloway's business habits, do you say it is likely that he would have the note now?—I do not know anything about Alloway's business habits.

11656. Would you take the trouble yourself to see if you could get the note from Alloway?—I shall not do it. I do not think it is fair for you to ask me. I have quite enough to do to attend to my own business without attending to Alloway's.

11657. Do you wish us to understand now that you adhere to your former statement, that you were never an endorser upon Alloway's paper?—I do not know anything about it. I do not remember; I do not remember now endorsing any paper for W. F. Alloway.

11658. And not remembering it, do you adhere to your former statement?—That I did not?

11659. That you did not?—I suppose I ought to.

11660. Do you, I am asking?—Yes.

11661. That will do?—Are you through with me now; because I would like to make a statement if you are?

11662. Is there any other evidence which you wish to give to the Commission upon any of the matters upon which you have been questioned?—Yes; I would like to tell you how I became first acquainted with Alloway, if you will accept it. I see there is an evident desire to make me a partner of Mr. Alloway's, and that desire has been evidenced by the way you have examined me all the way through, Mr. Chairman. I wish now to make the statement that when I came to this country I found, I presume some three months after my arrival, that Alloway was a partner with the Hon. James McKay in transporting goods for the Government, at the rate of \$5 per 100 pounds for 300 miles to Fort Pelly. The Hon. James McKay got five cents from the Commissioner of the Mounted Police or his adjutant. That was the contract; and the first transaction I had with this man—I mean Alloway—was his coming to my office and asking payment for some \$13,500 for this service, which had been performed before I came to this country. I then asked him what I had to do with him? and he explained to me that he was a partner of the Hon. James McKay in this contract. I just mention this to show that this man Alloway was in the freighting business before I came here, and that will account in some measure for my transactions with him. My next transaction with him was giving him \$4 per 100 for the same service, or for a little further service—it was really to Swan River, ten miles further than Pelly, and I really had to pay for the looseness of the manner in which the previous contract was made with McKay, as we had to pay an extra amount over and above the \$5 a 100 for the contract was made to Fort Pelly instead of to Swan River, and I had to pay for the extra distance. This threw me into communication with Alloway. Then you asked me about some hobbles, and you dwelt considerably on it. I have gone to Hugh Sutherland since, and he told me that he never paid less than a \$1.50 for a pair of hobbles, and he is willing to state it under oath. Then there is this freighting to the North-West Angle. Mr. Sifton has freighted out to the North-West Angle, and he is prepared to make an affidavit that he did pay \$2.50 per 100 for ordinary freight. I am not sure whether he said he ever paid less; and Charles Whitehead told me that they had paid \$2.25. I wish further to say that Dr. Schultz wrote a private letter to Sir Charles Tupper stating: "It can now be readily proved that Nixon was a partner with Alloway." I desire to say it is a most confounded lie; that I never was, directly or indirectly; and, more than that, that Alloway took a declaration before a Magistrate, that directly or indirectly, I had never received from him a present; I had never had any commission from him; I never was a partner with him in any transaction, in any connection with Government supplies, or in any transaction with the Government. Mr. Ashdown made the same declaration before a Magistrate; Mr. Bannatyne made the same declaration before a Magistrate; Mr. McTavish made the same declaration before a Magistrate; and, if I mistake not, the Honourable James McKay did before he died; and these documents I sent to the former Commission

**Purveyership—
Private trans-
actions with
Alloway.**

Swears notwith-
standing evidence
to contrary that
he did not en-
dorse Alloway's
note.

How Nixon first
became acquaint-
ed with Alloway.

First transaction
with Alloway.

Second transac-
tion with Alloway.

Hobbles, price of.

Denies ever
having been a
partner with
Alloway in any
transaction
directly or in-
directly.

**Surveyorship—
Private trans-
actions with
Alloway.**

that tried me, and when I forwarded these documents I made a request that they would be safely kept and returned to me, as they might form part of my certificate of character in my life, as I had no doubt the Government would dismiss me. I never could get the documents back. Mr. McArthur and Dr. Bown were the Commissioners. To this day I never could get them; and I think I have been very badly treated about the whole affair.

11663. There is another question upon which you can, perhaps, inform us; have you found whether that amount of \$2,861 went to your private credit?—It did not. Mr. Brown showed me the bank-books. We went over them, and I have my bank-book here. I think I have been very badly treated.

11664. Is there anything further you wish to give by way of evidence?—No; nothing further.

JARVIS.

EDWARD W. JARVIS'S examination continued:

**Railway Con-
struction—
Contracts Nos.
14 and 15.**

By the Chairman:—

11665. Since you have given evidence upon the last occasion before the Commission, have you inspected any portion of the Pacific Railway?—I have been over the portion of the line between Winnipeg and Rat Portage, or close to Rat Portage.

**Report on loca-
tion and con-
struction.**

11666. As we requested you to give us your views in writing, have you prepared any writing on the subject?—I have. I beg to hand you a report on the subject of my inspection over contracts 14 and 15 (Exhibit No. 108.)

11667. Does this report contain your views as fully as you wish to express them on the subject?—I think I have given my opinions very fully in the report on the state of the work. Naturally enough the inspection was a very hurried one. It only occupied one day going and returning by train; but I have reported on the salient features of the work.

11668. Is there any other matter, either in connection with this particular portion of the railway or any other part of it, upon which you think it proper to give evidence so as to assist us in our investigation?—I think that probably my report covers all the ground on which I can speak with certainty, or on which I can throw any light which will be of any use to you in your investigation.

**TAYLOR &
TODD.**

**Expropriation
of Land.**

JAMES TAYLOR appears before the Commission respecting a claim for land expropriated for the purposes of the Pacific Railway, and wishes to have the matter investigated.

THE CHAIRMAN:—

The Commissioners find it impossible to take up the subject of claims concerning lands between owners, or other persons interested, and the Government. If it is within the scope of their Commission to make such an enquiry, it will have to be done on some future occasion. It is not, therefore, necessary to decide whether it is actually within their duties or not. For the present, at all events, the decision is not to enquire into that subject.

ALBERT TODD appeared for the purpose of urging a similar claim. The matter was disposed of in the same way.

Telegraph—
Tendering—
Contract No. 4.

P. J. BROWN, sworn and examined :

By the Chairman :—

11669. Where do you live ?—I live at Ingersoll.

11670. Have you had any transaction connected with the Pacific Railway ?—None whatever.

11671. Or the telegraph lines pertaining to the Pacific Railway ?—I am one of the contractors for the construction of the telegraph line from Lake Superior to Red River. A member of the firm of Oliver, Davidson & Co.

11672. Was the work let by public competition ?—It was.

11673. Were you one of the persons who tendered ?—No; we did not tender. We took the tender of Mr. R. T. Sutton, or Sutton & Thompson, of Brantford—Oliver, Davidson & Co. Took over the tender of Sutton & Thompson.

11674. Were you one of the firm of Oliver, Davidson & Co. ?—I was.

11675. Who were the other members ?—Adam Oliver, of Ingersoll ; and Joseph A. Davidson, of Toronto.

11676. Did you take any part in the negotiations which led to the procuring of the Sutton & Thompson interest in the tender ?—No ; except so far as the arrangement with Sutton himself. We did the work, supplied the capital, put up the security, and gave Sutton a quarter interest. We simply stepped into his boots, did the whole of the work, put up the security for the Government, and gave him a quarter interest. That was the agreement between our firm and himself. Witness's firm did the work, supplied capital, and gave Sutton a quarter interest.

11677. Who took part in the negotiations which brought about that agreement ?—Sutton came to Oliver and myself in the first place, and showed us a telegram from the Department calling upon him to put up the security within a few days. He said he could not do it, and he made us the offer, which we accepted. Oliver went to Ottawa and put up the security, and Sutton assigned us the contract, and we stepped into his boots. We had no communication with the Department at all on the subject, or with him, prior to his coming to Ingersoll to see Oliver and myself. Negotiations leading to agreement.

11678. Had he the telegram with him ?—He had, and produced it. I saw it. I think the telegram was calling upon him that his tender had been accepted, and calling upon him to put up the security in three days, if I remember right. It may have been five days ; but I know the time was so short that Oliver left on the evening train, and went to Ottawa, and was only there in time to put up the security. Oliver bearing telegram to Sutton goes to Ottawa and puts up security.

11679. The telegram was addressed to Sutton, and not to Oliver, Davidson & Co. ?—We knew nothing about it, and paid no attention to it until we were approached by Sutton with this telegram from the Department.

11680. Do you remember who signed the telegram ?—I think it was Mr. Braun, the Secretary of the Department.

11681. And you say that the telegram stated that a certain time would be given ?—That he had three days time in which to accept the contract and put up the security. It may have been five days ; but I am quite sure it was three days.

Telegraph—
Tendering—
Contract No. 4.
Witness and
Oliver purchased
\$10,000 bank stock
for security.

11682. Do you say that within the time named in that telegram your partner arrived at Ottawa and put up the security?—Yes; within the time named. The reason I know it so particularly well, Oliver was at that time a candidate for the local election in South Oxford, and it was two or three days before the nomination, and he wished to put it off until after the nomination, but the Department would not do it. So he and I went to Toronto that night, and the next day purchased \$10,000 of Federal Bank stock, which was the sum required to be put up for the security for the contract.

11683. Did you go to Toronto with him?—I did.

11684. Did you go on to Ottawa?—No; I did not. I signed the contract in Ingersoll. It was sent to me.

11685. Do you remember whether that telegram was addressed to him alone or to the firm of which he was one of the members?—I could not say.

11686. Do you know whether he was authorized to act on the part of William Thompson in disposing of the firm's interest in the tender?—He told me he had authority.

11687. Was it upon his word to that effect that you acted?—Yes; because he afterwards procured the signature of Mr. Thompson.

11688. Did he explain to you about the connection with Mr. Thirkell?—No.

11689. Were you not informed at that time that he and Mr. Thirkell were interested in the matter?—Not at that time; the thing was all done on the spur of the moment. The telegram that he had was that he had either to put up the security in three days or the tender would be passed over.

11690. Do you remember whether you communicated with the Department after you had acquired this interest from Mr. Thompson before Mr. Oliver went to Ottawa, or was the first communication with the Department Mr. Oliver's presence in Ottawa?—Mr. Oliver did not want to go down for a week until after the nomination for South Oxford, but the reply was that the thing must be done at once, and he went down to Ottawa next day.

11691. Do you think you saw the reply to that effect?—Yes; I remember it distinctly.

11692. Who signed it?—Mr. Braun, Secretary of the Department.

11693. So that the Department refused to give you the time that was first asked for, and in consequence of that refusal it was closed within the time first named to Mr. Thompson?—Yes; within the time first named in the telegram sent to Mr. Thompson—either three or five days, as I said before.

Never understood
how Thirkell's
interest had been
disposed of

11694. Did you ever understand from Mr. Thompson how Mr. Thirkell's interest had been disposed of?—No.

11695. Did you ever understand from the Department or any one else?—No.

● 11696. When Mr. Thompson came to you to explain?—Thompson never did come to me.

Telegraph—
Tendering—
Contract No. 4.
Sutton showed
his figures.

11697. I mean Mr. Sutton—when Mr. Sutton came to you to explain that the time was short and he wished to make arrangements with you without delay, had he any means of informing you of the price at which he was to get the work?—Yes; he showed us his figures, certainly; he showed us a copy of his tender.

11698. Was that Sutton & Thomson's tender or Sutton & Thirtkell's?—I think it was Sutton & Thompson's. I would not be sure, but I think it was.

11699. Did he say whether it was altogether his or whether Thompson and he had each an interest?—He treated the matter as his own. I know the agreement between Oliver, Davidson & Co. was with him personally.

Sutton treated the matter as his own. In addition to a quarter interest \$800 was given to be handed to Thompson.

11700. He led you to understand that Thompson's name was used, not because Thompson had any interest in the matter, but because he was a help to him?—In addition to the quarter interest we gave Sutton \$800, which he informed me had to go to Mr. Thompson. I do not know whether it did go to him or not, but I know he got \$800.

11701. Do you know whether Mr. Thirtkell made any claim afterwards in respect to the contract?—No, I do not. I never saw Thirtkell and never knew the man.

11702. Do you know whether the amount at which the contract was closed was the same amount as stated in the tender which he showed you, and if not, how much higher was it?—I think it was the same amount. I have got all the papers at home. It is scarcely fair to ask me at this hurried moment—my impression is, it is the same amount.

11703. Will you be able to send us the original papers?—I think so; but I am not going down for a month or more. I have the agreement with Sutton, and I think I have the identical telegram from the Department to him, but I would not be positive. I have all the papers together.

11704. You think they are still in your custody at home?—That is my impression—except when we settled with Sutton the other day—they might have been destroyed or put away. I could not say; that is two or three months ago I settled with him.

11705. Was the settlement with him since the Commission was appointed?—No, before. It was last March or April—I think it was.

11706. Who has been the active member of the firm?—Mr. Oliver was the active member in the construction. I have had charge of it during the last year and a-half.

Oliver was the active member in the construction. For a year and a half back witness in charge.

11707. Are you still jointly interested with the gentlemen named in the firm?—The firm has been dissolved. Davidson is out of the firm. I have his interest, but Oliver still has the same interest. I think with the Government the contract has not been changed at all, it is Oliver, Davidson & Co.

Firm dissolved.

11708. With an arrangement between yourselves?—Yes.

11709. There has been no release on the part of the Government of any member of the firm?—No.

11710. Are you aware that there has been considerable complaint about the manner in which the line has been maintained?—Yes.

Maintenance.

**Telegraph—
Maintenance.
Contract No. 4.**

Thinks the causes of complaint against telegraph line rest with the engineer and railway contractor.

Special cause on section B.

Line down ten days, the cause being outside witness's management.

On section B the difficulty arose in regard to removing the poles from the centre to the side

On section A contractor excavated round the poles and did not leave sufficient earth to keep them in position.

Thinks that outside of section B there has not been much cause for grumbling.

11711. Have the complaints been upon the part of the public or by any particular person?—I think the cause of the complaint has been more particularly with the engineer in charge of the line and the contractors as well. The contractors in doing their blasting blow the poles all to atoms, and then take their own time to put them up. I have furnished the engineers with offices and instruments wherever they have asked for them. They do their own operating when it suits them, go away to their work, turn off the ground wire and remain away two or three days, in one instance I remember three days. My chief manager at Fort William, Mr. Macdougall, has the whole day and date and where the thing occurred, and in several instances there is a half a day and a day when the delay arose in the engineer's offices. Then another cause of trouble that has happened, particularly on section B, as first located on that section, the line of poles were put in the middle of the road bed. As soon as Mr. Rowan called my attention to the facts I applied to the Department for permission to remove those poles myself to the side of the line.

11712. Was that at the expense of the Government or at your own expense?—At the expense of the Government. I made two applications, both to Mr. Rowan and Mr. Fleming, and I am not sure but that I wrote to the Department direct on the subject, but instead of giving me that permission they have given it to the contractors on section B, Manning & McDonald. They took down my telegraph poles and placed them over on the side on the cleared line. They place them where they wish, and when they wish; it is only recently the line has been down ten days on that account, that is what my foreman tells me. I have two repairers between here and Rat Portage who are up and down the line all the time.

11713. Is Conners one of them?—A man named Fleming is one of them, but I do not know the name of the other. Mr. Macdougall can tell his name. I have Mr. Oliver on B, and Mr. John Robinson on section A, and another man between here and Rat Portage, and I have spent within the last four months upwards of \$3,000 for new poles in endeavouring to put the line in order.

11714. Over what portion of the line has this difficulty occurred in removing the poles from the centre to the side?—On section B; frequently the poles are placed according to the instructions of the engineers, and they place them in the centre of the clearing. We were obliged, according to our contract, to clear to the width of 132 feet, and were instructed to place them in the centre, but the engineer on the other end (Mr. Hazlewood was then engineer in charge), on east of Eagle Lake, instructed us to put them on the side which turned out not to be all right. On section A the only trouble we have had there was in excavating; the contractor cared so little to assist us in keeping up the line that they excavated about the poles, and perhaps would leave a foot of earth about them, and the first wind that would come would blow them over, and I would have to send men perhaps eighty miles to put them up. I have charged in all those instances, and have made a memorandum of the number of poles that were left in that manner. The first wind that would come along would blow them over.

11715. With the exception of section B, where the trouble is occasioned as you say by the careless way in which the poles have been moved, has the line been maintained in good order?—I think so; I

Telegraph—
Maintenance.
Contract No. 3.

think east of Eagle Lake or probably east of Wabigoon, there has not been really much cause for grumbling, and I think the same thing may be said between here and Cross Lake. It is surely through that infernal region if you may so call it.

11716. You mean section B?—Yes; the great difficulty in a great many places was that there was not ground enough to sink a pole, and we had to build a frame to keep the poles up.

11717. Of what timber are the poles in that section?—All tamarack.

11718. I have an impression that Mr. Caddy, who is stationed at Thunder Bay, said that some of the poles are not tamarack?—Between here and Rat Portage I sub, let the work to Sifton, Glass & Co. Our firm sublet that 100 miles, and I was not aware of it until I came here about two years ago, or a year and a-half ago, that the most of the poles that they put in are poplar poles. They will all be replaced now with tamarack poles and peeled at that. My impression is that east of Rat Portage there are not a dozen poplar poles. There may be, but if there are I have never seen them. Quality of poles.

11719. Do you know whether there are a considerable portion of ordinary pine poles?—I do not know.

11720. Do you say that you think they are entirely tamarack poles?—I think the great bulk, if not the whole of them, are tamarack poles. Our agreements with our sub-contractors were that they should be tamarack poles; all subject to the approval of the engineer in charge. I have the sub-contracts at home. Sub contracts to the effect that poles should be tamarack.

11721. Do you know whether the poles put up for the purpose of replacing those that have fallen, are of the same material as the poles originally put in?—I could not say; but I understood that the Department authorized Manning, McDonald & Co. to remove those poles.

11722. I am alluding to other portions of the line where repairs have been made by the repairers?—You will have to ask Horace Macdougall who is the manager at this end, and Neil Macdougall who is manager at the other end, at Fort William.

11723. Do you know the life of the wood used in that work and whether poplar or tamarack is likely to last the longest?—Tamarack is the best.

11724. Upon what arrangements is the line working as to prices?—The same as Ontario rates.

11725. And for whose benefit?—For the benefit of the contractor. All Government messages, however, are free. Line worked for benefit of contractors: all Government business free.

11726. With the exception of Government messages you get the prices paid?—Yes; and I think that the engineers abuse the privilege of the Government messages. If they want a pair of boots they will telegraph for them; and I have known Mr. Caddy at Fort William telegraph to Sarnia to send him by the next boat, seed potatoes and seed turnips and other things—a message that must have cost \$5. I have known several instances where they sent their messages for every little paltry thing they want, but I have never grumbled about it, and I furnished them an office wherever they wanted it. I think I have some thirty or forty instruments on the line now.

**Telegraph—
Maintenance.
Contract No. 4.**

If line had been properly under witness's control there would not have been the same cause for complaint.

11727. Is Mr. Macdougall in Winnipeg?—Yes; Mr. Horace Macdougall is my agent in Winnipeg.

11728. Is there any other matter in connection with this contract, or the fulfilment of it, which you think proper to give by way of evidence?—I do not know of anything else. I would say this: if I had had the thing properly under my control I do not think there would have been the same cause for grumbling, not only on behalf of the public, but on the part of the Government, as there has been. I may mention the delays of the engineers and their incompetency. A great many of the engineers have the old way of operating, and take the message very slowly with the paper ribbon, and then with the most of the contractors it has been almost impossible to keep the line in as efficient a state as it could be.

11729. Is there any other matter connected with the railway, independent of this telegraph contract, which you can explain so as to assist us in our investigation?—No; I know nothing of the railway. I have tendered occasionally, but I have never been so fortunate, or unfortunate, as to get a contract.

O'LOUGHLIN.

**Steel Rails—
Cooper, Fairman & Co.**

MACROY O'LOUGHLIN, sworn and examined:

By Mr. Chairman:—

11730. Do you know whether Cooper, Fairman & Co, of Montreal, were engaged in furnishing any supplies to the Government, or any Government officer, for the railway?—I am aware of the steel rails contract, and also a contract, I believe—I cannot say that I am actually aware of the latter that is for the supply of the spikes and bolts.

11731. Where do you live?—In Winnipeg.

11732. How long have you lived in Winnipeg?—About three years and three months.

11733. What do you know about that contract?—I know nothing more than that they have a contract, but the details I know nothing about.

11734. How do you know that they had a contract?—I was in their employ in Montreal previous to coming up here on their business, and, while in their Montreal office, I understood that they had obtained a contract by tender from the late Government, to supply steel rails to the Canadian Pacific Railway.

11735. From whom did you understand that?—I cannot say that I understood it from any one in particular but it was the general impression in the office, and that is where I got the impression at the time. The detail, was carried out in the private office of Mr. Cooper and Mr. Fairman, of Montreal.

11736. Do you know whether they assisted Mr. Tuttle with the conducting of the *Times* Newspaper?—I do.

11737. Had the assistance any connection with this contract or with any other contract?—None whatever.

**Helping News-
papers—
Alleged improper influence.**

Cooper, Fairman & Co. assisted Tuttle in connection with the *Winnipeg Times*.

This assistance had no connection with steel rails contract.

**Helping News-
papers—
Alleged impro-
per influence.**

11738. Do you know for what reason the assistance was given, that is upon what ground?—The facts I do not know of; but I understand, at least, I have always understood, that Mr. Fairman and Mr. Tuttle were friends prior to Mr. Tuttle's coming to this country. I left there in 1877, and did not know Mr. Tuttle until after the paper was started here—the *Times*. The only reason that I knew of was to assist Mr. Tuttle, I think, on the grounds of friendship.

The only reason known to witness why Cooper, Fairman & Co. should assist witness was on the grounds of friendship.

11739. Do you know whether there was any understanding between them, or any reason for an understanding between them, that the assistance was given in consequence of Mr. Tuttle's influence with any Minister of the Crown or any Member of Parliament?—I do not know of any.

11740. Mr. Luxton has mentioned your name as one who could give information upon the subject of this assistance, and of the connection of Cooper, Fairman & Co. with the railway: we would like to know, if we have not asked the question on the subject, what you know upon the whole matter or any part of it?—Any assistance that was given to Mr. Tuttle, in Montreal or Ottawa, I know nothing whatever about it, if there was any given. The assistance that was given here amounted to, I think, \$200, if I remember right, for which Mr. Tuttle gave me a note payable to Cooper Fairman & Co. in settlement thereof.

In Winnipeg \$200 given to Tuttle for which he gave note payable to Cooper, Fairman & Co.

11741. Were you in that matter acting as agent for Cooper, Fairman & Co.?—I had charge of Cooper, Fairman & Co.'s business here for two years and a-half, until I changed from Cooper, Fairman & Co. to the Hamilton Powder Co., about the middle of January last.

11742. Was it while you had charge of Cooper, Fairman & Co.'s business that this advance was made and note given?—Yes.

11743. Was it negotiated through you—I mean the advance and the taking of the note—was it negotiated through you, or did you obey somebody's instructions?—No; I did it on my own responsibility, feeling confident on the position that I held that I was justified in doing so, and that Mr. Cooper and Mr. Fairman would uphold me in doing so. They were away at the time.

Witness acted as agent of Cooper, Fairman & Co.

11744. As it was done on your responsibility and entirely through you, you ought to know the motives which led to its being done; now, as to those motives, what do you say?—So far as the motive is concerned, the only reason that I can remember of at the time was, that Mr. Tuttle wanted \$200 for some purpose that day, and he came to me, being the agent of Cooper, Fairman & Co., and got it. I do not know any other motive than mere friendship at that time.

11745. What position did you occupy in the Montreal establishment?—I was in the general office.

11746. Was it a wholesale house?—Yes, it was wholesale—heavy hardware and railway supplies.

11747. Was it in connection with the books or the active management?—No; it was in connection with the active management; the book-keeper was there as well, he had charge of the books, and I had nothing whatever to do with them.

11748. Do you remember about the time that it was understood that they got the contract for steel rails?—I do.

11749. About what time?—You mean about the date?

**Cooper &
Fairman-
Mackenzie
Partnership.**

Personally knew nothing about contract for steel rails.

11750. Yes?—I cannot place that exactly.

11751. Do you remember the circumstance of Charles Mackenzie going out of the firm?—I knew personally nothing about that; that was entirely done, I believe, with Mr. Cooper and Mr. Fairman. I remember Mr. Cooper mentioning, prior to the steel rails contract, that Charles Mackenzie had retired from the business, and that they were going to continue it on alone.

11752. Was there any general understanding about the establishment at that time as to the extent of the business, whether it had been successful or otherwise or were there any difficulties?—That I could not say; I had not been with them sufficiently long to know that. I knew nothing at all about their private affairs whatever.

**Helping News-
papers—
Alleged Impro-
per influence.**

Cooper, Fairman & Co's. business successful.

Cooper, Fairman & Co's. furnishing Whitehead with supplies nothing to do with the \$200 advanced on Tuttle's note.

11753. I am asking you if it was the general understanding among the persons in the office?—The general understanding in the office among the clerks and employes was that they were perfectly good, they felt quite confident.

11754. Cooper, Fairman & Co. also furnished supplies to one of the contractor. Mr. Whitehead?—Yes.

11755. Had their advances anything to do with that transaction?—Nothing that I am aware of.

11756. Would it have had any connection with them without your being aware of it: in your opinion was there any person else who would have been more aware of the reasons of the transaction than you were?—No one except Mr. Cooper or Mr. Fairman.

11757. Would they have understood it better than you did?—Certainly; if there was any other understanding.

11758. But I was led, from what you stated, to believe that it was done entirely on your own responsibility and not through them?—When I say on my own responsibility, I mean on the responsibility as their representative, I advanced \$200 of their money—I think it was \$200.

11759. Was it in obedience to instructions from your employers, or was it done on your own responsibility, assuming that they would approve of it?—I did it on the responsibility assuming that they would approve of it.

11760. Then is there any person else better able than you are, to tell the reasons for it being done?—Not that I know of. There is no other party.

11761. Is there any other matter connected in any way, directly or indirectly, with the Pacific Railway on which you can give us information by way of evidence?—Nothing that I know of.

LYNSKEY.

**Railway Oper-
ating—
Pemb. Branch
& Contract 14.**

THOMAS J. LYNSEY sworn and examined:

By the Chairman:—

11762. Where do you live?—In Winnipeg.

11763. How long have you lived here?—Since the 10th of February last.

**Railway Operating—
Pemb. Branch
& Contract 14.**

11764. Have you had any connection with the matters of the Canadian Pacific Railway?—Since then?

11765. Yes?—Yes; but none before that.

11766. In what way have you since then?—As superintendent of the operating of the lines.

Since February, 1880, superintendent of operating lines between Emerson and Cross Lake.

11767. What lines—between what points?—Between Emerson and Cross Lake.

11768. From whom did you receive your appointment?—From the Minister of Railways.

11769. What are your duties?—I have charge of the freight and passengers, and the running of all trains and the main working of it.

Duties of staff.

11770. What staff have you besides yourself to manage that business?—I have an accountant acting as cashier, an auditor who is acting as auditor and paymaster, a store keeper, two clerks, and four clerks in the accountant's and auditor's departments; and in my own office I have one clerk and two train despatchers.

11771. Are the movements of the trains conducted by telegraph?—By telegraph when in operation.

Telegraph.

11772. Who built the telegraph on the Pembina Branch?—I understand that it has been built by the North-West Telegraph Co., and it was formerly on the west bank of Red River. At the time of the building of the branch it was moved on to the Pembina Branch, but I cannot say from my own knowledge.

Telegraph line built by North-West Telegraph Company.

11773. Do you know if it is Government property in any way?—No; I think not.

11774. What is the arrangement between the Government and the company concerning it?—As far as I can understand there is no arrangement at present, they are there on sufferance.

No arrangement with Government—there on sufferance.

11775. Are the messages paid for on any particular tariff?—The regular tariff, and the Government gets 25 per cent. reduction under the arrangement with the late lessees, Upper & Co., and that arrangement continues at the present time.

Government gets 25 per cent off regular tariff.

11776. Could you say, in round numbers, what is the expense to the Government for messages over this branch?—I could not say, but I think my own will average about \$25 a month, but Mr. Schreiber's and Mr. Owen's are separate accounts and I do not know. I could only give you in connection with my own office. This arrangement I speak of only extends from Winnipeg southwards—from Winnipeg to St. Vincent.

11777. There is no telegraph on the Pembina Branch north on the line?—No, it is on the west side of the river and is very unsatisfactory to have it work on the west line, because there is a great deal of delay and loss for not having it even to Birds Hill where we were working steam shovels and ballast trains. We have to work it by rules that they will cross at certain points. Trains that are delayed have to stop there in case another train is passing.

Telegraph arrangements very unsatisfactory.

11778. So that the movements of the train cannot be worked from time to time as occasion may require, but they are worked by some previous arrangement?—Yes.

**Railway Oper-
ating—
Pemb. Branch
& Contract 14.**

When witness
took charge
road-bed in a bad
condition.

11779. In what state did you find the road and properties connected with it when you took charge?—The road-bed was in a very bad condition. There was about twenty-six miles that had a light coating of ballast, say between St. Boniface and Niverville, and a little beyond Niverville the other portion had no ballast at all.

11780. And what else?—No water tanks on the line. We had to syphon water from the river, which often took longer to get the water required than the time it took to run between St. Vincent and St. Boniface.

11781. Do you mean that the whole time during which the train was in motion would not be as much as the time taken to procure the water to run the train?—In many cases.

11782. Has this defect been remedied?—It has been remedied. There is a tank containing 50,000 gallons erected at Emerson, another at Otterburn, and one at St. Boniface, and there are two more, one at Niverville and one at Dominion City, now in course of construction.

11783. Are these answering the requirements?—They will answer fully the requirements this winter.

Road in good
order now.

11784. Has the defect in the road-bed and track of which you speak been remedied?—Yes. The track between Emerson and St. Boniface is very nearly complete now, fully ballasted. The portion between St. Boniface and Niverville, which had formerly one coat of ballast, we are going over now and putting it up to the full standard. The point from there to Emerson is fully ballasted and the road is in very good order now.

Bed made too
wide originally.

11785. Was the condition in which you found the road-bed, when you took charge, attributable to the operation of frost going out of the ground, or was it from the improper formation of the road-bed?—I think the bed was made too wide, and the water lay on it, as well as the nature of the soil. Just immediately after the rainy season commenced the ties and rails went down out of sight, and we had to plough the mud with the cow-catcher in going over it, and had to slacken the speed to at least ten miles an hour.

11786. Do you mean that is the greatest speed at which it was safe to run the trains?—A good part of the road it was, in fact, in many parts of it we had to reduce the speed to five or six miles an hour.

11787. Do you consider if the road-bed had been narrower, that trouble would have been prevented?—To a certain extent I believe it would.

Frost will have
very little effect
on road as at pre-
sent finished.

11788. What did you think of the operation of the frost or rains in spring, now as the road is at present finished?—I think it will have very little effect on it.

Good drains.

11789. Is there plenty of drainage?—There is a good drainage; there are deep drains on each side, and between twelve and eighteen inches of gravel on the road-bed.

Freight sheds at
St. Boniface un-
equal to the
demands even
now.

11790. What accommodation did you find in the buildings at the time you took charge?—The buildings between Emerson and St. Boniface were very fair, they were new buildings, the same as we have at present. At St. Boniface the buildings were defective, in fact they did not afford one-tenth of the freight accommodation that is required, then or now.

**Railway Oper-
ating—
Pemb. Branch
& Contract 14.**

I put up a shed about 150 feet, temporarily to cover in the freight until there is a new building erected.

11791. Have orders been given to erect buildings which you consider to be sufficient?—I think not yet; it is under consideration, and I think will be attended to very shortly now for the winter.

11792. So as to make them useful for the winter?—I think so.

11793. Can it be done?—Yes; it could be done in four or five weeks. There is no plastering, it is all wood work. If the piles were driven the building can be put up in four or five weeks.

11794. Did you organize the staff under you, or where they here Staff. when you came?—I brought them with me, and found some of them here.

11795. Has there been any trouble on account of the conduct of your subordinates since you came here?—There has been considerable trouble.

11796. Of what nature?—Some claiming higher wages than I was instructed to give, and from time to time we had to meet the difficulty about it, and put it up to the rates paid by lines which we are now paying at present. In many cases we were paying more than what they were paying. On connecting lines they were paying by the hour, and on the St. Paul, Minneapolis and Manitoba Railway, they are paying at the rate of \$45 a month. Our men worked long hours, and many of them drew \$70 a month, according to the time they made.

11797. Did you encounter any other difficulty in the management of the business?—There was considerable drinking, in the beginning among the staff, and I had to dismiss them and replace them by better men.

11798. Have the difficulties with the men been overcome, in your Staff in good opinion?—Yes; the men are working now in good order. shape now.

11799. Is there any other matter which has occasioned you unexpected trouble?—The want of proper accommodation.

11800. Do you mean of buildings?—Yes; want of buildings in St. Boniface and Winnipeg.

11801. That I understand is likely to be remedied?—Yes; it is likely to be remedied.

11802. But no positive orders have been given yet?—Not that I am aware of. We were also short of rolling stock and locomotive power.

11803. What rolling stock had you at your command in the beginning?—I had three locomotives when I took charge, two old passenger cars, six box cars, and forty flat cars. Rolling stock at witness's command when he took charge

11804. Do you say that was insufficient for the business?—Yes.

11805. How much more were required at that time?—About as many more engines as we had then were required, and thirty or forty box cars, and about 100 flat cars.

11806. Had you been given to understand at all the amount of business which was likely to come over the road when you first came up. —Yes; I was told that the business would be a good deal larger than I expected.

**Railway Oper-
ating—
Pemb. Branch
& Contract 14.**

Found business
good.

11807. How did you find it?—I found it very good. At the first month, February, the St. Paul road was pretty well blocked with snow, and most of March it was blocked, and when the season advanced, the freight was rushing in on us very rapidly, as high as 100 cars a day, the latter end of March, so that our work came all at once.

How he managed
with defective
rolling stock.

11808. How did you manage with the short rolling stock?—I had to work them night and day, and kept them on the move. The moment a train came in I had to send it right back with a fresh crew on it.

11809. Was there any other difficulty with which you had to contend at the beginning?—I think these were the chief difficulties.

Bulk of business
formerly done by
water, done by
rail.

11810. What sort of business has there been done while you have been here?—It is getting brisk, and steadily increasing. The business formerly done by water here has been done this year—the bulk of it—by rail.

Rolling stock at
present.

11811. Have both departments—I mean freight and passenger—kept up?—Both freight and passenger have kept up, and are now increasing. At present we have ten locomotives, ninety flat cars, six box cars of our own, and about ten from the Intercolonial Railway. We do not miss the box car service as much as the flat, for all through freight comes in foreign cars, and we get the use of them by paying the mileage on them.

Eighty flat and
fifty box cars
ordered.

11812. Is there a further supply of cars under contract?—Yes; there are eighty new flat cars, I understand, ordered, and about fifty box cars.

Passenger and
baggage cars
increasing.

11813. As to passenger cars?—Lately I received two new passenger cars and three new baggage and postal cars, and I understand there are two more passenger coaches to follow.

11814. Did you keep separate accounts for the earnings of the Pembina Branch and the main line east of Selkirk?—Yes.

Passenger travel
good.

11815. How has the business been on the main line east of Selkirk?—The passenger travel has been very good, an average of fifty passengers every trip that we go, in and out each way.

Government
alone interested
in receipts.

11816. Is that portion of the line working entirely on Government account?—On Government account.

11817. The contractors have no interest in the receipts now?—Not to my knowledge.

Earnings of road
from Cross Lake
to Emerson from
10th February to
30th June,
\$104,975.69.

11818. Do you know, in round numbers, what the net earnings of the Pembina Branch proper has been since you have been on it?—I could not give you the figures without looking to the accounts. I have come away hurriedly from the office, I did not bring them; but I can tell you what they were for the first five months, from the 10th February to the 30th June.

11819. That will be sufficient?—\$104,975.69.

11820. Is that the net earnings?—Yes, the net earnings; that is taking from Cross Lake to Emerson.

11821. I did not speak of the Emerson Branch, but that will answer. You have deducted from the gross, expenses for labour and all running expenses?—Yes.

**Railway Operating—
Pemb. Branch
& Contract 14.**

11822. You mean the operating expenses?—No; that is the total amount—the total earnings.

11823. I asked you for the net earnings?—The net earnings, or at least the balance after paying everything, would be about \$26,083.63.

Net earnings
\$26,083.63.

11824. What expenses have you deducted from the gross earnings to arrive at that net earnings?—Everything that was consumed by locomotive power, wages, labour of every kind, and material used for repairs.

11825. The maintenance of the road?—The maintenance of the road as far as keeping up the track and telegraph goes.

11826. How often are your returns made to the Department?—
Monthly.

Returns to Department made monthly.

11827. Do these returns exhibit the net earnings?—Yes.

11828. Not the gross earnings?—Net and gross.

11829. In deducting from the gross earnings have you deducted the expenses for ballasting and completing the road?—No.

Money expended under witness in ballasting road not placed to account of working expenses.

11830. You have kept that distinct on construction account?—Yes; it is expected that that will be handed over in working order to the operating department. A road is supposed to be in good working order when we get it.

11831. Do you know what percentage of the gross earnings, in other localities, is considered to be a fair allowance for working expenses and maintenance?—No; I do not.

Working expenses and maintenance 75 per cent. of gross earnings.

11832. In this case it amounts to about 75 per cent.?—Yes.

11833. Have you had experience in the working of other roads?—
Not as a manager, with the exception of three years in Nova Scotia.

11834. What road did you manage there?—The Western Counties, a branch from Halifax to Windsor, and from Digby to Yarmouth.

11835. In what capacity?—As general superintendent.

11836. Similar to the office you have here?—Yes.

11837. How do the climatic influences affect the road here as compared with Nova Scotia?—I would sooner work a railway here than in some parts of Nova Scotia. I think, taking the parts between Truro and Quebec, it is fully harder to work than a railway in this country.

Climatic influences not so difficult for railway working in Manitoba as between Truro and Quebec.

11838. What are the principal difficulties that you have to contend with here on account of those influences?—Drifts; the snow becomes very hard, as hard as if it were gravel.

11839. Have you a snow plough?—None yet. The drifts piled up last season and I had to use road scrapers and teams of horses to keep it open; but there was only one portion, about three miles to three miles and a half, we experienced any difficulty—five miles this side of Emerson.

Snow drifts principal difficulty to be encountered in Manitoba—but these affect only small portion of line.

11840. Do you know whether it was understood that there was more snow last season than usual?—I understood that there was more snow last year than there was for twenty years, in any one season before. I am quite satisfied that the drift was a good deal heavier down in Minnesota than in the North-West, in the district where I was operating.

More snow winter of 1879-'80 than in any season for twenty years. Drift heavier in Minnesota than in Manitoba.

**Railway Oper-
ating--
Pemb. Branch
& Contract 14.**

11841. Do you think that the rest of the year, beyond these five months, is likely to require the same proportion of expenditure—that is, the same percentage of the earnings?—I think not.

11842. Will there be much difference, in your opinion?—There will be considerable.

Some exceptional expenses at present for want of accommodation.

11843. The work then was a good deal more expensive?—We had to keep men night and day in the engines to keep them from freezing, in consequence of having no sheds, and we had, in consequence, to keep them consuming fuel all the time. It is very expensive.

11844. Then do you mean that you consider that for the whole year the net earnings will be more than 25 per cent of the gross earnings?—I think it will be.

11845. The maintenance and working expenses for the five months would be about three-quarters of the whole gross earnings?—Yes.

11846. But you think that for the rest of the period the maintenance and working expenses would be a smaller proportion of the gross earnings?—Yes.

Repairs at present done in the Round House at Selkirk, there being no sufficient accommodation yet.

11847. Where do you make the repairs to your rolling stock?—On the sidings principally, so far. At present, we are doing what little repairs we have at Selkirk, in the round house.

11848. Have you sufficient accommodation there for the repairs on your line?—We have not.

11849. Nor at St. Boniface?—No; we have no accommodation there at all.

11850. Is Selkirk a convenient place at which to make your repairs for the whole line?—It is not.

Winnipeg the best situation for repairing sheds.

11851. Where would be a better place?—Winnipeg would be more central. It is where the most business is done.

11852. Is this defect being remedied?—Not yet.

11853. Has it been ordered?—I do not think it has. The location has not been laid out yet where we will have the workshops. It is under consideration.

11854. Have you sidings enough to operate the road conveniently?—We have not—not for the growing traffic that is at the head point here, St. Boniface and Winnipeg; we have along the line at all the small stations.

Want of sidings being remedied.

11855. Is that being remedied?—Yes. There have been sidings put down at Telford, Darwin, Whitemouth, Shelly and Tindall. There were five new sidings put down this season—one at St. Norbert, Niverville, Dufrost, and Arnaud, Dominion City, have been made and ballasted, so that they are now ready for use, and at Emerson there are very large sidings put down.

11856. Who conducts the operations of putting in the sidings?—The construction department.

11857. That is not under your supervision?—No; it is not under my supervision. It is under Mr. Schreiber, or Mr. Rowan.

**Railway Oper-
ating—
Pemb. Branch
& Contract 14.**
Everything need-
ed being done.

11858. Upon the whole, are there sufficient facilities being or about to be afforded to you for the fair and proper working of the line?—Yes; everything is being done that can be done up to the present time.

11859. Do you remember whether the deepest snow drifts which you had to contend with were at places where the road-bed was higher than the level of the prairie or nearly even with it?—Nearly even with it, and caused by the long grass and weeds allowed to grow without being burnt down or cut in the fall. They hold the snow and accumulate it on the track. I believe if the weeds and grass were cut down that the snow would pass right over it, and we would have no more trouble there than on any other part of the line.

The long grass
and weeds the
causes of drifts
where they did
occur.

11860. How deep does the snow fall on the average over the country which this railway traverses?—An average of about two feet between St. Boniface and Cross Lake.

Snow fell last
season two feet
between St. Boni-
face and Cross
Lake.

11861. Was that last season?—Yes.

11862. Do you understand that that is the ordinary average?—No; it is higher than the average, as far as I can understand.

11863. Did the snow drifts interfere with the working of the road?—Not between here and Cross Lake and the woody part of the country.

11864. It was in the prairie country?—Yes. There was more snow between St. Boniface and two miles out of here on the Winnipeg branch, than any part of the line that I know of. It drifted more in the city and around it—this portion of the main line between here and the temporary bridge—and from here to a mile and a-half west.

11865. Did you find, do you say, that those portions of the line which are a little above the level of the prairie, say two feet or thereabouts, were clear from difficulties caused by snow?—Yes; quite as clear as in summer. There was no trouble with it.

11866. At these points which are level with the prairie, and where the difficulties occurred, were there side ditches?—Yes; there were side ditches.

11867. Of what dimensions?—I suppose they would be about four or five feet wide and two feet deep.

11868. Do you know whether those ditches had any effect upon the accumulation of the snow?—No; I think not. I think the grass and weeds had most to do with it.

11869. Is the branch fenced now?—Only part of it, from St. Boniface to about Niverville.

Only part of
Pembina Branch
fenced.

11870. Have you had any difficulties of that kind?—There were several cattle killed between Selkirk and here. The fence was burnt down in the spring, and in several places we had eight or nine head of cattle killed.

Nine head of
cattle killed for
want of fencing.

11871. Is the fencing contracted for or in progress of construction?—It is under contract, and the wire is here now, or part of it.

11872. Is there any other matter which you think would be proper to give by way of evidence, so as to assist us in our enquiry?—I do not think there is that I have not given fully.

Nixon's Purveyorship—Carrying Mails. AUGUSTIN NOLIN, sworn and examined:

By the Chairman:—

Mr *Henry Clarke* acting as Interpreter.

11873. Where do you live?—*Ste. Anne's, Point du Chêne, County Provencher.*

11874. How long have you lived there?—*Ten years.*

11875. Have you come of your own accord to give evidence before this Commission?—*Yes; I came to this Court voluntarily to give evidence.*

11876. Upon what matter do you consider it proper that you should be examined?—*I presume it is on the question of carrying the mail.*

Mail from Winnipeg to section 15.

11877. Between what points?—*From the office of the engineers in Winnipeg to section 15.*

11878. What do you know upon that subject?—*I was here in the month of April when W. Alloway came and spoke to me in front of Bannatyne's door on Main street.*

11879. What he did he say?—*He said: "I have a contract to give for carrying the mail up to the North-West Angle, and Thompson told me that you are the best man to do it."*

11880. How often was it proposed that the mail should be carried?—*Once a week.*

Five stations.

11881. Were you to go direct to the end of that distance, or was it to be delivered at different points?—*I have to leave the mail at five different places.*

Mail sent to North-West Angle by horses and from North West Angle by canoe.

11882. Was there any arrangement as to the means by which it should be carried?—*From Winnipeg to the North-West Angle it was to be sent by horses, and from the North-West Angle it was to be sent by canoe to be delivered at the different stations along the line of section 15.*

11883. Was it part of the agreement that this mail should be carried by way of the North-West Angle, and not by any northern course?—*I was obliged to pass by the North-West Angle. It was the only route by which we could arrive at the destination of the mails. The road was not completed to Cross Lake.*

11884. Did you conclude any agreement on the subject?—*Yes.*

Contractor to carry mail for seven months.

11885. For how long a period?—*To the best of my recollection it was for seven months.*

11886. Do you remember the time it began?—*I signed the contract for it on the sixteenth of April.*

11887. Of what year?—*I do not remember exactly the year, but it is about three years ago. I can ascertain it after I return home; but I think it will be about three years next April.*

11888. Did you enter into more than one agreement on this subject with Alloway?—*No; I made but the one contract for carrying this mail.*

11889. Did you close an agreement at the first interview?—*No; I returned home but came back before I signed the contract.*

**Nixon's Pur-
veyorship—
Carrying Mails.**

11890. Did you arrive at a verbal understanding upon the first occasion?—It was understood before I left for home, that I was to return in the course of a couple of days to sign the contract.

11891. Then the terms upon which the contract was to be signed were finally agreed upon at the first interview?—Yes; and I believe he had the contract made during my absence, ready for signature.

11892. What price was paid to you for this service?—\$225 a month.

\$225 paid witness for carrying mail.

11893. Did you know before that verbal agreement that this service was put up to public competition?—At the time that I was spoken to about carrying this mail I was not aware that there had been public tenders asked for, but after I had signed the contract I met the late Honourable James McKay, who asked me if there had been public competition and public tenders asked for; I told him no. He said then there were public tenders asked for, and I told him the price, and he said Alloway is making \$200 or \$300 a month out of you on the contract.

McKay said to him that Alloway was making \$200 or \$300 a month out of him on the contract.

11894. Do you know whether any one else than Alloway was interested in the profits of the bargain?—When I offered to perform the service for \$250 a month, I was sitting in Alloway's office, which was directly opposite Mr. Nixon's office. He said "Wait awhile and I will see." He made across over to Nixon's office, and after awhile returned to his own office. He then returned and made a lower offer than that I had asked, but I refused. When Alloway returned to his own office from Nixon's office, he said: "I will give you \$200 a month." I refused. I said then: "I will take it for \$240 a month." He said again: "Wait awhile," and left the office and crossing the street again, and so on three or four times. At last he agreed to give me \$225, which I accepted.

11895. Did he go each time that he crossed to Nixon's office?—There was only that place that he could go to, and there was only that house where Nixon's office was. I am perfectly well aware that he was going there to consult with somebody, for every time he returned he offered a little more until we agreed on the \$225.

11896. Had you any other reason than that appearance of Alloway consulting with somebody else, to lead you to suppose that any one else than Alloway was interested in the bargain?—I knew that Alloway was in the habit of getting all the contracts from Nixon, and for that reason, when he went there to consult with him I was satisfied that there was something going on between them.

11897. Had you any other bargain for carrying the mail between any other points with Alloway?—The 22nd of June, following that time, I entered into an arrangement with Alloway for carrying the mail to the North-West Angle, that was the mail that was going to Fort Frances.

On 22nd June, agreed with Alloway to carry mail to North-West Angle from Fort Frances.

11898. How far were you to carry that mail?—110 miles from here to the North-West Angle.

11899. How often did you undertake to carry the mail?—Once a week.

11900. In what place did you make that arrangement with Alloway?—It was here in town. Alloway met me on the street and brought me to the Post Office; I signed no contract, but did the whole thing verbally.

Nixon's Purveyorship—Carrying Mails.

Alloway had told him he was to get such a contract and would turn it over to him.

11901. Did you make an arrangement at the first interview?—He had already spoken to me previously, saying that he was going to get such a contract, and that he was going to turn it over to me.

11902. How long before that bargain was made with Alloway, was it that Alloway said he was going to get such a contract?—I could not tell exactly, but it was not long before.

\$150 a month.

11903. How much were you paid for the service?—\$150 a month.

11904. Have you reason to believe that any person other than Alloway was interested in the profits of this arrangement?—I cannot say positively; but I have reason to believe, and do believe from the fact that he went out so often to consult with the other man before making the final arrangement with me.

11905. That is upon the former occasion?—Yes; the contract for section 15. The \$150 a month was for the North-West Angle.

11906. Do you know whether the Government asked for tenders for the carrying of the mail to the North-West Angle?—Perhaps it was so in the English papers, but we did not see any thing of it. At the end of the time for which I contracted, Alloway came to me again and said the contractors were ready to take it for \$120 a month, and if I would take it for the same price, he would give it to me. You will have "the preference if you will take it at the same price." I refused and said I could not work any longer for nothing.

Used two horses on the road.

11907. In carrying the mail to the North-West Angle, did you use any more than one horse?—Always two at least, but I had several horses engaged for the business.

Mail carried in vehicle.

11908. Then it was not on horseback, but in some vehicle?—It was always carried in a vehicle that I had made for the purpose, in the style of a buck-board. Then I always had two men and a canoe waiting. The men with the canoes took the mail from the North-West Angle to Lake Deception where the two men separated. They had eighteen miles each to make. There were five stations, and one man had to go to Rat Portage, and the other returned by the way of section 14.

Time occupied.

11909. About how long did it occupy a team to carry the mail from Winnipeg to the North-West Angle?—The mail was given to me here on Saturday. Saturday we took it to my house out thirty-two miles to Pointe du Chêne. We remained there over Sunday. On Monday we started, and we returned to my house by Thursday evening. We never missed our time. We were always exact.

11910. After starting on the Monday, at what time would you reach the North West Angle?—Always two days from my house to the North-West Angle and two days to return. I kept relays of horses on the road, and the mail was always delivered here on Friday, so that it just took the round week.

Freighting.
Carried freight for Government for seven years.

11911. In ordinary freighting how long would be the average time taken to go from Winnipeg to the North-West Angle, without reference to mail carrying?—We carried freight—that is, myself and my brothers, carried freight for the Government for seven years from here to the North-West Angle. They always allowed us seven days to go and return, that is starting from Pointe du Chêne, thirty-two miles from here and return seven days. Sometimes it took us more; some-

Nixon's Purveyorship—Freighting.

times less. That is before the road was built, and while they were building the Dawson Route.

11912. Do you mean seven days from Pointe du Chêne to the North-West Angle and back, or from Winnipeg to the North-West Angle and back?—From my place to the North-West Angle and back; this was with horses. If we went with oxen it took longer.

11913. After the Dawson route was made, how long would it take for an ordinary team to take an ordinary load from Winnipeg to the North-West Angle?—We could go in about seven days from here to the North-West Angle and back, taking a load one way; but a great deal depended on the state of the roads.

11914. At some seasons it took longer and some less?—When the roads were good we could do it faster than that. When they were bad, of course, we could not do it so fast. We have been from my house to the North-West Angle and back in four days. When I speak of seven days I wish it to be understood that we worked for the Government for years, as much as seven months in the year, and it was an understanding that we should be allowed seven days for the round trip from my house to the North-West Angle and back.

11915. What was considered in the year of 1875 to be a fair price for the use of a team and vehicle, and a man's services as a driver?—I should say that a reasonable price for a man and team for the service that you have mentioned, would be about \$4 or \$4.50 per day. We received more than that sometimes, sometimes less, but I give that as the average. For my own part I would have done that service for \$4 a day. I have done it for less than that for the Government.

Fair price in 1875 for use of team, vehicle and driver \$4 or \$4.50 per day.

11916. Have you been accustomed to the purchase and sale of horses at different times, and particularly about the years 1875 or 1876?—Yes; that has been my special business buying and selling horses.

Buying Horses.

11917. About the year 1875 what was a fair price for a good half-breed horse?—For a good cart horse the price would be about \$50; that would be a good cart horse.

In 1875, \$50 price for a good cart horse.

11918. Suppose they were selected carefully for the purpose of carrying loads over long distances, what could horses be obtained for that purpose?—When I speak of a good horse at \$50, I mean horses that you would buy if you were going to load them to the base of the Rocky Mountains. For instance, in carrying my mail I bought horses at \$50, and made fifteen journeys successively with them in carrying that mail.

11919. Do you know whether that was the price generally paid for such horses in and about Winnipeg in that year?—I have seen them sold at a great deal less. At that time horses were not very dear here. At auction such horses as I have described would sell at about \$30.

Good horses sold for \$30.

11920. Did you ever sell any horses to Alloway about the year 1875, or afterwards?—No; I did not sell any horses myself to Alloway.

11921. Did you know of any being sold by other persons?—No; I was only present and saw a horse sold by a Frenchman—a cream-coloured horse—but I did not catch the price.

11922. Do you know the prices of ordinary horses of the country, or better horses, in 1877?—I have, in giving the price of \$50, given the price that has ruled here for years; and with the exception of horses

Unless for horses with a pedigree or trotters, a higher price would not be paid.

**Nixon's Purveyorship—
Buying Horses.**

that had a pedigree or some peculiar qualities, such as trotters, I do not know that people would pay a higher price.

Freighting.
1875 and 1876
freighting to
North-West
Angle, \$2 per 100
lbs. afterwards
\$1.50.

11923. Do you know the price by the 100 lbs. at which freighting was done from Winnipeg to the North-West Angle, about the years 1875 or 1876?—When the Dawson route was first opened, we got \$2 per 100 lbs. for freighting from here to the North-West Angle, and after that the price was reduced to 6s. sterling, or \$1.50

11924. Was the Dawson route open before the year 1875?—The Dawson Route was opened about the year 1870, after the troops arrived. It was on the arrival of the second expedition of troops, they came by the Dawson route and we carried their freight. I mean myself and my brothers.

**Sale of old
waggons and
harness.**

Bought old waggons and horses condemned by Government.

11925. Is there any other matter connected with the purveyor's office (Mr. Nixon's), or with the Pacific Railway upon which you can give evidence?—I carried a great lot of freight for them, and I bought some old waggons from him—old waggons and old harness that had been condemned by the Government and left at different stations along the road.

For these Alloway retained, money out of witness's contract.

11926. To whom did you pay the money?—Alloway retained the money on my contract with him. In my freighting for the office, when I would make my monthly claim Alloway would retain the price of those things out of my estimates. I had charge of a lot of their things at my house for a whole year, and they never paid me for it.

11927. Was this property the property of the Government or of Mr. Alloway?—Yes; it belonged to the Government. Mr. Nixon gave me an order to pick up all this property belonging to the Government, and bring it to my house and take care of it.

11928. Did the property which you bought belong to the Government?—Yes; what I bought from them belonged to the Government. It had been used on the Dawson route.

Made bargain with Nixon and Alloway.

11929. With whom did you make the bargain about the price at which you bought it?—It was with Alloway and Nixon both.

11930. Were they always together when you made a bargain?—They were together at the time that I bought those waggons.

\$93 for lot.

11931. Did they consult together about fixing the price, or did one of them fix the price?—Nixon appeared to want a higher price, and Alloway seemed to be saying to him: "Better give it to him; it is all old stuff." There were three old waggons, and a lot of old broken harness. I paid them \$93 for the lot.

11932. Who owed you this money from which this price was deducted?—It was Alloway who owed me the money from which the price was deducted.

Alloway acted as interpreter.

11933. Do you know whether Nixon agreed that this price might be deducted from what was owing by Alloway?—When I bought the things in question, I said: "I have not the money to pay you" to Nixon. Alloway said: "It does not matter." Alloway was interpreting for me in the matter. He said: "It is no matter, you can take the things, and at the end of the month the price will be deducted from the amount I have to pay." Nixon consented to that.

11934. Do you know about what date you made this purchase?—I think—I am not very positive as to the date—but I think it was about

the month of September of the same year that I made the contract with him. I think it must be about the year 1877. I could ascertain the date exactly if I were at home, and looking at my papers.

11935. Did you get any receipt in writing for the price of this property, which was deducted from the money coming to you by Alloway?—I do not think I did. They had to pay me \$225 every month, and they simply deducted that from the amount they had to pay me.

11936. Is there any other matter upon which you can give evidence, so as to assist us in our enquiry?—I am rather reluctant to speak, I always worked for them.

11937. You have sworn that you would speak?—There may be a great many things that I might remember, if I were questioned, or had time to think; but, at the present moment, I do not remember. I know that my son sold some oxen to Alloway, with carts and harness, all complete. I do not know the price, but I think it was £13 sterling for each—\$65. Each ox had a harness and cart with it, at £13 sterling.

Witness's son sold Alloway oxen and carts and harness complete at \$65 each.

11938. Do you know whether that sale was for the Government—I mean was the property bought to be sold to the Government?—I could not say, as it was not myself sold them; it was my son.

11939. Is there any other matter?—No; I do not think there is.

11940. Was that about the ordinary price for an ox and cart?—That was rather a high price at the time.

11941. Did you come from your home to give this evidence, or did you come on your own business to Winnipeg?—I came for the purpose of giving my evidence.

W. T. JENNINGS' examination continued :

By the Chairman :—

11942. Do you wish to add to or explain your evidence given on a former occasion?—I should like to enlarge on the statement regarding the present class of line as in comparison with that as originally arranged. By the substitution of trestle work for solid embankment the class of line has been somewhat reduced, trestle work not being permanent. This would in no way alter the working of the line as compared with the former arrangement.

JENNINGS.

**Railway Construction—
Contract No. 4**

Present line as compared with that originally contemplated is less useful but is valuable from a money standpoint.

11943. Do you mean that this change makes the property a less valuable one for the present but not less useful?—It does not make it less useful. It makes it less valuable in a monetary sense, but not from the working point of view.

11944. Have you estimated what the probable cost will be to fill in the trestle work so as to make it a solid bank eventually?—The difference between the two estimates made up by me represents the difference of the two estimates referred to in my evidence.

Replacing trestle by solid embankment will cost \$500,000.

11945. Could you tell me now?—\$500,000—that is by the prices in the contract.

11946. Then the saving with the trestle work as at present used would be \$1,500,000?—No: \$500,000 is the difference.

**Railway Construction—
Contract No. 42.**

11947. I think you said that the saving on the whole work of section 42 would be about \$1,500,000?—Yes.

11948. That includes the trestle work in its present proposed shape?—It does.

Eventual saving
\$1,000,000.

11949. But if that is converted into a solid embankment then the saving upon the whole work will be eventually about \$1,000,000—is that what you mean?—That is what I mean; taking as a basis the rate given in the contract.

11950. Is there any other subject which you wish to remark on by way of evidence?—Nothing further than simply all my statements are to the best of my knowledge, speaking from memory.

11951. Did you mean in your former evidence to say that the original instructions concerning muskegs and water stretches had been modified?—I d d.

Contract modified,
use of muskeg
being allowed.

11952. In what manner have they been modified?—That the use of muskeg material has been allowed in places.

11953. Has this been positively adopted, or is it under discussion still?—It has been positively adopted, and the work is now going on.

11954. Mr. Manning's solicitor seemed to think that it was still an open question; that some of these changes had not been finally authorized, and, in consequence, that they were not able to proceed with their work on it, and therefore I wish you to be particular as to your answer to that question. Have you any explanation to give on that subject?—As far as I am aware, I am acting in keeping with my instructions regarding how the embankments are to be made up from muskegs.

11955. Is there any other matter concerning either muskegs or water stretches on which you are unable to give positive directions to the contractors, because you have not received definite instructions from your superior officer?—Not that occurs to my memory at present.

No doubt that the
change of grade
has diminished
rock cutting.

11956. Is there any other matter which you think it advisable to have more fully explained, or to have altered in your evidence? Have you any doubt that the deviations in the line, and the changes in the grade have diminished the amount of rock cuttings?—I have no doubt about it.

11957. Have you any doubt that the grades alone have diminished the amount of rock cuttings on the work?—The deviations and change of gradients have combined to reduce the work.

11958. Have you any doubt that the change in the grades alone has diminished the rock cuttings on the work?—I have no doubt.

11959. Have you now any doubt whether you have heard officially, or otherwise, that the Government had retarded the progress of the contractor's operations?—I have no doubt.

Rock-borrowing
in some places,
rock base in
others used for
embankments
across water
stretches.

11960. In reference to embankments for water stretches, do you wish to state more fully the mode in which the work is to be finished than you did in your previous examination; if so, please do so?—I should like to say that at some points rock-borrowing has been adopted to complete embankments across water stretches; at others a rock base has been determined upon.

**Railway Construction—
Contract No. 42.**

11961. You distinguish between rock bases and rock-borrowing; please explain what the distinction is?—Referring to a rock basis, I mean rock borrowed for the purpose of making an embankment to a few feet above the surface of the water, upon which trestle work will be erected. When I speak of rock-borrowing in the ordinary way, I mean that course had been adopted to complete embankments where the material from adjoining cuttings was insufficient.

11962. You mean by the borrowing to make it a complete embankment of rock?—As arranged, a complete embankment of rock with the exception in some instances of sufficient openings for the passage of water, such openings will be crossed by trestle work.

11963. Is there anything further that you wish to say by way of evidence upon this subject?—Nothing further that I can think of now.

WINNIPEG, Saturday, 9th October, 1880.

WILLIAM MURDOCH, sworn and examined :

MURDOCH.

By the Chairman :—

**Surveys: 1871—
Party W.**

11964. Where do you live?—In the city of Winnipeg.

11965. How long have you lived here?—About a year.

11966. And before that?—Before that in Bowmanville, which was my headquarters.

11967. Have you been in any way connected with the Canadian Pacific Railway?—I have.

11968. From what time?—From June, 1871.

Employed
June, 1871.

11969. In what capacity were you first employed?—As division engineer.

Witness, Division
Engineer to survey
from Sault
St. Marie 100
miles eastward;
then exploration
to French River

11970. Where?—To make a survey of the Sault Ste. Marie Railway, from Sault Ste. Marie to 100 miles eastward instrumentally; then to the crossing of French River exploratory. These were preliminary surveys.

11971. Had the country been examined by a simple exploration before that?—Not previous to that, to my knowledge.

11972. What was the number of the party of which you had charge?—There were altogether about thirty men, as far as my recollection serves me. Size of party,
thirty men.

11973. Were they divided into more than one party?—No; it required the whole party to carry out the instrumental work, and get provisions forwarded, &c.

11974. About what proportion of the party would be for engineering purposes, and what for transportation and other work?—The full party would consist of about eleven or twelve men of the working party, engineering. The rest would be packers, cooks and camp men. About eleven en-
gineers, the rest
packers, cooks
and camp men.

11975. Where was your base of supplies?—The base of supplies was originally to land at Sault Ste. Marie. I had then to distribute them throughout the whole distance to French River. Base of supplies
Sault Ste. Marie.

**Surveys: 1871—
Party W.**Distribution of
supplies.

11976. How was the distribution of the supplies accomplished?—In making the survey it ran for the first 100 miles in many places close to the river bank of the St. Mary's River, in some places five or six miles inland, and I took them up by boat and distributed them at those points. I sent by boat to three different points between French River, at the end of the first 100 miles going eastward, and had provisions put at different points inland to meet me at my exploration as I arrived at those points. That service was performed by three men, I think.

Commissariat
officer attached
to party.

11977. Was any commissariat officer attached to your party, or did you take the responsibility of providing?—Yes; I had a commissariat officer immediately under my control.

Supplies purchas-
ed by Mr. Wallace

11978. Did he take the responsibility of purchasing the supplies, or was that done by some other officer superior to him?—The supplies, I think, were purchased by Mr. Wallace, if I recollect rightly.

11979. Was there any difficulty during that season's operations on account of the supplies?—None; whatever I had them directly under my own control.

Work done first
season.

11980. About what time did the operations end for that season?—The first 100 miles of instrumental work ended in November.

11981. What was accomplished during the first season?—An instrumental survey of 100 miles was accomplished, plan and profile furnished to the Government, and the report upon it; also an exploration of the remaining distance over the 100 miles eastward to French River, with a sketch plan, and report accompanying it as to the feasibility of the railway.

11982. Was the exploration proceeding on the eastern portion at the same time that your instrumental survey was going on at the western?—Not until I had run 100 miles eastward instrumentally, did I commence to continue my exploration easterly to French River.

11983. Was the party diminished for exploration purposes?—All but nine were sent home, who accompanied me with sleighs and provisions hauled through by men.

Remained in field
until he knew the
most favourable
points to cross
French River.

11984. Then did you remain in the field during the winter of 1871-72?—I remained in the field until I had walked through to the crossings of French River and determined the most favourable points for crossing. Then I took my way to Ottawa by the Maganetawan and Nipissing colonization road to Toronto, and then to Ottawa.

Reached Ottawa
February, 1872.

11985. About what time did you reach Ottawa?—Some time in February.

Party all
discharged.

11986. Had the party been all discharged then?—All discharged.

11987. How long did you continue at office work in Ottawa?—My office work was pretty well up. Plans and profiles were in a sufficiently forward state to be left there, and I was then sent by Mr. Fleming on another service.

11988. Is the result of your season's operations for 1871, and the ensuing winter, reported?—Yes.

11989. Among the printed reports?—Yes; the Sault Ste. Marie Railway.

**Surveys: 1872—
Winnipeg
River to
north of Lake
Nipigon.**

Directed by Fleming to run from Winnipeg River via English River to south of Lac Seul to head of Nipigon Lake, then to Nipigon Bay.
Route proposed by Fleming impossible.

11990. What was the service at the beginning of 1872?—I was four days at home, I think, and Mr. Fleming desired me particularly to go to Winnipeg to determine upon the feasibility of a line for the Pacific Railway, from the crossing of Winnipeg River *via* English River, then south of Lac Seul to the head of Nipigon Lake; then by the branch to Nipigon Bay. I found, on arriving at Rat Portage, that the route proposed by Mr. Fleming was impracticable. I had then to determine the crossing of the Winnipeg River, and decide upon the route eastward. In order to attain the information, I found a number of the Indians and chiefs of the locality eastward assembled at Rat Portage; and through Mr. McPherson, the Hudson Bay Agent, and from my own personal examinations, determined to make my exploration of the crossing at Rat Portage as the objective point eastward, and from information received I adopted the route as laid down on the plan which I now produce and file. (Exhibit No. 109.)

11991. Is this the red line marked "William Murdoch, March, 1872?"

—Yes; that is the line with altitudes taken at different points, and shown on the plan.

11992. Was this route different from the one which had been projected when you started on the work?—The responsibility was thrown upon me of choosing that route through the country. At that time the Government did not know where to send out their parties for the ensuing year until that line was determined upon.

Responsibility thrown on witness of choosing route.

11993. I understood you to say that Mr. Fleming had proposed some line which you found impracticable?—*Via* English River.

Line proposed by Fleming.

11994. Then he had proposed to you a different course from the one which you found to be the most favourable?—Yes.

11995. What was the route which he proposed?—*Via* English River, by what is called White Dog to Islington.

11996. The starting point was Red River?—No; I had nothing to do with Red River and these points.

11997. I am speaking now of what Mr. Fleming had intimated that he desired you to do?—He proposed a route by English River through by the south of Lac Seul.

11998. Is that the route which you say you found to be impracticable?

—Yes; on examination of the different points, I found it impossible to construct a line along the English River. I had discretionary powers to adopt a different one if I wished.

11999. What was the number of your party for that season's operations?—Nine men and eight dog trains.

Size of party, nine men and eight dog trains.

12000. Do you mean only engineers and packers?—I had simply one man with me, as assistant.

12001. Was that a simple exploration?—It was an exploration, what you may call a track survey, the points were laid down—lakes and notable points—so as to enable Mr. Fleming to distribute parties from the information that he had got as to the best section of country to make instrumental surveys.

An exploration to enable Fleming to distribute surveying parties.

12002. Where was your base of supplies for that season's operations?—I carried them through from this place, Fort Garry, to Lake Nipigon with me.

Carried supplies with him.

Surveys: 1872—

**Winnipeg
River to
north of Lake
Nipigon.**

Exploration end-
ed at Ombabika
Bay 2nd May, 1872.

12003. At what point did the operations end?—The operations ended north of Lake Nipigon at Ombabika Bay.

12004. About what time?—About the 1st of May, 1872.

12005. Was any attempt made to ascertain the height at different points of the country?—Yes; but my barometers were broken and my judgment had to guide me as to the lay of the country. I may state, I suppose, that for some years afterwards, from the difficulty of the sections, instrumental surveys were carried on by the Government to try and better the choice of location, but had finally to adopt the route as laid down as nearly as indicated on the plan in the vicinity of the route laid down.

12006. Was that the general course of the railway as now being constructed?—Up to Eagle Lake, the east end of Eagle Lake.

12007. After May, 1872, what was your next work?—I was detained, through ice at Nipigon Bay for some considerable length of time, before I was enabled to proceed to Ottawa by boat, where I reported to Mr. Fleming from the sketch plan and verbal report which I gave him at the time. On the surveys being distributed over the exploration referred to, the report that I gave to Mr. Fleming was substantiated by the instrumental work.

12008. Do you know whether the substance of that verbal report appears anywhere in the records?—I do not think so. The offices were afterwards burnt, and everything, with the exception of the profile and the Sault Ste. Marie work, was destroyed.

12009. In a report of 1874, by Mr. Fleming, does he not make some allusion to the substance of this communication?—None whatever that I am aware of.

12010. And what after that?—I was then given instructions on November 5th, 1872.

12011. Between May, 1872 and November, do I understand that you were occupied in connection with the Pacific Railway?—Yes. Previous to Mr. Fleming's departure for British Columbia, I was instructed to co-operate with Mr. James H. Rowan in looking after the parties in the Nipigon District. I remained there until the fall at Nipigon Bay. Mr. Rowan went to Ottawa to take charge of the office, and I took charge of the parties in the field.

12012. During what time did this arrangement last?—During the summer.

12013. What was your duty in regard to field work for that summer?—My duty was to visit some of the parties in the field, to see the objective points, and give them instructions generally.

12014. Had you any responsibility as to the supplies or only engineering work?—Engineering work entirely; Capt. Robinson was the commissariat officer.

12015. Were the engineers in charge of the different parties subordinate to you during that period?—Yes.

12016. Were their movements directed on your responsibility?—They were; their instructions had been received previously and they knew their duties.

**Surveys be-
tween Red
River and
Nipigon.**

Took charge of
parties in field
while Rowan at
Ottawa.

12017. Were the operations of that season, by the different parties, conducted satisfactorily?—It substantiated the report that I made to Mr. Fleming in connection with the route from Red River, and a portion of the route from Lake Nipigon westward.

12018. But had you any charge of other parties working east of Lake Nipigon?—Not immediately.

12019. Under whom were they operating?—Mr. Rowan.

12020. Then your jurisdiction extended from Nipigon to Red River?—Yes; westerly as far as the parties were out.

12021. About how many parties?—Four or five parties, I think; I do not remember exactly. I was ill part of the season, and laid up at Red Rock, when Mr. Fleming was going through.

12022. Do you know whether these parties under your control met with any unexpected difficulties?—There may have been some slight difficulties in connection with the carrying out of the commissariat; I remember hearing that the supplies were not regularly forwarded to them on the eastern portion of it. Aside from that nothing unusual.

12023. Did the work for that season proceed to your satisfaction?—No; I cannot say that it did so.

12024. In what respect was it not satisfactory?—There were some slight mistakes made in starting, at one of the points, which were afterwards corrected on the return of the party coming in; it was about the only thing that I had to find fault with.

12025. Did you remain in control of these operations after November, 1872, when you received those other instructions from Mr. Fleming?—No; my connection ceased with that part of the district.

12026. Then what was the new work which you undertook?—I was given instructions to run a preliminary line, an exploratory survey, from Prince Arthur's Landing, Thunder Bay, to White Fish Lake.

12027. What was the number over which you had charge?—About twenty-eight or thirty men, with dog-trains.

12028. What was done?—An instrumental survey was made between those two points, plans, profiles and reports.

12029. Up to what time were you occupied in that winter?—During the winter, and I returned in the spring to Ottawa.

12030. Does your report on that subject appear in any of the printed volumes?—I think that was burnt as well, at the time the Pacific Railway offices were destroyed.

12031. Have you now any copy of your report on that subject?—I have not.

12032. Was there any trouble about supplies during that operation?—None whatever.

12033. What was the next work undertaken by you?—The Collingwood breakwater, I think, was the next work I was entrusted with.

12034. Is that in any way connected with the Pacific Railway?—No.

**Surveys: 1872—
Between Red
River and
Nipigon.**

Surveys confirmed report made by witness to Fleming as to route from Red River east and west from Nipigon.

Witness's jurisdiction west from Nipigon.

Work not to satisfaction of witness that season.

**Exploratory
Survey: 1873
Thunder Bay to
White Fish
Lake.**

Instructed to run an exploratory survey from Prince Arthur's Landing to White Fish Lake.

Size of party, thirty men with dog trains.

**Railway Location—
Kaministiquia to Lake Shebandowan.**

12035. What was the next work you undertook in connection with the Pacific Railway?—Preliminary location of a line between the head of the Kaministiquia and Lake Shebandowan.

12036. About what time did you commence that?—In the spring or July, 1874.

12037. Were you in charge of a party?—I had charge of two parties.

Extension of line from Shebandowan to Lac des Mille Lacs.

12038. Were they engaged upon different works?—They were engaged upon the two ends of the work. I have written instructions dated 30th June, 1874, which are in substance to locate the line of the railway in the best position over the shortest route between the points referred to, having due regard to economy in construction, and especially to secure a favourable alignment and easy gradient for traffic running eastward; also the extension of the line from Shebandowan to Lac des Mille Lacs, and a trial line over a portion of the ground in advance of the location line.

Thunder Bay base of supplies.

12039. What was the base of your supplies for that operation?—Thunder Bay.

12040. Were there any difficulties connected with supplies during the work?—None whatever.

12041. Up to what time were you engaged in that work?—Up to the latter end of November.

12042. Were the parties discharged then?—They went down on the boat when the season's work was not completed.

12043. Was the work not finished that year?—Not completed.

12044. For what reason?—The season was too short to make the location satisfactory.

Work not finished. Hazlewood sent up to supersede witness.

12045. The work was not countermanded?—No; the work was not countermanded, but Mr. Hazlewood was sent up to supersede me.

Witness left service.

12046. What was the result of that?—The parties went back the ensuing season, and Mr. Hazlewood resumed charge. That fall I was discharged by Mr. Mackenzie.

12047. Did you proceed to Ottawa before that happened?—Yes.

Charges of improper conduct.

Charges preferred against witness and S. J. Dawson,

12048. Had you any intimation, before the discharge, that the Government were not satisfied with your management of the business?—No. Certain charges were preferred against myself and S. J. Dawson in connection with the work.

Investigation demanded by witness.

12049. Were those charges investigated?—They refused an investigation; Mr. Mackenzie refused an investigation. I demanded an investigation.

12050. Were the charges communicated to you?—Privately.

Fleming communicated charges privately

12051. Not officially, from the Department, or from any superior officer?—No; privately from Mr. Fleming.

12052. Do you know whether Mr. Fleming made any report, or recommendation, on the subject to the Minister?—I have no idea. I demanded from him, by letter, that an investigation should take place, on oath, into all matters connected with it.

12053. Upon whom was this demand made?—Upon Mr. Fleming and upon Mr. Mackenzie.

**Charges of
improper
conduct.**

12054. Had you any official answer to that demand?—None whatever; but I have a copy of the letter which I sent to Mr. Mackenzie.

12055. Was a copy of that letter produced at any previous investigation, or any examination before a Committee?—It was produced on my last examination before a Committee on matters connected with the Pacific Railway, and a sub-Committee concerning the Kaministiquia. I read it before the Committee to exonerate myself from charges brought by certain members of the Committee.

**Read a letter
addressed to Hon.
A. Mackenzie
before a Com-
mittee of Inquiry.**

12056. Did you on that occasion intimate to the Committee the substance of what you are now intimating—that you were discharged without any investigation?—I did; the matter was fully discussed before the Committee.

12057. Was evidence taken before that Committee on oath?—Yes; I was sworn at that time.

12058. In consequence of that statement before the Committee, were any steps taken towards a further investigation of this matter between you and the Department?—Nothing further, I imagine, than the reports—I have reason to think that there was.

12059. Would there be any difficulty in investigating this matter between you and the Department now, or at some future time, on account of the absence of witness or any other trouble?—I should think not. The absence of witnesses would, of course, materially affect the thing now.

12060. Are you willing that the matter should stand as it is, or do you require that a further and fuller investigation should be made, either now or at some future time?—I see nothing, either one way or the other, that would be of interest to me or to the Government to go on with it, or let it rest as it is. The matter is a dead issue now.

**Matter a dead
issue now.**

12061. Then do we understand that you are indifferent in the matter?—I agree to whatever action the Commission think fit to take. It is a matter that is past and gone, and when it was not investigated at the time, it is of no consequence to me now. I have survived the obliquity that was thrown upon me, after pressing in every possible way to get it brought to an investigation at the time.

12062. What was the next work you undertook in connection with the Pacific Railway?—The next work immediately concerning the Pacific Railway was the Georgian Bay Branch and Canada Central Extension.

**Railway Loca-
tion—
Georgian Bay
Branch—
Contract No. 12.**

12063. About what time was that commenced?—In 1874; I left in 1874. It was immediately after leaving the service of the Government that I became Mr. A. B. Foster's engineer on the Georgian Bay Branch—immediately.

**In 1874 became
Foster's engineer
on Georgian Bay
Branch.**

12064. Mr. A. B. Foster obtained a contract?—Yes; he obtained a contract for building the Georgian Bay Branch.

12065. In this matter you were acting in his interest?—Yes.

12066. What was the first work you did in that capacity?—I proceeded to make an instrumental survey from the harbour of French River to the Nipissing road, and from thence to the Amable du Fond, which was to be the terminus of the Georgian Bay Branch proper.

**Instrumental
survey from har-
bours of French
River via Nipis-
sing Road to
Amable du Fond.**

**Railway Location—
Georgian Bay Branch—
Contract No. 12.**

12067. That is near the central point of the four townships marked A, B, C, D?—Yes.

12068. Which was, in the contract with Mr. Foster, designated as the eastern terminus of the Georgian Bay Branch?—Yes.

A year occupied on this work.

12069. How long were you occupied on that service?—That, together with the Canada Central, I was a year.

12070. Was Mr. Foster also interested in the Canada Central?—Yes.

12071. You were still in his employment at that time?—Yes.

Condemned road and advised Foster to have contract cancelled.

12072. I believe the result of the exploration on the Georgian Bay Branch was to find that there was no feasible route within the gradients required?—I condemned it on account of the difficulties to be encountered in constructing a road under the cast iron contract that was entered into between Mr. Foster and the Government. I advised him to have the matter cancelled, as it was impossible for him to build it.

Opinion corroborated by Walter Shanly.

12073. Was this opinion corroborated by some other independent engineer?—It was corroborated by Mr. Walter Shanly, who acted in conjunction with me when it was brought before Mr. Mackenzie's notice and Mr. Fleming's.

12074. Was any attempt made to induce the Government to change the gradients, so as to make it a practicable route?—Yes; from information so given with all the details and data of elevation of that part of the country.

12075. What was the result of this representation and application?—Mr. Mackenzie refused, and Mr. Fleming refused to consider the matter, as I imagine from the final result of it. I never had an interview with Mr. Mackenzie. They had to bring Mr. Walter Shanly, but I know the results.

The crossing in connection with Sault Ste. Marie line of witness's survey 1872, were those fixed on had the line been carried out.

12076. The work was finally abandoned, I believe, and the contract annulled?—It was. I may state that the crossings in connection with the Sault Ste. Marie line that I chose in 1872—

12077. You mean the crossings of French River?—I do; were the points determined upon to make connections with Sault Ste. Marie, had the line been carried out.

Hazlewood sent to report on route from Renfrew to mouth of French River.

12078. Do you know whether before you went upon the ground yourself there had been any previous explorations or examinations of the country to ascertain whether a feasible line could be obtained?—There was a report issued. Mr. Hazlewood was sent out by the Government to report on the whole road from Renfrew to the mouth of French River.

12079. Do you know the result of Mr. Hazlewood's examinations?—Yes; I went carefully over the Georgian Bay Branch portion of them.

12080. Were they planned and profiled?—There was a plan.

12081. A location plan?—No; what we call a track survey plan and a report.

12082. Had there been any profile or had the examination been conducted so as to permit of it?—I think the profile was taken from Sir William Logan's geological plans and survey under his direction.

12083. There was nothing like a working profile?—No.

- | | Railway Loca-
tion—
Georgian Bay
Branch—
Contract No. 12. |
|--|--|
| 12084. And what was the result of Mr. Hazlewood's examinations as to the probability of obtaining a practicable line?—Altogether erroneous; entirely impracticable. | |
| 12085. But I mean to ask at what result did he arrive?—That a satisfactory line could be got according to his report. His report testified that taking each distinct portion of the country as far as he had examined it, that a satisfactory line could be got. I think there are files of that report still in the office, which can be referred to. | Hazlewood reported a satisfactory line could be had. |
| 12086. Had he made an examination of the continuous line between the centre of those four townships or thereabout, and some points on French River, to which a railway could be constructed, or was it only in detached localities?—He represented that he had done so, but I went over the ground with some of the men whom he had in his employ at that time, and found their camp fires, found their crossing places where they had crossed, &c., and he came over from where the four townships are about a creek called Rush River, where he did not walk over that portion between that point and the mouth of French River, but went around in a canoe. | |
| 12087. Did you find any serious difficulties in that portion which you think he had not carefully examined?—The whole difficulties appeared to occur between those points that he had not examined any portion of, and from there almost the entire distance of fifteen miles out of the twenty-two miles was undulating bare rock, with nothing to construct a railway—to form a railway bed of very wide crossings and over numerous openings of water courses. | Hazlewood did not examine country where the difficulties occur. |
| 12088. That is what you mean by crossings?—Yes; crossings of water courses. | |
| 12089. Was this length of twenty-two miles from the mouth of French River or thereabout, to a point further north-east at which the crossing of the line was expected to be made at one time?—That was between French River and what is called Cantin's Bay. The crossing is six miles further up which I recommended them to adopt, making a connection with the Sault Ste. Marie line. | |
| 12090. Is it your opinion that at the time the contract was let to the late Honourable Mr. Foster, to build this Georgian Bay Branch, there was a reasonable probability of a feasible line being obtained over the route indicated in the contract?—No; not in my mind. None from what I had previously seen of the country in 1859 and 1860. | When contract let to Foster no reasonable probability of a feasible line over route laid down in contract. |
| 12091. Do you mean also from what you have seen since?—And also from what I have seen since. I condemned the whole line from the inception, from the fact that in starting from Douglass it ran over the projected line running over the heights of land of the highest part of Ontario in that vicinity where all the rivers—the principal rivers flowing into the Ottawa and Lake Huron—from their sources. | |
| 12092. These last remarks seem to apply more to the extension of the branch—I mean the extension of the Canada Central from Douglass westward. My question was intended to apply to the Georgian Bay Branch?—Then my answer is: had not the specification been so framed demanding grades of twenty-six feet to a mile ascending easterly, the work might have been carried out by Mr. Foster. | Had not specification demanded grades of twenty-six feet to a mile, work might have been carried out. |

**Railway Location—
Georgian Bay Branch—
Contract No. 12.**

The Government refusing to modify this and to abandon twenty miles of the line contract was given up.

Profiles and location maps not prepared before contract.

Instructed by Foster to make exploration to find best line.

Proposed that the line should take the valley of the Ottawa.

Foster constructed branch to Renfrew, hoping to command traffic of the Canadian Pacific Railway.

12093. It was upon that matter, I believe, that you applied to the Government for a modification of the terms of the contract?—Yes.

12094. And in consequence of the refusal to modify, the matter was abandoned?—The matter was abandoned on these grounds, and certain alterations of the line were also demanded. The abandoning of the first twenty miles of road to Cantin's Bay.

12095. Adopting water way instead of railway?—Yes; on which locks were spoken of at a point on the river to improve the navigation of the river to a point twenty-six miles up.

12096. What was your next connection with any works pertaining to the Pacific Railway?—Next the Canada Central.

12097. When was that?—During a portion of the same year, and for some little time afterwards.

12098. What was your duty in connection with that?—Mr. Foster, on his arrival from England, from the advices I had given him, began to fear that the line throughout was not represented truly or to his interest, in the report given by Mr. Hazlewood.

12099. For this, which you call the extension of the Georgian Bay Branch, had there been profiles and location maps prepared before the contract?—By me?

12100. No; by anyone?—No, I think not; simply an examination as Mr. Hazlewood conducted it.

12101. Do you mean examination in the shape of exploration?—I think one line was run from French River eastward for a short distance by Mr. Mortimer, from what is called the "Key," six miles east.

12102. We are now speaking of the extension which was undertaken by the Canada Central as distinguished from the Georgian Bay Branch proper: do you know whether plans or profiles of that had been prepared before the contract with the Canada Central, as to the extension?—I think not; it was simply on Mr. Hazlewood's report.

12103. Without plans?—Without plans.

12104. What were your duties in connection with that portion of the line,—the extension?—Mr. Foster asked me to make an exploration where, in my opinion, the best line of railway could be got for the extension of the Canada Central,—to make an examination of the country.

12105. What were the results?—We proposed that the line should take what is called the valley of the Ottawa, the natural great artery of the country, where the lowest elevations could be obtained.

12106. Was the central extension abandoned finally?—No; Mr. Foster instead then of building from Douglass *via* the route projected by Mr. Fleming, and reported upon by Mr. Hazlewood, constructed the branch to Renfrew, some thirty-two miles, with a view that should the Northern Colonization Railway on the other side of the river cross at Portage du Fort, he would have command of the traffic of the Pacific Railway.

12107. Was the extension as contracted for with the Canada Central abandoned?—It went through other hands, and went into the hands of other contractors, McIntyre & Worthington.

12108. Not over the same route?—No; that was abandoned entirely from my showing the inexpediency of taking a line by the projected route as indicated by Mr. Hazlewood.

Railway Location—
Terminus of Canada Central on Lake Nipissing.

12109. What was your next connection with the Canadian Pacific Railway?—My next connection was the determining of the terminus of the Canada Central Railway on Lake Nipissing, to the east of Lake Nipissing, with a view of getting a common point so as to admit of the line running north and also to the south of Lake Nipissing, and to carry the railway to the north sufficiently far back from the waters of Lake Nipissing, should they be used for navigable purposes, so that the line should not be overflowed.

Determines terminus of Canada Central on Lake Nipissing.

12110. By whom were you engaged in this service?—By the present Government.

12111. About what time did the service commence?—In December, 1878; also to make a survey and soundings of what is called the East Bay of Lake Nipissing, for the purposes of a harbour in connection with the railway.

Engaged in December, 1878, for above purpose, and to make soundings of east bay of Lake Nipissing in order to fix on harbour.

12112. Is that the bay laid down on the map, marked South-East Bay?—Yes; and plans and profiles showing terminal points of the bay and the terminal point of the Canada Central Railway are in the office.

12113. With a report on the subject?—With a report—yes.

12114. What was the number of the party for that service?—I think it was about eighteen altogether.

Size of party, eighteen.

12115. Was there any difficulty about supplies?—None whatever; I took them with me.

12116. When did the service end?—I think it only occupied about two months altogether.

12117. Then what was your next operation?—My next service was, I had instructions to locate the first 100 miles from Winnipeg westward.

Contract No. 48.

12118. About what time did you commence?—On the 9th June, 1879.

9th June, 1879, commenced to locate 100 miles west of Winnipeg.

12119. Where were your headquarters during that service?—Winnipeg.

12120. Were your instructions from the head office?—Yes; from Mr. Fleming. I had nothing to do with the office here virtually, but my instructions were to submit the instructions to Mr. James H. Rowan, the District Engineer, to supplement any directions not therein given, if there was anything omitted, from his knowledge of the country.

12121. Your instructions were to report direct to the head office?—Certainly; I never reported to Mr. Rowan on any subject whatever.

Instructed to report to head office.

12122. What party had you in your charge?—I had the usual location party of twenty-one or twenty-two men altogether.

Size of party, twenty-two men.

12123. How many for engineering work?—The usual transit man, leveller, chain men, rod-men, picket men, axe men, generally comprising thirteen or fourteen of a party.

**Railway Location—
Contract No. 48.**

12124. And the other men?—For packing provisions, moving camp, making stakes, pickets, &c., involving all the work necessary to carry on the work collectively or with any advantage.

12125. I suppose Winnipeg was the base of supplies?—Yes; everything was brought from here.

No difficulty about supplies.

12126. Was there any trouble about supplies?—None whatever, except from the badness of the road and the generally wet season which impeded work some.

Survey completed 1st September. Party sent at Fleming's request to run a line into Portage la Prairie.

12127. About what time was that survey completed?—About the latter end of August or 1st September—surveys were completed in the fall. There was one party sent from me, at Mr. Fleming's request, to run a line into Portage la Prairie.

12128. Was that intended as a branch line or as a deviation of the main line?—It was run simply to make a connection to show the extra length that would be entailed by running a line there.

12129. And to deviate the line?—And deviate the line—yes, and to get the general features of the ground over which it passed.

Location plans and profiles prepared as far as work ready to go on with.

12130. Were location plans and profiles prepared comprising this work?—Yes; they were prepared as far as the work was ready to go on with forthwith.

12131. Was this a final location or a trial location?—It was a final location. There were portions of the work that would have been altered when the road was being constructed. For instance, there were two routes, one on the 4th base line and there was another running from three miles to three and a-half miles further north—the 4th base line was completed, but there would have been an alteration in the wet piece of ground eight miles in extent to the west side of the Province. It would have kept half a mile to a mile or a mile and a-half further south to obviate the necessity of going through wet ground, but the survey had to be carried through to ascertain the extent and the advisability of taking it through the wet ground or abandoning it.

Explains how his connection with this work ceased: Instructed by Fleming to get a line from end of first 100 miles towards the coal regions.

12132. When did your connection with this particular work cease?—During the winter—in January. The latter end of January I got imperative instructions from Mr. Fleming, by telegram, to make an examination of the country from the end of the first 100 mile contract *via* the valley of the Assiniboine towards the coal regions with a view of getting a line that would be not adverse to the coal traffic, with the least gradients adverse to the coal traffic.

Rowan took possession of witness's office and papers.

12133. Did that end your connection with the first 100 miles?—If you will allow me, I will make an explanation. During my absence, my staff who were working in my office at that time, preparing those plans, I got a letter here stating that Mr. Rowan had taken possession of my office and all my papers at the instance of Mr. Fleming, and my offices were turned into traffic offices for the Department connected with the Pembina Branch.

12134. Do I understand that you had an office in connection with this first 100 miles separate from the general engineers' office occupied by Mr. Rowan?—Certainly.

12135. In the same building?—Not in the same building at all. This building I applied for to Sir Alexander Campbell, who was the Postmaster-General, for the reason that there was no room in the

**Railway Location—
Contract No. 48.**

office below for two parties to work in at the beginning, and I chose those offices. I had my office apart from Mr. Rowan's, and the work was going on when this action was taken, which I felt very indignant at. It might easily have been left until I returned from the exploration of the work which I was sent upon, and I wrote very strongly on the matter in connection with it. What object there was in it I cannot conceive. Mr. Rowan also sent for my own private papers at my own house, for what object I cannot understand. It was a most unpardonable thing for a professional man to do. At the same time Mr. Rowan, knowing I was 150 miles west of this, wrote me letters to give up everything connected with this, previous to my getting any knowledge from Mr. Fleming of his desire to have my office, and that the Minister had instructed him to request me to take charge of the second 100 miles west. Consequently, after bringing over the iron and ties and starting the contract here last year, as soon as I went out on the other work my connection virtually ceased with the first 100 miles, and I took charge of the second 100 miles west—a more difficult location. The answer that was given to me was that there was no work to be done on this section requiring an engineer, by Sir Charles Tupper; that it was going to be done by assistants.

Took charge of second 100 miles west of Red River, contract 66. But no work requiring an engineer on this section.

WILLIAM F. LUXTON's examination continued :

By the Chairman :—

12136. Have you anything further to add to your evidence, or any documents which you wish to produce to the Commissioners?—I beg to put in a copy of the *Daily Free Press* of December 19th, 1878, containing the article referred to in my former evidence which I submitted in refutation of the evidence of Mr. Whitehead that the *Free Press* was hostile to him, and had done all it could against him. The article is headed "Our Outlet" and marked with my initials. (Exhibit No 110.)

LUXTON.

**Contract No. 15.
Helping Newspapers.**

Copy of *Free Press* filed to show that *Free Press* was not hostile to Whitehead.

12137. Is there anything further that you wish to add?—That is all.

JAMES SUTHERLAND's examination continued :

By the Chairman :—

12138. Can you produce now the statement of the goods which were delivered over at the time which you ended your connection with the Pacific Railway?—Yes.

12139. With the prices attached?—Yes.

12140. What is the gross sum?—At the invoice price with freight and charges added, \$25,327.19, less depreciation, say 20 per cent., \$5,065.43.

12141. Net value?—\$20,261.76.

12142. Have you credited the store account in your books with that amount?—Yes.

12143. What is the result of the store account then by crediting it with what you find to be the proper value of these articles transferred by you as above mentioned?—It is \$233.40 short.

J. SUTHERLAND.

**Fort Frances
Lock—
Book-keeping.**
Statement of value of goods handed over when witness's connection with Locks ceased.

\$20,261.76.

Store account \$233.40 short.

**Fort Frances
Lock—
Book-keeping.**

12144. In the list which you produce have you added any things which were not in your former statement of goods transferred by you?—I have not.

12145. In the making up of this statement you have included besides the articles which were property charged to Store Account, plant, machinery, rolling stock and other goods not properly store goods, have you not?—Yes; they all go back into the stores again when the works are closed. They are all stores and charged to the stores department, and I credited them back when they went back into the store.

No book for exclusive purpose of showing goods disposed of to labourers, &c.

12146. Had you no account in your books which was exclusively for the purpose of showing the goods which were disposed of to labourers and other persons employed, as distinguished from other property used upon the works?—No.

12147. And did you always enter in your Store Account plant and machinery?—Yes; there was no profit supposed to be on anything of that sort.

12148. I am not speaking of profit. I understood, from what you said the other day, that you had an account to which was charged all the supplies that you got for the purpose of distribution amongst the men at prices agreed upon, and that you credited that account with the value of these goods which you had disposed of to the men?—No; we charged the stores with everything that came in there in the way of supplies and plant, and when we kept stores for the benefit of the men we charged them at a profit; but any profit, there was, was supposed to be on the stuff sold to the men.

Books show loss of \$233.40.

12149. Do I understand that your books show this: that upon the rolling stock, plant, machinery, tools and hardware furniture and the goods of all kinds which were kept for the purposes of sale, there was only a loss during the time in which you had charge, of \$233.40?—Yes. Of course that is what you mean by losing stuff altogether.

12150. No; I asked if they show only that loss?—Yes.

MURDOCH.

WILLIAM MURDOCH'S examination continued:

**Railway Construction—
Contract No. 48.
Inspection of
Ties.**

By the Chairman:—

12151. In connection with the first 100 miles was there some matter of Drope's which you wish to refer to?—He was a tie inspector of mine during the time I was in charge of the work.

12152. Was there some trouble about the inspection?—It appears that after I left he was discharged for some reason or other.

Drope, tie-inspector, satisfactory in his conduct while under witness.

12153. As far as your knowledge is concerned, what have you to say in the matter?—As long as he was under me his conduct was satisfactory, and he obeyed my instructions. I gave him written instructions which he could not fail to carry out; as far as I know they were carried out. I have no reason to believe that they were otherwise.

12154. Was there more than one tie inspector under you?—No.

12155. Do you mean that his conduct was always satisfactory to the contractors who furnished the ties?—No; his conduct was satisfactory to me.

**Railway Construction—
Contract No. 48.
Inspection of
Ties.**

12156. Was there at any time occasion to revise this inspection?—
Not under me.

12157. Did you ascertain yourself, by personal inspection, whether he had made a proper examination in the first instance?—From what I saw of all the ties brought to this side of the river I have no doubt that the inspection was properly made.

*Has no doubt in-
spection of ties
properly done.*

12158. Then you had an opportunity yourself of forming a personal judgment on the subject?—I saw them every day passing and re-passing.

12159. Is there any other matter connected with that Drope affair which you think ought to be explained?—I have made all the explanation so far as I am concerned personally. He will, I believe, refer to me in the matter.

THOMAS DROPE, sworn and examined :

DROPE.

By the Chairman :—

12160. Were you engaged in any transactions connected with the Pacific Railway?—Yes.

12161. In what way?—I went to Ottawa and asked for a position as inspector, and I got it from the Minister of Railways, and I have his letter to that effect. He sent Mr. Bradley, his secretary, to introduce me to Mr. Schreiber. I went to Mr. Schreiber's office and met him, and he told me that he would telegraph me to join him at Toronto. I got here on the 23rd December, and in about twenty or twenty-five minutes I reported myself to Mr. Schreiber for duty, and he instructed me to report myself to Mr. Murdoch, and I did so.

12162. What else?—I obeyed Mr. Murdoch's instructions.

12163. What else?—I went out on the line; went over the ties; went among the sub-contractors. The contractor was Mr. Ryan, but he had some thirteen or fourteen subs, and I went round among the camps, and among the men, where they were making the ties, and gave them instructions that there was no use in bringing out ties that would not pass specification. Mr. Murdoch had given me the specification, and I showed this notice to these men; and I got a letter from Mr. Rowan, charging me with contracting debts for the Government that I had no authority to do, while I had the receipt from the *Times* office three days previous for my own money.

*Charged with
contracting debts
on behalf of Gov-
ernment without
authority.*

12164. Is it for the publication of this notice that the debt was supposed to be contracted?—No; I paid my own money for it.

12165. Did Mr. Rowan accuse you of contracting a debt when you had not contracted a debt?—He did.

12166. Was he right?—No.

12167. Then what next?—I went over the ties from time to time; and I got a letter from Mr. Murdoch, instructing me to take instructions from Mr. Force during his absence, which I did; and I went on to carry them out until I got a letter from Mr. Schreiber to acknowledge Mr. Rowan.

*Instructed by
Schreiber to
acknowledge
Rowan's au-
thority.*

**Railway Con-
struction—
Contract No. 48.
Inspection of
Ties.**

Contractors not paid on his certificate.

Ultimately contractors paid on his certificate.

Contractors complained that witness did not do them justice.

Witness's cause of complaint.

Returned to Winnipeg on 10th of April. On 12th told he must not come to town.

Told that he had been removed from pay-roll.

Rowan wrote him that he had instructions to remove him from pay-roll.

12168. Up to the time of getting that letter from Mr. Schreiber, had there been any complaint of your conduct?—Not that I am aware of.

12169. Have you got that letter : is there any complaint?—Yes; they refused to pay the contractors upon my certificate.

12170. Then you think the contractors have a cause of complaint?—The contractors have no cause of complaint at all. I understood, yesterday, Mr. Brooks, the cashier of Mr. Ryan, who was one of the partners of Mr. Ruttan, and Mr. Ryan told me that they had got an order from Ottawa to call at the bank and get the money on my certificate. You will understand me, the first contractor and contractors were all passed; there was John Ryan and Mr. Whitehead, and Mr. Ruttan and Mr. Ryan, the sub-contractors. Every one of them complained that I did not do them justice, that I was too hard on the inspection, and didn't make sufficient returns in the number of ties got out.

12171. Do I understand that you come forward wishing to be examined, because you think there is some cause of complaint on your part, against some officer or some one connected with the works : is that right?—No.

12172. What is it you wish to have investigated?—I wish to clear myself of anything that may be disparaging to me at any time, or to any one who I acknowledged at the time.

12173. Is not that a cause of complaint, that you have been disparaged?—Yes; but not to apply to any one else. I have cause of complaint against Mr. Rowan.

12174. What is your cause of complaint against Mr. Rowan?—Mr. Ryan's contract went over thirty-five miles, and there was not a sufficient roof, but one, on the whole road.

12175. What do you mean by roof?—I mean a house that belonged to the Government and was furnished by the Government; and Mr. Ryan, as I understand it at the time, rented it from Mr. Rowan, and rented it to the tenant.

12176. That is no cause of complaint. You tell me what your complaint is, I will try and investigate it; but I do not wish to occupy our time with anything but the cause of complaint?—I came to town on a Saturday night, on the 10th of April, and I got a letter from him on the 12th, that I was not to come to town. I put in an affidavit, signed by six respectable gentlemen that there was not a proper place for any man to live in on the line.

12177. Did he discharge you because he alleged you had disobeyed orders?—No; he wrote me to say that I had been removed from the pay-roll on the previous month. I paid no attention to that letter, and went on with my work, until Mr. Molesworth came on the 23rd of April. He re-inspected and counted the ties and I did not know his return. Then after that Mr. Rochester was sent on, and I do not know his return.

12178. Did they ever discharge you—any of them?—Mr. Rowan wrote me to say that he had got instructions from Ottawa to remove me from the pay-roll.

12179. Did he state the reasons why you had been removed?—No; his letter is here.

12180. Do you know the reasons?—No.

J. H. ROWAN's examination continued :

By the Chairman :—

12181. Was Thomas Drope discharged by you from the service of the Government?—He was by instruction from Ottawa.

**Railway Construction—
Contract No. 48.
Inspection of
Ties.**

Drope discharged from position of tie inspector by orders from Ottawa.

12182. Do you know from what cause?—I believe for inattention to his duties.

12183. Do you know in what the inattention consisted?—Yes; Mr. Schreiber spoke frequently to me about Mr. Drope's presence in town, when Mr. Schreiber was here himself, complaining that he seemed to be all the time in town and around the Pacific Hotel, and he told me that that kind of thing must not be. I then wrote to Mr. Drope to say that he must stop out on the work. After that, I think he came to town. I am not quite sure of the dates, but I can by referring to the letter-books, and having disobeyed my orders, I suspended him, and I wrote him a letter to that effect I think. The day after, I think it was, I wrote to Mr. Drope telling him that I would suspend him, and that I should report his conduct to Ottawa. I received a telegram from the Engineer-in-Chief telling me to discharge Mr. Drope. That was the day after I mailed the letter to Ottawa that I received the telegram from Ottawa ordering me to discharge him.

Schreiber spoke frequently to witness about Drope's presence in town.

Received a telegram from Schreiber to discharge Drope.

12184. Then do you consider that you received the telegram before your letter reached Ottawa?—Certainly; I only wrote the day before.

12185. Then the telegraphed instructions could not have been caused by your letter?—No; it was not caused by any communication of mine at all to Ottawa.

WILLIAM MURDOCH's examination continued :

By the Chairman :—

12186. What was your first work in connection with the second 100 miles west?—There was one piece of work in connection with the Government that I omitted to tell this morning. I was instructed about the 23rd October, 1873, to run a line from some twenty miles north of White Fish Lake just north of Lac des Mille Lacs, thence on to Sandy Bay, some 115 miles westward, and then eastward to a point on Black Sturgeon Lake. Mr. Fleming had an idea at that time of straightening out the line somewhere in the direction of the present route, only further to the north. You were asking as to the cost of the surveys, or whether they involved more expenditure at one time than another under certain circumstances. That was an expensive survey from the fact that I arrived at Thunder Bay by the last boat previous to the snow falling in sufficient quantities to enable stores to be moved. Two parties were two weeks camped at Thunder Bay near the Second River. Previous to my going up there Mr. Rowan took upon himself to write to Mr. Dawson. He spoke to me in regard to the matter and said that he would write to retain horses to carry this material to the point where I would require to use it. There was a party of about sixty men altogether in the two parties, perhaps more. The provisions had to be transported from Thunder Bay, or from that river to Lac des Mille Lacs, or to the Savanne River at the head of Lac des Mille Lacs,

MURDOCH

**Preliminary Survey—
Line from north of White Fish Lake to Sandy Bay, thence to Black Sturgeon Lake.**

October 23rd, 1873, instructed to run a line from twenty miles north of White Fish Lake west to Sandy Bay then east to Black Sturgeon Lake.

An expensive survey; reason for this.

Preliminary Survey—

Line from north of White Fish Lake to Sandy Bay, thence to Black Sturgeon Lake.

Moberly sick.

Back to Thunder Bay.

a distance of about 115 miles, with all the camp equipment and outfit for two parties. On arriving there a horse trail had to be cut some twenty miles north to utilize the horses that I subsequently got, to get as far as White Fish Lake. From there twenty miles of transit line had to be run from that point due north to the place of beginning to commence surveys east and west. From that point we had dog trains to transport provisions entirely, involving twenty miles of dog trail to be cut. Then from there one of the engineers, Mr. Moberly, became sick. I had to take his position and run his party, running westerly to what is called Sandy Lake, a distance of 115 miles, together with 115 miles of dog trail to be cut and traverses of lakes, in connection with the general line of the survey. Mr. Gordon, my other assistant, took a party eastward some seventy-six miles to the Black Sturgeon Lake. After finishing that he travelled back and came out to me some 176 miles, to assist me in getting through. We came then back to Thunder Bay after getting the survey completed. Under those circumstances, the length of the line to be surveyed and cost of equipment would involve the expenditure on a survey of that kind very much greater than if you had not to take your supplies such a distance. The waiting for the taking of the ice and a snow fall, together with the fact that when I arrived there I found only two or three span of horses—four, I think, were ordered by Mr. Rowan altogether, and it required twelve or fourteen teams of horses to transport the material. Consequently exceptional cause in different places involved different outlays of money.

12187. What was the number of the party which you had charge of on that occasion?—There were two parties.

12188. How many men?—Probably thirty or thirty-five men in each; hanties had to be built along the line of the road.

12189. Was each party to do a different kind of work, or similar work at different places?—They were doing similar work, one going east and the other west; in conjunction with that the oats ran out, there was no oats to be had in the place; hay was scarce, and we had to bake bread and mix it with straw to keep the animals alive.

Best place for base of supplies. Lac des Mille Lacs.

12190. Where would have been the most convenient place for the base of supplies?—The base of supplies—the nearest place that could have been got—was Lac des Mille Lacs, at Savanne River.

12191. Was that on the line of the work?—It was fifty miles south of the line of work.

12192. Whose duty was it to decide upon the place for the base of supplies?—The base of supplies was generally left in the hands of the engineer in charge.

12193. Who was he?—I was the engineer in charge at that time.

Base of supplies could not have been decided on when party setting out.

12194. Did you decide upon the base of supplies at that time?—The base of supplies could not be decided on then as I had no previous knowledge as to the point I was going to, and had not time sufficient to make those arrangements.

12195. Was it understood at that time, either by express or implied instructions, that the engineer in charge should start upon his work without having any arrangements for his supplies satisfactory to himself?—Nothing further than taking them with him and managing his own commissariat.

Preliminary Survey—

Line from north of White Fish Lake to Sandy Bay, thence to Black Sturgeon Lake.

12196. Then do you mean it would be within his instructions to start on a work of this kind without knowing where his base of supplies would be or considering the subject himself?—He had no time to consider it, because he had no knowledge of where he was going to, probably a week before he left, and he had simply to take his supplies with him, and do the best he could with them when he got into the field.

12197. On this occasion did you consult with any one as to supplies or where the base would be?—I knew the country. Having been over it previously and knowing the vicinity, I knew more about it than any one else who could advise me.

12198. Therefore did you consult?—There was no necessity for consulting.

12199. Therefore did you consult?—No; I consulted no one.

12200. Do you consider that the arrangements for supplies were defective?—No.

12201. How was the unusual expense incurred?—By the parties having to camp at the river until snow came to enable us to move our material. We had forty-five miles of the Shebandowan road to go over first. That had to be covered with snow. There was a lack of animals to haul it, by not giving Mr. Dawson sufficient time to retain those animals. Lac des Mille Lacs had to be frozen to carry that material, and the immense distance and having to haul supplies to the point where you had to begin your work enhanced the cost of it materially.

Expense caused by parties having to camp at the river until snow came and the rivers were frozen.

12202. Do you mean that in your opinion the direction to do the work at the time it was ordered to be done was bad judgment, or that it was good judgment, but the arrangements afterwards were defective?—No; the arrangements afterwards were the best that could be made, for the instructions issued by the Government were too late. There was no time to have got provisions into these points close to where the work could commence.

Government instructions too late.

12203. In this particular matter, did the Engineer-in-Chief take the responsibility of directing the men, or was it done by the Government irrespective of the Chief?—I imagine that the Engineer-in-Chief was carrying out the instructions of the Government.

12204. Then you mean that whoever was responsible for the direction of that work made a mistake?—I meant to instance it as a case in point, where surveys cost very much more than they would have cost otherwise under other circumstances, and as an omission of a part of the work that I did which I was describing this morning.

12205. What would be the best season of the year for doing that kind of work, if economy was one of the main considerations?—It is a question that involves time. If the work had to be pushed through, both summer and winter would have to be utilized, and as to which would be the best would depend. Had all things been favourable, I assume that the winter would have been the best.

Had all things been favourable winter the best time for doing work.

12206. And what time was this?—This was in the fall, before the snow fell. The snow fell very late. It did not fall until some weeks after we landed there, which caused the delay.

12207. You think the work would have been done as well if it had been delayed a little?—You see the snow was late in coming, and

Snow late in coming.

Preliminary Survey—

Line from north of White Fish Lake to Sandy Bay, thence to Black Sturgeon Lake.

when we landed there we had a delay of some weeks, in consequence of winter not being as early as usual.

12208. To what circumstances do you attribute the unusual expense of this work?—There is no unusual circumstances to be attributed, further than not being able to get to the work. We would have been enabled to get to the work sooner if the snow had fallen, and done more work to represent so much money, and gained more information.

12209. Was it that the season was an unfavourable one for the operations?—Simply because the snow did not fall, and that delaying operations was one cause. The want of animals and the cost of animals. If they had been provided for by one Department of the Government, and the accounts shifted to another, it would have entailed less expense.

Impracticable to make approximate estimate of average cost per mile of surveys through such a country.

12210. Can any approximate estimate be made which would show the average cost per mile of surveys if this description through such a country as these operations were carried on?—It would depend entirely on the locality and circumstances.

Some wet land. \$146 a mile.

12211. Then could an estimate be made which would show an average of mileage cost?—Not unless you take the whole work throughout and the number of miles run, which would be a very difficult thing to obtain. Some wet land which I have done myself on the Georgian Bay Branch, for instance, is about \$146 a mile.

By Mr. Keefer :—

Preliminary survey.

12212. What was the character of that survey itself?—A preliminary.

By the Chairman :—

Railway location—Contract No. 66.

12213. Is there any other matter connected with your previous work which you think it proper to explain before we proceed to the second 100 miles west of Winnipeg?—Not now; but I may think of something after.

12214. What work did you undertake on the second 100 miles west?—The location of the line from the western boundary of Manitoba, westward to the Bird Tail Creek.

12215. In charge of the party?—Yes.

In charge of party of twenty-one to locate second 100 miles west of Winnipeg.

12216. What is the number of the party?—It averaged about twenty-one. There were two parties. The party was divided—one party was on construction and the other was on location.

12217. Did the construction begin as early as the time you name, January, 1880?—No.

12218. At the beginning what was the number of your party?—It was about twenty-three or twenty-four men.

Latouche Tupper responsible for furnishing supplies for four parties.

12219. Who had the responsibility of furnishing supplies?—A commissariat officer named Latouche Tupper.

12220. Attached to your party?—For three parties—four in fact.

12221. Was there any difficulty about supplies during the work?—No; no difficulties.

Line located as far as Bird-tail Creek.

12222. Has the work been finished?—The second 100 miles has been located as far as Bird Tail Creek.

**Railway Construction—
Contract No. 66.**

Construction commenced.

12223. Has construction been commenced upon it?—Yes; construction has been commenced on it at the east end, near the Sand Hills.

12224. Has the construction progressed as fast as was to be expected or has it been slow?—Construction I assume is slow.

12225. About how many men have they employed?—Twenty or twenty-five men.

Contractors employed twenty or twenty-five men.

12226. At what time was it located so that they could commence operations?—It was in July—about the 9th July.

Line ready for contractor 9th July.

12227. Were the contractors ready to proceed with the work before that?—I have no idea. If they were, they did not while I was there.

Had not proceeded with work while witness was there.

12228. You are not aware whether there was any delay occasioned by the absence of location?—Not that I am aware of.

12229. Have you obtained as favourable a line as was expected?—A very favourable line throughout.

Found a favourable line.

12230. Is there any other matter connected with the second 100 miles west which you would think it proper to give by way of evidence?—I have nothing to say in connection with the second 100 miles.

12231. Have you anything further to say about any matter connected with the railway that you think ought to be given in evidence?—There is nothing that I particularly wish to say regarding anything connected with it at present.

12232. Have you traversed any of the country over which the railway is now built except while surveying the lines which you have mentioned and in those localities?—I have not been in any portion where the road is being built, except at Kaministiquia and at Winnipeg.

**Railway Location—
Contracts Nos. 14 and 15.**

12233. Have you been over the country on which the present constructed line runs east of the Red River?—On no portion of it except at St. Boniface station, and from there to the first switch points north. I was over portions of it previous to construction when I was choosing the location.

12234. Did you know the nature of the country before it was decided to construct the lines where they are constructed?—Certainly.

12235. What portion of the country?—The portion of the country from Stone Fort eastward to the Winnipeg River, and near Winnipeg River, along the swampy portion of the ground there.

12236. Had you, from this opportunity or from any other, a means of judging of the nature of the country over which the present located line runs?—From the general nature of the country between the Stone Fort and Rat Portage, the crossing of Winnipeg River, there are some large swamps and flat lands that it would be difficult to build a railway over.

12237. Do you consider, from your knowledge of the country, that you could judge of what is now traversed by sections 14 and 15?—No, because I have not been on the ground since the road has been constructed; but going in the vicinity where the line must be, I passed over and I noticed there were some very bad swamps one winter where poles were stuck down to any length.

**Railway Loca-
tion—
Contracts Nos.
14 and 15.**

12238. About what locality?—About forty or fifty miles west of Rat Portage.

12239. How far would that be from the present constructed line?—These marshes may be on both sides of it. It may run right through the middle of them for all I know, as I have not been in that locality since, but the ground would require careful looking at to see that the lines were properly located.

Told Fleming of the long deep swamps in the part of the country over which line runs.

12240. Do you know whether the present constructed lines pass over any of the country on which you had a knowledge before it was decided to construct them?—I must have passed over them, because I passed where the present lines are constructed. I told Mr. Fleming of them at the time that I returned from this trip, of these swamps, in conversation with Mr. Rowan and himself in the office at Ottawa.

12241. About what year was that?—In 1872.

12242. And did you mention the locality?—Yes; I mentioned that these swamps were very deep and very long in some instances, and very low ground.

12243. What swamps are you referring to?—The swamps that surround the outskirts of the whole of that rocky country.

12244. Had you traversed the country north of Falcon Lake at that time?—I do not know whether I went to the north of Falcon Lake or to the south. My objective point was Rat Portage going east. I had nothing whatever to do between Winnipeg River and Red River.

12245. Did you communicate what you considered to be the nature of the swamps and the difficulties of them at that time?—Yes, I did.

Rowan stated there was a good sandy bottom.

12246. Was anything said upon the subject—anything further?—Nothing further than Mr. Rowan stated it was good sandy bottom.

12247. Were these remarks relating to any particular locality, or to the general character of the country?—No; to the general character of that portion of the country, but to no particular locality.

12248. Did he state why he was of that opinion?—He simply made the statement.

12249. Was anything further said by either of them on this subject? No; it was very short. I dissented from it, and the matter dropped.

12250. Have you traversed at any time the country north of Lake Manitoba by the Narrows?—I never saw it.

Relations between Rowan and witness.

Told to submit his instructions to Rowan to see if there was anything to add.

Had no doubt that his position had nothing to do with Rowan.

12251. During your connection with the Pacific Railway, has there been any doubt at any time as to whether Mr. Rowan was your superior officer or not, caused either by the nature of the instructions or from any other circumstances?—As to the matter of doubt, the instructions that I read to you this morning, in which it was stated that I was to submit my instructions to Mr. Rowan, to supplement anything that had been left out. I submitted it to Mr. Rowan previous to my coming up here. I had no doubt in my own mind as to my position, which had nothing whatever to do with Mr. Rowan; but Mr. Fleming told me to leave and that my instructions would be sent after me. It was a point I particularly wished to avoid to have anything to do, or instructions or anything to do, with Mr. Rowan in any matters connected with the Pacific Railway.

12252. When you received the written instructions were they of the same nature as the verbal instructions?—No; they were not so comprehensive.

Relations between Rowan and witness.

Written instructions not so comprehensive as verbal.

12253. Upon the point of your being subordinate to Mr. Rowan, were they the same?—No; I did not understand that I was to be a subordinate of Mr. Rowan's.

12254. Upon the point of your not being a subordinate of Mr. Rowan were they the same?—They were not so comprehensive. I referred them to Mr. Rowan.

12255. You mean the plans?—No; the instructions to supplement whatever was omitted. I do not know who drew them up; however, he could not supplement them. His information was of no use to me, except as to the starting point—that is his knowledge of the country.

12256. Has there been any difficulty in carrying out of the work in consequence of any difference of opinion on this subject?—In connection with the first 100 miles?

Contract No. 48.

12257. Any work?—There was work done on the first 100 miles that I dissented from altogether on the beginning of it.

Disapproved of some work done on first 100 miles.

12258. Do you mean from Winnipeg north-westerly?—From Red River at Winnipeg.

12259. During the location of the line?—I had charge of the work; I was supposed to be in charge of the work.

Witness in charge of work.

12260. The locating?—The preliminary line across at Point Douglas.

12261. Was the work as done approved of by the superior officer at Ottawa?—I hardly think so. When Mr. Fleming came here I had no official knowledge of his coming. Mr. Smellie came up here as his representative, as acting Engineer-in-Chief.

12262. Was that when Mr. Fleming came up?—Previous to his coming. He instructed me to lay out the line across from the connection with the Pembina Branch and make two cuts, one on each side of the river, which I considered unnecessary.

Fleming instructed witness to lay out line across from Pembina Branch and make two cuts which he thought unnecessary, but obeyed instructions.

12263. Did you tell Mr. Smellie so?—I did, and I told Mr. Ryan so; but I laid it out according to his instructions.

12264. Has the question been decided by the Chief Engineer or any one acting for him?—The Chief Engineer came here, and from a conversation I had with him, he said he was very much astonished to see work of that kind carried on. I told him how the matter came about.

Chief Engineer surprised at such work.

12265. Has it been adopted?—There is a temporary bridge now put up, and they have covered up the ditches they made on the other side. This was made for the purpose of taking iron across the river. Had they taken Mr. Whitehead's old track the whole thing could have been done for very little cost. Mr. Smellie did not propose to do so, and made those cuts, and I brought the iron across the river during the winter—the iron. The ties were brought across the river under my direction during the winter when the ice took.

Had Whitehead's old track been taken much expense would have been saved.

12266. Is there any other matter about the railway which you think proper to mention?—Simply in connection with that there was a ditch matter. While Mr. Smellie was here I made application to the Council to get the right of way up Point Douglas Avenue, which they granted.

Witness obtained from Council right of way over highway.

Relations between Rowan and witness—Contract No. 48.

But Smellie ordered ditch to be laid out on private property.

By witness's alteration of line back to its original projection 140 cubic yards of ditch left open.

Fleming ordered ditches to be cut smaller with the effect of ultimately closing up ditch.

Fleming censured witness for mistakes for which he was not responsible.

Reason for believing Rowan had no jurisdiction over him.

Rowan no right to take possession of witness's private office and seize his papers.

12267. Over the highway?—Over the highway. I gave instructions to lay out the line of railway on the highway, and the ditches on the highway. When Mr. Smellie was here I availed myself of the opportunity of going to St. Paul to bring my wife up. During my absence he instructed Mr. Force to lay out the ditch differently, seven feet in on private property. When I returned complaints were made to me that it was destroying the property of the people who were interested. I at once asked Mr. Force the cause of this, and he showed me Mr. Smellie's instructions. In the meantime, in the dry parts of the prairie, the ditch had been commenced by the contractor. By my alteration of the line back to its original projection on Point Douglas Avenue, it left a portion of this ditch open, some 140 cubic yards. Mr. Fleming's attention was called to this, and he asked me the reason of it. I told him. He was very much annoyed about it, and wanted to discharge Mr. Force. I cut those ditches which made a jog in them, and Mr. Fleming ordered them to be taken out smaller, which had the effect of closing them up—falling in when the men were taking them out. Mr. Fleming thought there was too much work about them, and he wanted to get the work done quickly. He thought a smaller ditch would do, and gave me instructions in writing. I carried them out with those results.

12268. Was that work the effect?—No; subsequently it had the effect of closing up the whole ditch and no drainage would go on. Subsequently, when he saw the effect of it he allowed them to be taken out at what they would stand, something a little less than one to one.

12269. Do you mean that he subsequently altered the dimensions so as to conform with the original intention?—No. They would not stand at that, so he allowed them to stand as they were. He censured me for those mistakes. My not being responsible, and mentioning that to him, he replied that I was in charge of the work there. I said: "No; not while Mr. Smellie was here as acting Engineer-in-Chief and doing my work." He told me I was in charge of the contract now. I told him that when I made mistakes in the future he could find some one else to take my place—when I made mistakes when I was in charge of the work. Consequently I assumed that Mr. Rowan had no jurisdiction whatever over me, even with the first 100 miles, until such time as he got control of it in the manner I have stated, last winter, in my evidence this morning, in the matter of going into my office during my absence, 150 miles from here, and taking everything out of it. Whatever his instructions from Mr. Fleming may have been privately, I have never seen, and do not know, and I am not aware of them. In some letters that he wrote to me, which I never answered, he assumed that I was in his district, although I made no reports to him and was directed to report to the head office, but to keep him apprized of everything that was going on, which I distinctly refused by telling Mr. Smellie, that if I had to take instructions from Mr. Rowan, to telegraph Mr. Fleming to get another man in my place as soon as he chose.

12270. Did you consider, according to the understanding upon which you were in charge of the first 100 miles west, that Mr. Rowan ought not to have taken possession of your office?—Certainly not; no man of common decency should have done such a thing in my absence—go into my private office and take my papers, and send down to my house for private papers connected with the contract—my own papers and the papers connected with the contract.

Relations between Rowan and witness—
Contract No. 48.

12271. Were you at that time engaged by the Government on some other work?—I was engaged by the Government in looking at the coal line of railway from the west end of the Province by the valley of the Assineboine to Souris River.

12272. Did you make any representation upon the subject to headquarters?—I did.

12273. To whom?—To Sir John Macdonald and Sir Charles Tupper. My letter was sent to Sir Charles Tupper.

12274. Did you make a representation to any one at the head of the engineering staff?—All were aware of it. There was no necessity for my appealing to those who gave instructions to Mr. Rowan to do this.

12275. Your judgment on that may have been right, but I am asking only as to the fact?—No.

12276. Who was the superior officer at that time over both you and Mr. Rowan?—Mr. Fleming.

12277. And you did not communicate to him?—No, certainly not; because a week after this thing had been done by Mr. Rowan a letter came to me from Mr. Fleming, requesting me to take charge of the second 100 miles west, because this work was so light that it did not require keeping up two establishments in Winnipeg.

A week after Rowan entered office of witness a letter from Fleming arrived requesting him to take charge of second 100 miles as there was no need of keeping up two establishments at Winnipeg for the first 100 miles.

12278. That was intimating to you in effect that Mr. Fleming considered one establishment could take charge of the documents and papers belonging to this first 100 miles as well as the rest of this section?—Certainly; that was a week after this act had been perpetrated. Had I any knowledge of it previously it would have been a different matter.

12279. Had this letter, which you got a week afterwards, reached you before it would have been a different matter?—Certainly; I was away 150 miles when this letter arrived.

12280. Then did you not get it until a week afterwards because it had been lying here in Winnipeg?—My wife got it, opened it and forwarded the contents to me at Grand Valley, informing me of the whole circumstances; but it was not until a week after the things had been taken out of my office that my wife got this letter.

His wife got letter only a week after the things had been taken out of his office.

12281. Did you ever endeavour to ascertain from Mr. Fleming whether he had instructed Mr. Rowan to take these steps?—I did not.

12282. Have you any means of knowing whether he did instruct him?—No; I have not. I do not know who instructed Mr. Rowan, or whether he had any instructions.

12283. Is there any other matter connected with the railway which you wish to explain or state by way of evidence?—No; there is nothing that I see of any consequence to myself.

ROWAN.

Pemb. Branch.

Profile of Pembina Branch handed in.

JAMES H. ROWAN'S examination continued:

12284. *Witness* :—I beg to hand in profiles of the Pembina Branch which I was asked for. (Exhibit No. 111.) It is in lengths of ten miles, as it would be too long to give it all in one piece, and to say at the

Contract No. 48.

Promises profile of contract.

same time that I would have complied with your request and with the instructions I had received also previous to your coming from Ottawa of having one prepared ready to hand you of the first 100 miles west, but that my staff has been so very much occupied that I have not been able to have it completed, but I will send it to Ottawa after you as soon as it is done.

By the Chairman:—

Had nothing to do with first 100 miles while Murdoch was in charge.

12285. Can you say when the first 100 miles west was located, so as to permit the contractors to proceed with the work—a portion of it?—I cannot just at this moment. I think he had commenced his work when Mr. Murdoch had charge, if my memory serves me right, and when I declined to have anything to do with it. I think some of it in the neighbourhood of the city had been set out and ready for work before I took charge of it. I cannot say positively as to the time because I had nothing to do with it at that time.

Railway Location—Red River Crossing.

Witness reported to Chief Engineer that present crossing the best.

12286. Do you know who may be considered responsible for the location of the crossing at Selkirk? Who made the recommendation in the first instance?—I submitted a report of all the crossings and of the Selkirk one amongst them, and I reported to the Engineer-in-Chief that in my judgment, and the reasons that I gave, that that was the best crossing.

12287. Has that report been published?—Yes.

Selected by witness.

12288. Was it selected by you or under your charge?—Yes.

Directed to choose a point on engineering grounds, but, other things being equal, to select a spot where Government owned the land.

12289. Had you any directions indicating where you should endeavour to get the crossing?—Well, I think that I had. I was to select the best in the engineering point of view; and I think it was added, if I remember rightly, but I could not be positive, that if there was a point where the Government had property of their own, other things being equal, that that point should get the preference.

12290. Were those instructions in writing?—I think not.

12291. From whom did you get the instructions?—From the Engineer-in-Chief, Mr. Fleming.

12292. Do you remember where it was?—In Ottawa.

12293. Was sufficient known at that time to give an opinion—even an approximate opinion—as to the eligibility of the different points?—I think it had been partially examined—not so fully as it is at the present time.

12294. But there had been some data upon which a person might form some opinion?—Yes.

12295. And it was after consideration of those data that Mr. Fleming indicated to you that the point was to be selected, other things being equal, where the Government had property?—Yes; it was desirable that the value of the Government property should be enhanced by the location of the railway if other considerations in connection with the subject were equally favourable.

The above qualification weighed with him in making selection.

12296. Did this question of Government property weigh with you in the selection of the site?—It did.

12297. If the Government had not had property there, would you then have decided upon another spot?—I do not know that I should.

**Railway Location—
Red River Crossing.**

12298. Are you doubtful about it, or is it an open question with you?—Well, yes; I think I could not be positive about it. I might have had, but the fact of so large an amount of property being there at that spot certainly influenced my views very considerably. I thought it was likely to prove most beneficial to the Government property, and consequently to the Government, having a site for a city at such an important point.

12299. Assuming that the through line was to pass south of Lake Manitoba, and that Rat Portage was an objective point, could you say where you would think the best crossing could be made considering the whole object of the railway?—Selkirk.

12300. The fact of the line going from Rat Portage by a route south of Lake Manitoba does not alter your opinion as to the eligibility of Selkirk?—It does not; if we were going north, of course there could be no question at all, I fancy, in anybody's mind.

The fact that the line goes south of Lake Manitoba leaves his opinion of Selkirk crossing unchanged.

12301. But assuming that no expenditure had been made and that the whole matter was an open question, do you consider that the line from Rat Portage to some point south of Lake Manitoba could be made at the greatest advantage by having the crossing at Selkirk?—Is that having it at the present time, or at the time the point was selected?

12302. At the present time. I say, assuming now that the whole matter was an open question with these two data, Rat Portage and some point south of Lake Manitoba and the necessity of a crossing at Red River, would you say by the light of the present that the crossing would be best at Selkirk?—I think that, taking every point connected with the subject into mature consideration and giving the best opinion I could on the matter, professional opinion, I should select Selkirk still.

Would select Selkirk crossing at this hour.

12303. You said that early in the period of surveys you had charge one season of about thirteen parties, not only their engineering operations but the forwarding of supplies: could you describe the nature of the work required to be done and the difficulties which the chief engineering parties encountered?—I can; but it will be of considerable length, and I would therefore ask permission to forward it to you in writing, as my time is so much occupied now that I cannot put it in the shape I would like to.

Surveys.

Promises a paper on surveys, the engineering operations and the system of forwarding supplies for the various parties.

12304. Please do so, with the understanding that any facts that you state will be by way of evidence?—Certainly. I now beg to hand in a copy of the various lines that have been run in the neighbourhood of Cross Lake (Exhibit No. 112)—with the profiles, with the exception of one, of which I think I stated verbally to the Commission before that I have a copy of here, as it was made at Mr. Marcus Smith's directions and suggestion, when he was acting Engineer-in-Chief, and I forwarded it on to him at once, as it was urgently needed, with a letter. I have had a copy of our 4,000 feet plan made showing where that profile was made. I believe the profile itself to be in the office at Ottawa. This letter almost explains the profile itself. It is a copy of a letter in which the profile was forwarded to Mr. Marcus Smith. (Exhibit No. 113.) I was asked to state what amount of rock work had been done on contract 15, at the time the discrepancy or error in the quantity was discovered. I believe that quantity to have been about as follows: solid rock 111, 126 cubic yards; loose rock, 2,121 cubic yards; total value of work done at that date on the contract, according to our approximate

**Railway Location—
Contracts Nos. 14 and 15.**

Profile of lines run in neighbourhood of Cross Lake.

**Railway Construction—
Contract No. 15.**

Discrepancy as to rock work.

**Railway Construction—
Contract No. 15.**

Total value of work done when discrepancy in quantities was discovered, \$437,000.

estimate, in round numbers, \$437,000. In connection with this subject I am not aware what evidence at all Mr. Carre gave. I did see a short synopsis of it in one of the papers, but I was too busy to read it all; but in justice to him, supposing that these documents were not put in before the Commission, I would like, on his behalf and independent of him, to put in these two letters. One is a letter of his addressed to Mr. Fleming, of which I was furnished a copy, and it is dated May 7th, 1878 (Exhibit No. 114); the other is a copy of the telegram which I received from Mr. Carre, when I was in Ottawa, on April 7th, 1879 (Exhibit No. 115). I think I have now answered every question that was put to me, and as far as I am able, with the exception of one, which was to the effect of: by what percentage has the change in contract 14 increased quantities. That was asked me some days ago. Upon hunting through the office I find that I have not a copy of the profile of the original line, and I therefore am unable to give the percentage in that way, unless it be a percentage between the quantities as we have actually finally measured the work, and what we have published in the schedule of quantities, and I would like to supplement what I then said by the further statement that as regards the increase of rock, which was considered in the final estimate as compared with what was published, that at the time the survey was made, which I stated before was in the winter season, and it was not easy to decide what was rock and what was not rock in every case.

Contract No. 14.

Survey made in winter when not easy to say what was and what was not rock.

**Railway Location—
Red River Crossing.**

12305. Are you aware whether the Government has any considerable property upon the navigable portion of Red River, except at Selkirk—I mean navigable from the lake upwards?—To what point?

12306. As far as it is navigable. It is not considered that the river is navigable at all seasons?—No.

Government no property on any point of Red River where navigable south of Selkirk.

12307. During the season when it is navigable continuously?—Not to my knowledge; but I made careful enquiry into the subject when I came here at the Dominion Lands office. I believe that the Government are not in possession of any extent of property at all between St. Andrew's Rapids and Lake Winnipeg, except the Indian Reserve, if that is considered Government property; I presume it is The Indian Reserve is immediately north of the present crossing.

12308. But none south of Selkirk?—None south of Selkirk, even up to Winnipeg that I am aware of. I would state, although to some extent a repetition of what I have already stated before this evening, that the question of Government property having been submitted to me as one which would somewhat affect the location of the crossing, one of my earliest enquiries when I came here, at the Dominion Lands office, was where the Government possessed property along the river.

**Relations between witness and Murdoch—
Contract No. 48.**

12309. Is there any further matter which occurs to you to give by way of evidence now?—There was nothing, except what I desire to say on behalf of the staff who were employed under me, until I came here to-night. I could not help overhearing what was said by the previous witness; it is too late now as it seems to be a personal matter, altogether too trivial for the Commission to take up the subject at this eleventh hour, I have nothing to say about it at all. If I am called upon I can answer; but I should have liked that Mr. Force, the gentleman who was in charge of Mr. Murdoch's office here, when I received orders from Ottawa to clear everything out of it, should be asked whether I did it in a gentlemanly or an ungentlemanly manner.

12310. For the present you can give your own account instead of Mr. Force's?—My account is very simple. I received orders from Ottawa to immediately take everything out of the office that had been occupied by Mr. Murdoch and bring Mr. Force down into my office. It is impossible for me to go into the matter without referring to personalities.

Relations between witness and Murdoch—Contract No. 48.

Rowan's account of his entering Murdoch's office.

12311. We do not care to hear personalities?—Therefore, I would say: owing to the fact that there was some slight difficulty between Mr. Murdoch and myself (a gentleman I have always thought considerable of), owing to that fact and to the fact that he was absent from town, I was particularly careful and delicate of the way in which I did the matter; so much so that nothing was known about it at all, I believe, in the city, until after Mr. Murdoch's return. I dealt altogether with Mr. Force, and I told him to gather up the papers and to make an inventory of them, to bring the papers all down to my office, to sort out Mr. Murdoch's private papers, if there were any, and to send them to his house, and it was only after Mr. Schreiber came here, and I mentioned to him that I had not got certain papers and Mr. Force had sent some papers to Mr. Murdoch's house, that I sent, on Mr. Schreiber's orders, to Mr. Murdoch's house for them, but they were not given up.

12312. Was the taking possession a matter undertaken upon your own responsibility, or was it from distinct instructions from headquarters?—Peremptory orders twice repeated by telegraph.

Took possession in consequence of peremptory orders twice repeated by telegraph.

12313. It was not in any way in consequence of the authority which you supposed yourself to have before that time?—No, not at all; it was a positive order; but that there might be no mistake upon the subject, I telegraphed back to Ottawa, and I received further orders. Of course the papers can be produced. I should not have referred to the matter at all had I not been here to-night and heard what was said.

12314. Is there anything further that you would like to say by way of evidence, either in explanation or in addition to what has been said?—I think not.

WINNIPEG, Monday, 11th October, 1880.

JOHN J. McDONALD'S examination continued:

J. J. McDONALD.

By the Chairman:—

12315. I understand that you desire to add to or explain the evidence given by you on the former occasion before us: do you wish to do so?—With reference to Mr. Chapleau there are some things that I should like to explain a little more fully. The first time I had any conversation with Mr. Chapleau, in reference to this matter, was in the Russell House, Ottawa, as he was going to dinner. He told me that the work had been awarded to his friends, Andrews & Jones, and that they were going into it, and advised me to see them, or he would see them for me to get an interest.

Tendering—Contract No. 48. Influencing Clerks.

Chapleau informed witness that contract had been given to Andrews, Jones & Co., and advised him to get an interest with them.

12316. Do you mean for you to get an interest in their contract?—He said with them, as they were men of means, and I could get a good position; but I declined, and said that the work was too low at their prices and could not be done. I had nothing more to say about the matter after that. I never met Andrews & Jones to know them in

Witness declined as their prices were too low for the work.

**Tendering—
Contract No. 42.
Influencing
Clerks.**

**Offered Chapleau
\$4,000 to induce
him to prevent
Smith from put-
ting up security
for Andrews,
Jones & Co.**

**Fraser endorsed
promise made by
McDonald to
Chapleau.**

**Never previously
tempted Chap-
leau nor any one
else in Depart-
ment.**

**Paid \$500 of the
\$4,000 with a
cheque of the
company.**

their position as contractors. The next time I met Mr. Chapleau, Mr. Fraser came to my house on Metcalfe Street, Ottawa, with Mr. Chapleau. There Mr. Fraser wanted us to take in Jones with us and associate together, but I refused and said that I was satisfied that there would be too many, and I did not think that they would come to time in any case. I then turned around to Mr. Chapleau, after we were talking awhile, and made the offer to him of \$4,000 if he prevented Smith from giving Andrews & Jones the assistance, and prevented him from putting up the security. Smith was a personal friend of Mr. Chapleau's; I understood from Mr. Chapleau that he used to stop at Mr. Smith's place in New York, as he lived a long time in the United States before coming to Ottawa. Mr. Fraser agreed to the transaction, and if the firm does not assume the responsibility of paying it, I consider it a matter of honour between Mr. Fraser and myself to see Mr. Chapleau paid. It had nothing to do with the Department in one way or the other. I had nothing to say to Mr. Chapleau in the Department about the work.

12317. Do you remember whether Mr. Fraser said anything upon the subject at that time?—Yes; he agreed there at the time to what I proposed. We talked it over together—the three of us. I do not know the exact words that passed between us, but I am perfectly satisfied that Mr. Fraser felt that that debt should be paid, that he was a party to it, and if he had remained in the firm he would have paid it. He may not consider himself now responsible, as he is out of the firm and the firm should assume it.

12318. Was that occasion, in the presence of Mr. Fraser, the first on which you had arranged to pay Mr. Chapleau anything for his influence?—That is the first time I ever said a word about it. It was the first intimation. I just turned around and made the offer without consulting any person until I made it.

12319. Had you previously made him any offer for any similar service, or in any way connected with any of the business of the Pacific Railway?—No; nor to any one else in the Departments.

12320. Is this explanation to-day as you understand it, affecting only the arrangement as between you and Mr. Fraser—I mean in so far as it differs from your previous story?—That is all.

12321. It does not affect in substance what you said before, as to the arrangement with Chapleau?—No. I made the arrangement with Mr. Chapleau for \$4,000, and I paid \$500 since with the cheque of the company.

12322. So that what you wish to make plain to-day is, that the arrangement was different from that described by Mr. Fraser?—I want to explain the whole details of the arrangement. You asked me the question before, but it did not strike me at the time, it was so sudden.

Fort Frances
Lock—
Management
of work.

WILLIAM B. LITTLE, sworn and examined :

By the Chairman :—

12323. Where do you live?—At Rat Portage.

12324. How long have you lived there?—One year or upwards.

12325. Before that where have you lived?—At the Fort Frances Lock.

12326. Were you connected in any way with the works at the canal at Fort Frances?—Yes.

Employed as
labourer on the
canal at Fort
Frances.

12327. In what capacity?—As labourer.

12328. Who was the foreman under whom you worked?—There were several foremen there : the two McLennan's.

12329. At what sort of work were you employed?—In rock one part of the time, and at one time I was engaged at the steam-hoisting machine.

12330. Who was the person to make up your time, and the statement of it on the pay-roll?—There were several persons, as far as I know ; there was half-a-dozen at one time there.

12331. Do you mean for the same period that several persons would have the responsibility of making up the pay-roll?—Yes.

Several persons
had responsibility
of making up
pay-roll.

12332. Would you explain how that came about. Is it not usual for one person to have the responsibility of each set of labourers?—Yes ; there were several persons there ; there was Mr. O'Connor—Mr. Wilson's brother-in-law—and Mr. some person, who kept a hardware store there. You did not give me a chance, for all my papers are in litigation now ; my papers are all suppressed ; I have a memorandum of the whole thing. However the man used to keep a hardware store down on Main street ; his name is L. R. Bentley.

12333. Do you remember whether your time was correctly stated on the pay-rolls?—I think so ; at least I have every reason to think so up to a certain time.

Time correctly
stated on pay-
rolls up to a
certain period.

12334. Have you reason to think that the time was not correctly stated for any period?—I have.

12335. What period?—For the period when I was living there ; it was not correctly stated then.

12336. Do you mean for all the period?—No, for part of the period.

12337. What part of the period?—In April, 1878.

In April, 1878, not
paid.

12338. In what respect was the statement incorrect?—Because I did not receive my money in the first place.

12339. Does the pay-roll state that you received the money?—I cannot say that it does, because those pay-rolls were issued very often there, once a month, between Wilson and Sutherland.

12340. Then how can you say that the pay-rolls were incorrect?—The pay-rolls may be all correct, as far as that is concerned, but I did not receive my money.

Cannot say the
pay-roll was in-
correct.

12341. Did not you understand me to ask you whether the pay-rolls were correct or incorrect in their statement?—I cannot say whether

**Fort Frances
Lock—
Management
of work.**

they were correct or not; there were so many pay-rolls that I could not say which of them was correct or not.

12342. Then you are not able to say whether they are correct or not?—All that I know is simply one thing: there was no payment then at all, at the time I was there. There was no pay day or anything of that kind. Everything was done through Mr. Wilson, as far as I could see.

12343. Are you speaking now concerning other persons or concerning yourself?—Concerning myself.

**Paid so much a
day for working
in cut and so
much for
publishing
a paper.**

12344. What do you say upon that subject—I mean the payment for labour?—I was paid so much a day for working in the cut, and I was paid so much a day for publishing a paper besides. I was allowed for the wages, or at least I was allowed for time for labour, and I published a paper in the meantime.

12345. Do you mean that some arrangement was made by which you should publish a paper on your own account, and at the same time the Government should pay for your labour?—Yes; certainly.

12346. During the same time?—Yes.

**Arrangement
made with Hugh
Sutherland.**

12347. With whom did you make this arrangement?—With Hugh Sutherland—at least through him.

12348. Was he present when you made the arrangement?—He was afterwards.

12349. Who else was present?—Mr. Thompson, the deputy superintendent.

12350. Any one else?—They allowed me half time for it. There were several others present, but I could not say who just now.

12351. Was it understood, in that arrangement, that you were to give half of your working hours to the business of the Lock?—Yes.

**Paid for full time
by Government,
but gave most of
his time to pub-
lishing a paper.**

12352. And you were to be paid for half time?—I was paid for full time from the Government.

12353. How much of your time did you give to the Government work?—Some times more, or less; very little.

12354. Was it understood that you were to receive the profits of the time which you devoted to this paper?—Yes.

12355. And did you devote much of your time to that?—The whole time, almost.

12356. I understood you to say that you were not paid for the time for which you expected to be paid by the Government?—No; that is the balance of the time after the works were closed down—the balance that was due me then I have not received.

12357. Could you say how much pay you received altogether for the time during which you did not really work for the Government?—I meant to say perhaps the whole term, with the exception of ten months in 1877.

12358. How much time altogether did you get paid for?—I have not got my papers here now, and for certain reasons I cannot produce them. I have got memoranda of the whole thing.

**Fort Frances
Lock—
Management
of work.**

12359. Can you not say, from memory, in round numbers, about how much time you were paid for?—A year and a-half I should say, in round numbers—no, about a year. Paid for a year.

12360. For this one year's pay did the Government get any benefit of your labour?—I suppose they did.

12361. What benefit?—I was trying to open up the country, in the first place. Gave value for this pay by trying through newspaper to open up country.

12362. What else?—I was working at opening up the country and showing the benefits for emigrants to go in there and settle.

12363. That was by your work upon the newspaper, was it?—Yes.

12364. And is that what you allude to when you say that the Government got the benefit of your work?—Yes.

12365. Is there any other matter connected with the business of the Government upon which you can give us information?—There is.

12366. Connected with the Lock?—Yes.

12367. What is it?—You had better ask me.

12368. I have asked you?—I will not volunteer any evidence at all on my part, but you can ask me anything you wish.

12369. Will you inform us as to the subject upon which you wish to be asked?—Certainly.

12370. Name the subject?—In connection with the works.

12371. Will you give us your information in connection with the works?—I will.

12372. Please do so?—In which branch of the work do you mean?

12373. Whichever you can give us any information on. If there is more than one branch, you can give us information on one branch first?—There are several branches: there was wood work, and other works besides that, and there was a general store there. Wood-cutting, steam-boat running, and all that kind of thing—several branches.

12374. Can you give us any information on the store branch?—I can.

12375. What is it?—Mr. Wilson was running a store for the Government, or at least it was supposed to be in his own name afterwards. It appeared to me, I did not know, but my impression was that the store was run for the benefit of the superintendent, from reasons that I have got papers to show that every pay day be made up the accounts and sent them in for signature to Mr. Sutherland, and there was not a pay day there from 1876 after that until—there was no pay day until the work was suspended, there was no pay day at all. The money was used for other purposes. Suspected that store was run for benefit of superintendent.

12376. What other purpose?—I do not know. If I had my memorandum I could tell you all about that part of the thing. Men were employed there to kill cattle, beef was sold then in Mr. Wilson's store, and the balance of the beef went to the men's boarding-house. Government men were paid to look after this beef and kill it, and they were holding responsible situations besides. There were two or three men paid to look after that. Besides this, there were three men paid for hunting up timber lands. Their wages and time are supposed to be in the books. Men said to be hunting up timber lands for James Sutherland while in pay of Government.

**Fort Frances
Lock—
Management
of work.**

Alleges that certain men while in Government employ, were hunting up timber for James Sutherland.

12377. For whom were they hunting up timber?—For James Sutherland.

12378. How are you aware that they were hunting up timber for James Sutherland?—I knew by speaking to the men themselves, and I knew that their time went down on the books, because I saw them afterwards, and I afterwards saw James Sutherland placing scrip in the and agents hands to locate certain limits on the Rainy River.

12379. Well, what further upon that subject?—I do not know any further than I had a good many excursions on the Rainy Lake steamboat. The chief cook was taken from the boarding house there, and there were several other cooks, and Government stuff taken to supply those excursions.

12380. Do you know the names of the men, or any of them, who were employed by James Sutherland at the Government expense?—I do.

12381. Please give the names?—Stewart was one.

Their names.

12382. What was his first name?—I think James—or John—I forget which; Joseph Capastran.

12383. Any others?—No; those are the chief names.

12384. How are you aware that while they were hunting up timber for James Sutherland, they were under the pay of the Government?—I know it very well.

12385. How are you aware of it?—I saw them drawing their pay afterwards, and I saw them retained in the employ of the Government after they came back.

12386. Did you see them drawing their pay for this particular time, during which they were engaged in hunting up timber?—I cannot say as to that, but I know that they were always in the employ of the Government afterwards, just the same as ever. Then there were about sixty or seventy Indians employed by the Government then; the majority were American Indians.

Indians employed.

12387. Don't you understand that when I asked you whether you are aware whether those men—who hunted up the timber for James Sutherland—were paid by the Government, that I mean during the time which they were employed by the Government?—I do not know anything about it at all.

12388. Did you not understand that that was my question?—No.

12389. Now that it is plain to you, I ask you whether you are aware whether they were paid by the Government for the time during which they were employed by James Sutherland?—I do not know.

12390. Proceed on that subject about the Indians: what do you mean by alluding to the Indians—what was the transaction—were they working for the Government and paid by the Government?—Yes.

12391. Do you mean wrongly paid?—I do not know.

12392. Why did you allude to the Indians pointedly, if there was nothing wrong about it?—I do not know particularly why I alluded to them at all; they were then employed upon the canal, that is all I know about it. They were paid, I suppose, for their work.

Fort Frances
Lock—
Management
of work.

12393. Is there any other branch of the business upon which you can give us information?—None that I know of.

12394. What Thompson was it, who was present when you and Hugh Sutherland were arranging about your paper, and about you being paid for the time during which you were not labouring?—Mr. Sutherland was not present at all.

Sutherland not present when arrangements made as to publishing newspaper.

12395. You said Hugh Sutherland and Thompson?—I beg your pardon; I did not mention Sutherland's name at all.

12396. You see that Hugh Sutherland is present now?—I see; but I did not say he was present when the arrangement was made.

12397. You said so. You said that Hugh Sutherland and Thompson were present?—I beg your pardon; I made a mistake if I said so, because he was not present.

12398. Who was present?—Mr. Thompson was.

12399. What Thompson do you mean—the Government agent?—I mean Sutherland's agent. He was superintendent of Mr. Sutherland's; he understood the whole thing.

12200. Who else was present at that arrangement?—I cannot say now; I have not got my memorandum and papers to show. Other parties were present at the time.

Other persons with Thompson when arrangement was made.

12201. Can you name any of them?—I could name several of them, but they are not here.

12202. Perhaps we can get them?—I doubt it very much.

12403. Do you doubt whether you can name them?—I do; however the books will show the arrangement was all right.

12404. You are under oath to tell the truth, and I am endeavouring to ascertain if you know anything: do you say you can name any others who were present?—I cannot just now.

Forgets their names.

12405. Is there any other matter connected with the business of the Fort Frances Lock, or in any other way connected with the Pacific Railway, upon which you can give us information?—No, I guess not.

12406. Who supplied the plant for the newspaper of which you have spoken?—The public.

12407. You did not advance your own funds?—No.

HUGH SUTHERLAND'S examination continued :

SUTHERLAND

By the Chairman :—

12408. The last witness speaks of an arrangement by which he was to devote his time to the publication of a newspaper at Fort Frances, and that he was paid as if he was giving his time altogether to the public service, when in fact he was not giving his time to the public service but for his private advantage in connection with this paper: do you know anything of such an arrangement, and if so what was it?—I know nothing of any such arrangement.

Knows nothing of an arrangement by which Little was paid by Government while devoting himself to the publication of a newspaper.

12409. What do you know about the newspaper arrangement?—I know that a small sheet was published there a few times about the size

**Fort Frances
Lock—
Management
of work.**

**How newspaper
came to be start-
ed.**

of that (pointing to a parliamentary return). This man Little was working in the rock-pit as a labourer for some time, and it became known that he was a printer, when some arrangement was made to get a small paper published. This man was hired with other labourers to work at handling rock. It was discovered, after a while, that he was a printer and some of the residents there thought it would be well to get up a small supply of type from Thunder Bay, as this man represented himself to be a printer and an editor, and he could get up a paper after hours. A subscription list was started for that purpose by parties outside of the canal works altogether. Mr. Fowler was the first man who spoke to me about it, and asked me if I would give anything. I said I would give a small subscription, and I did give \$5 or \$10 or something like that.

12410. Out of your own means?—Yes; out of my own means altogether. I had not seen the man, did not know him, and had never been introduced to him. He came there looking for work. I did it on the strength of Mr. Fowler's representations that it would be a nice thing to have a little paper there and bring Fort Frances into notice.

**Understood that
Little worked at
his newspaper
at night.**

12411. Have you ever learned that his time was paid for by the Government while he was devoting it really to his own interests?—No; and I do not believe there was anything of the kind. As to any arrangement having been made with me, or that I am acquainted with any arrangements of that nature, is simply without foundation. I know nothing about it, only that the paper was published there. I understood that he worked at it at nights. It was not very heavy labour; it required very little editorial labour and was a very small affair.

**Not aware that
his brother had
any timber limits
or that men were
engaged hunting
them up for him.**

12412. The last witness speaks of some of the men who were in the employ of the Government at one time, and who were in the employ-ment of the Government afterwards, having been engaged in hunting up timber limits for your brother James: do you know anything of that matter?—I do not; I am not aware that he had any timber limits.

**McLennan, rock
foreman, had men
hunting up tim-
ber limits.**

12413. Are you aware that he employed any men in the Govern-ment pay to search for timber limits?—I am not aware of anything of the kind. I think, perhaps, I can account for the rumour as I heard it be-fore. It was represented, and rumoured that Mr. R. McLennan, who was rock-foreman, and who I understand is in the city to-day, although I have not seen him, he is a contractor on section B, he was my rock-foreman at the time, and he was engaged at that time and had men hunting up timber limits; but that I and my brother were interested with him, as far as I am concerned, I deny—I deny that anything of the kind was ever talked of even. If Mr. R. McLennan is in the city I would like to have him examined..

**But witness in no
way interested.**

**Extent of wit-
ness's interest in
land.**

12414. As far as you know, there is no truth in the story that either you or your brother made use of the Government labourers to hunt up timber for either of you?—No; I have not owned any, nor has my brother owned any, except what I have obtained from the present Government; nor did I purchase or scrip any land out there, but my brother scripped a half a section, or a quarter of a section, or some-thing of that kind.

12415. We are not enquiring into land which you or your brother have obtained, but for the service of the labourers who searched for timber?—I positively deny that anything of the kind ever took place.

Fort Frances
Lock—
Management
of work.

12416. Is there any other subject connected with the business of the Lock or the railway, upon which you can give us information material to this investigation?—There are one or two other witnesses, men who were engaged for me on the works, who ought to know a good deal about it and who ought to be examined.

12417. Are they here in the room?—No; but there is Mr. McLennan, who was formerly engaged by me as foreman, I have just heard that he is in the city. He is the foreman under whom Litle worked, and may perhaps know something about the printing matter.

12418. Upon the subject of hearing further evidence, the Commissioners think it proper to say that the evidence given by Litle to-day has not displaced in any way the impression which they have received from former witnesses upon this same subject, and it will not be necessary to call any other witnesses for the purpose of rebutting his testimony; but if you wish witnesses to be called upon the general subject, or upon any other matter that has been overlooked, they would like to be informed?—There are no matters that I can think of just now that have been overlooked. If it is convenient for the Commission to call McLennan—I do not suppose that he could give any new evidence—probably not any more than Mr. Thompson, or my brother or myself have given. The only reason I would desire to call him, is that he has never had an opportunity of giving evidence in reference to the Fort Frances investigation. There has been a great deal said some time ago about the reckless manner in which this work was conducted, and I know of no parties who are better able to judge, or give evidence, than those who had charge, and who ought to know all about it. I will say this much; that I am very much pleased indeed that the Commission has taken up the heads of this business and examined them, instead of what has been done before, taking up the men from the rock-pits and others who knew no more about it than the “man in the moon”. When I was examined at Ottawa, I gave a list of all the head-men—men who ought to know if there is anything wrong—and they refused to subpoena them; they refused to examine myself; they had witnesses there who knew nothing, comparatively speaking, about the working of the canal. I am glad now to have this opportunity of having them examined. Mr. McLennan is, probably, the only other important man; and, as I said before, I do not know that he can throw any new light on the subject at all. I have not talked with him at all. There is a charge in which he himself is directly concerned, and I do not know but he would like to have the opportunity of clearing it up.

Not necessary to call witnesses for the purpose of rebutting Litle's evidence.

Wishes to have McLennan examined.

12419. You are aware that the Commissioners supposed that their labours, as far as taking evidence is concerned, were closed on Saturday night last, and the adjournment took place without naming a further day, and that the opening of the hearing to-day was caused by a witness appearing for the purpose of giving evidence. It will not be very convenient, since all arrangements are made for our leaving the city, to continue the hearing indefinitely. If you are able to get Mr. McLennan here almost immediately, we will be very glad to hear him, otherwise we shall have to defer hearing him until we open the sittings again at Ottawa; then we shall probably ask him to come down if you consider it necessary?—I do not know that it will be necessary; it is only in the event of some of those old charges being revived it will be necessary to have him examined except you wish to have him exam-

Not necessary to examine McLennan.

**Fort Frances
Lock—
Management
of work.**

ined as to the general working of the concern which, in all probability, will be a corroboration of the evidence of Mr. Thompson, my brother and self.

12420. In the meantime, will you endeavour to get him here as quickly as possible, now?—I will. There is one more matter, that I wish to touch upon, if I have the privilege of doing so.

Small accounts
unpaid.

12421. You have with anything connected with the Pacific Railway?—There are a small number of accounts unpaid by the Department, which are just and proper to be paid by the Government. All these papers—I speak of nothing but what I have on file in the Department long ago. These people, of course, are bothering me, expecting that I should be in a position to get their money, and I wish to have it put on record that I have done all that I can do. There is a number of accounts—I could furnish a list of them—in the Department, and what I refer to is that these accounts should be paid. There is a balance also due to myself. The Government owe me about \$800, and the paymaster about \$400. This arose in this way: we were kept a long while at the close of the works without money, and we made applications for money to pay up the accounts, and supposed every hour that money would arrive; and we kept paying out and paying out until we had overpaid this much. Afterwards, the money was sent up here to pay all the claims, but we were not paid. I have made personal application to the Department several times since for a settlement. I asked the Deputy Minister last spring, if he knew any just reason why I should not be paid; he said: "No, except that I had not given up my books." He insisted that that was the reason. I had declined to give up the books to an irresponsible Commission; and if I had given up my book I would not have been able to defend myself today. I did offer to give up my books to the Department, and I offered to the other Commission the privilege of examining my books, but they would not examine me or my witnesses; that is the private Commission that was appointed, and the Deputy Minister told me that that was the only reason he knew of. He asked the accountant, Mr. Bain, in my presence, if he knew if there was anything wrong in my accounts; and Mr. Bain said that there was not. This amount stands to my credit in the books in the Department and I have not received it.

\$800 due to
witness.

Had been told
that the reason
he was not paid
was because he
would not give up
his books.

Logan's account,
\$400.

12422. Is there any other matter?—I may say that the paymaster, Mr. Logan, whom you may have the opportunity of examining, has been writing to me. He is a poor man and he has paid out this money in good faith. He has tried in vain to get it. He has asked me to look after it. I suppose he expects me to put it on record in this Commission. (The witness then retires to see if he can find Mr. McLennan in the city, and returning continues): I cannot find Mr. McLennan anywhere in town and I do not wish to detain you any further on that account. I have only one thing more to say. I have to return my thanks to this Commission for the very impartial manner in which I have been examined, and their fair conduct; and I am very glad to have this opportunity of putting my thanks on record for having heard those who ought to know most of the Fort Frances Locks.

Witness thanks
Commissioners
for their impar-
tiality.

The Chairman:—The Commissioners do not think they are entitled to any thanks, for whatever they have done was entirely from a sense of duty. They have granted you no favour but only what you were entitled to.

OTTAWA, Thursday, 26th October, 1880.

Telegraph—
Construction.
Contract No. 3.

TOUSSAINT TRUDEAU'S examination continued :

By the Chairman :—

12423. When you were before us on the last occasion, you said that the documents relating to the Barnard contract (No. 3) were not in the possession of your Department, but were with the Minister of Justice : have they been returned to your Department so as to give you control of them now ?—Not yet. Cannot produce papers connected with contract 3.

12424. Then do I understand that you are not able to produce any of them on the present occasion ?—No.

12425. What is the next contract in order of time that we have not touched ?—No. 6. Purchase of Rails—
Contract No. 6.

12426. What was the subject of that contract ?—Purchase of rails.

12427. Was it let by public competition ?—Yes.

12428. Were tenders invited by advertisement ?—Yes.

12429. Have you the copy of the advertisement ?—Yes ; I now produce it. (Exhibit No. 116.) Advertisement for tenders produced.

12430. I see by the paper which you produce that there were two advertisements for rails : was there any contract let upon the first advertisement alone ?—No.

12431. Then the first advertisement resulted in no transaction ?—The second advertisement was simply a postponement of the first. Contracts Nos. 6 and 11.

12432. Then the first by itself resulted in no transaction ?—Yes ; there was no transaction.

12433. Do you know why the time was extended ?—The time was extended to afford opportunity to parties living at a great distance.

12434. Had there been any tenders put in up to the time named in the first advertisement: the 8th of October, 1874 ?—No.

12435. Have you the tenders put in at the time named in the postponement ?—Yes ; this is the list of tenders which I now produce. (Exhibit No. 117.) List of tenders put in at the time named in second advertisement.

12436. This document is a schedule of the tenders ?—Yes.

12437. With a report by Mr. Fleming, the engineer ?—Yes.

12438. Have you the tenders themselves ?—Yes ; I now produce them.

12439. You make these twenty-five tenders ?—Yes. (Exhibit No. 118.) Twenty-five tenders put in.

12440. Do you know whether the tenders described in the Return to the House of Commons of the 2nd of March, 1876, comprised all the tenders received on that subject at that time ?—I have just compared them and I find the printed list contains the list of tenders for rails to be delivered in Montreal. Tenders for rails to be delivered at Montreal.

12441. Were there tenders for deliveries at other places which were accepted and acted on ?—Yes.

12442. Were those tenders different in substance from the tenders invited by advertisement : I understand your advertisement alludes

**Purchase of
Rails—
Contracts Nos.
6 and 11.**

point to the delivery at Montreal?—They were different so far as the point of delivery is concerned.

No further competition called for after receipt of tenders.

12443. Were the transactions which were effected for delivery at places other than Montreal effected without any public competition?—There was no further competition than the receipt of these tenders.

10,000 tons ordered from Guest & Co., with proportionate quantities of fish-plates, bolts and nuts.

12444. Can you state the different transactions which were effected on the basis of these tenders invited by advertisement?—Yes.

5,000 tons with plates, &c., ordered from Ebbw Vale Co. (contract 7).

12445. Name them, please, giving names of the parties and the quantities, amounts and numbers of the contracts?—We entered into contract No. 6, with Guest & Co. for 10,000 tons of rails, with proportionate quantities of fish-plates, bolts and nuts. We entered into contract No. 7, with the Ebbw Vale Steel, Iron and Coal Co., for the supply of 5,000 tons of steel rails with proportionate quantity of fish-plates, bolts and nuts. Contract No. 8, with the Mersey Steel and Iron Co., for 20,000 tons of steel rails with proportionate quantity of fish-plates. Contracts 9 and 10, in one document, with the West Cumberland Iron and Steel Co for 5,000 tons of rails with proportionate quantity of fish-plates, bolts and nuts. Contracts 9 and 10 also provides for the purchase of 5,000 tons of rails, with proportionate quantity of fish-plates, delivered free on board at Workington, England.

20,000 tons with plates, &c., from Mersey Steel and Iron Co. (contract 8).

5,000 tons and 5,000 tons delivered free at Workington, Cumberland Iron and Steel Co. (contracts 9 and 10).

12446. Besides these deliveries at Montreal, contracted for in the terms of the tenders, were there any other quantities contracted for to be delivered at other places, besides the portion of contracts 9 and 10 to which you have alluded?—Yes; contract 11 with Naylor, Benzou & Co. for the supply of 5,000 tons of rails, with proportionate quantity of fish-plates, to be delivered free on board at Liverpool; contract 31, with Cooper, Fairman & Co. for bolts and nuts.

Contract 11, 5,000 tons with Naylor, Benzou & Co. to be delivered free on board at Liverpool.

Contract 31, Cooper, Fairman & Co., for bolts and nuts.

12447. Do you mean that these two last-named contracts, 30 and 31, were based upon the prices mentioned in the tenders to which you have already alluded?—Yes.

12448. As to contract No. 6, were Guest & Co. tenderers?—Yes.

12449. Have you the tender?—Yes; it is part of Exhibit No. 118.

12450. As to contract No. 7, were the Ebbw Vale Steel, Iron and Coal Co. tenderers?—Yes.

12451. Is the tender part of Exhibit No. 118?—Yes.

12452. As to contract No. 8, was this company the Mersey Steel and Iron Co. a tenderer?—Yes.

Contract 8, tender for 5,000 tons; contract for 20,000 tons.

12453. What was the quantity tendered for?—5,000 to 10,000 tons.

12454. What was the contract for?—The contract is for 20,000.

12455. Do you know how it came about that the contract is for a larger quantity than tendered for: don't you think there were two separate tenders for 10,000 tons each?—No; I think that the quantity was increased simply because the company expressed itself willing to undertake the larger quantity.

Cox & Green and other tenderers lower in price.

12456. Was the price named by these tenderers the lowest price of any—for instance, was not the tender of Cox & Green, or Guest & Co., a lower price?—Yes; the price of Cox & Green was lower.

Satisfied that order increased at larger price

12457. Do you know whether those persons who had tendered at lower prices were offered the opportunity of increasing their quanti-

ties at the lower prices, or whether it was only at the higher prices that the increased quantities were offered to be taken?—I cannot produce any written correspondence on the subject, but I am satisfied that the desire to increase the orders at the larger price were made after we had ascertained that the lower bidders would not accept any more.

12458. What is the date of the contract at the higher price?—The 14th January, 1875.

12459. Will you look at page 35 of the printed Return to which you allude. Please read the telegraph from Cox & Green to you, dated December 21st, 1874?—That is—"See our letter 18th December, to Mr. Braun, offering 5,000 tons more of rails, &c.," is that what you allude to?

12460. That is what I allude to : read the answer of the following day?—"No further steel rails wanted. Thanks."

12461. Are these telegrams followed by any other communications to a different effect?—Yes; at page 37 there is a letter from Mr. Braun, Secretary of the Department, to Messrs. Cox & Green, accepting 5,000 tons delivered at Workington, at £10.

12462. Does that touch the question of rails delivered at Montreal?—It does, so far, that we entered into a contract (Nos. 9 and 10) for 5,000 tons of steel rails, delivered at Workington, at £10, and subsequently it was agreed that these same rails should be delivered at Montreal, at £11, according to the terms of the same tender received from the same parties.

12463. In addition to the tenders which are printed in this Return, at page 5, are there other tenders based on the same advertisement to be found printed in another place. I understand, you wish to add something to your evidence—please do so?—The tenders not included in the list printed in the Return dated April 6th, 1876, are to be found printed in full length in the same document, at pages 11, 17, 19 and 22.

TIMOTHY KAVANAGH, sworn and examined :

By the Chairman :—

12464. Where do you live?—In Ottawa.

12465. How long have you lived here?—I came here in 1860.

12466. Have you had any business transactions in connection with the Canadian Pacific Railway?—I had some contracts.

12467. Was your first contract for the completion of the Pembina Branch?—Yes.

12468. Were you connected with some one else in that matter as partner?—Yes.

12469. Who was it?—Mr. Falardeau, of Montreal. He was to join me in the contract, but Mr. Mackenzie objected to him.

12470. Upon what ground?—He did not say.

12471. Was the work let by public competition?—Yes.

12472. Did you tender in your own name?—I did.

**Purchase of
Rails—
Contracts Nos.
6 and 11.**

after it was ascertained that the lower bidders would not accept any more.

14th January, 1875,
date of contract
at higher price.

On the 21st
December, Cox &
Green telegraphed
an offer for
5,000 tons more
of steel rails, and
offer refused.

Braun writes to
Cox & Green ac-
cepting 5,000 tons
delivered at
Workington at
£10.

KAVANAGH.

Tendering
Pemb. Branch,
Contract No 33.

Mr. Mackenzie
objected to his
partner, Falar-
deau.

**Tendering—
Pemb. Branch.**

Contract No. 33.

12473. Then did you take the contract alone after this objection?—No; after he raised the objections, I came up and told Mr. Falardeau that Mr. Mackenzie objected to him.

12474. What was the result of that then?—I walked away from him at the time, and had nothing more to do with him.

12475. Did you take the contract alone?—No; after I came out I met Mr. Murphy. I told Murphy about it. He said he did not mind taking the contract. Murphy took the contract at my figures.

12476. Did he take it alone or do you mean that he joined you?—No, he did not join me; a party by the name of Upper went in with him.

12477. Well then you did not contract at all?—That is all there was about it. I think it was understood I was to be with him in the contract.

12478. With whom?—With Murphy and Upper.

Murphy determined to go in on figures of witness.

12479. Do you mean that you, by your tender, became entitled to the contract and that you did not get the contract: I do not quite understand what you mean to say about it?—The way it came, Falardeau was to come with me in the contract. When Falardeau came up Mr. Mackenzie objected to him; when he objected to him I met Murphy, and I complained to Murphy that Mr. Mackenzie objected to Falardeau, so I told Murphy what my figures were and he said he did not mind taking my contract at my figures.

12480. Did you go with him to the Department of Public Works?—Yes.

12481. Whom did you see?—Mr. Trudeau and Mr. Mackenzie—there was not anything more about the matter. The work went along.

12482. But did the papers go along—were the papers signed?—Yes.

12483. Did you sign them?—Yes.

12484. Then you became one of the contractors?—I presume so; Mr. Murphy though attended to it chiefly.

**Consented to
Murphy and Upper becoming parties to contract.**

12485. Were you a consenting party to Mr. Murphy becoming a contractor?—Yes.

12486. And Upper with him?—Yes.

12487. Then you had nothing to complain of about that?—Nothing at all to complain of.

12488. When you first tendered, this gentleman in Montreal was not a party in the tender?—No.

12489. Your idea to include him in the transaction was a subsequent one?—Yes.

12490. And it was that subsequent idea which the Department objected to?—Yes.

12491. But they consented to you taking other partners instead of the Montreal man?—Yes.

12492. And you agreed to it?—Yes.

12493. Was there any arrangement, after you became the contractor, by which you went out of the contract and these other men remained the sole proprietors?—None at all.

Tendering—
Pemb. Branch.
Contract No. 33.

12494. Did you take any part afterwards in the settlement with the Government about the matter?—No.

12495. Why not?—I was not called upon.

12496. Was the work taken out of your hands?—Well, I think it was partly taken out of my hands at the time.

12497. Have you had any settlement with these men who became your partners about the transaction?—No.

No settlement
with Upper and
Murphy.

12498. And is the matter still an open question between you and the Government, or between you and the partners?—Well, I don't hardly think it is.

12499. How has it been closed if you took no part in the closing?—I took no part in the closing. I do not know whether they intend to settle with the Government, or whether it is an open question yet between them.

12500. Have you any claim against the Government on account of it?—Not a cent.

12501. Then you have virtually abandoned all interest in the matter?—Virtually abandoned all interest.

12502. Has any claim been made against you at any time for not fulfilling the contract?—No.

12503. When you first tendered was there any understanding that any person else was to have the benefit of the tender as well as yourself?—No; not at the time I tendered. There was some parties at the time I tendered proposed to come in, but I did not mention their names in the tender.

Tendered in his
own name.

12504. Had they an interest jointly with you?—There was no interest between us.

12505. Was there any agreement by word of mouth between you and some person else?—Yes.

12506. That they were to have a share in it?—Yes.

12507. Who were they?—They were Americans.

12508. Did they have any interest in it afterwards?—None. They were to come here, I think, with the understanding to sign the contract; and when they came they went away in the morning without staying to do anything with it, so I attended to it myself.

12509. You mean that they were here to sign the tender, not the contract?—Yes.

12510. They were not to sign the contract?—They were to come here and sign the tender.

12511. But did not?—But did not.

12512. And on that account you tendered in your own name?—The tender was in my own name all the time. When the tender was called for I attended to it all in my own name.

12513. Did you ever give any personal attention to the work yourself?—No.

12514. Did you ever visit the work?—No.

Tendering—
Contract No. 63,
B.C.

12515. Is there any other matter connected with the Canadian Pacific Railway in which you have had any interest?—In British Columbia I had.

12516. What interest had you?—When the tenders were called for I put in a tender for it.

12517. Do you remember which section that was?—Section D.

12518. Is that the northerly section?—I think so. It is the forty and a-half miles. No; I think it is coming this way. It is section D at all events.

12519. Was the contract awarded to you?—Yes.

His sons interest-
ed with him.

12520. Was any person interested with you when you made the tender?—My son.

12521. Where does he live?—In town here: Ottawa.

12522. Who took the active part, you or your son, in getting up the tender—the prices, &c.?—It is myself.

By Mr. Keefer :—

From Junction
Flat to Savona's
Ferry.

12523. Do you know whether it is the section from Emory Bar to Boston Bar?—No; from Junction Flat to Savona's Ferry.

By the Chairman :—

12524. Was anyone interested besides you and your son?—No.

12525. Had you been accustomed to any work of this kind?—Well, I had done some; not a great deal. For the last twenty or twenty-five years I have been noticing a good deal of railway work and paying particular attention to it.

12526. Were you furnished with blanks by the Department for the purpose of filling up prices?—Yes.

12527. And specifications?—Yes.

His son delivered
tender to Depart-
ment

12528. Who delivered the tender to the Department?—I think my son did.

12529. You did not yourself?—No; I was sick at the time.

12530. I thought you said that you took the active part in getting up this tender?—So I did, but I was confined to my room. I was not able to be out.

12531. Had your son any experience in this sort of work?—No.

12532. So that your idea prevailed about prices?—Yes; he made the figures and I gave him the prices.

12533. Had you any communication, before the tender was put in, with any officers of the Department?—None at all.

12534. Directly nor indirectly?—Not direct nor indirect, any more than to get the form of tender and specifications; that is all.

12535. Did you enter into the contract then?—I was sick at the time and was not able to attend to it, and I told my son to attend to the affair.

12536. And did your son enter into the contract—do you know?—I could not tell what he done. I was not able to leave the room at all.

Tendering—
Contract No. 63,
B.C.

12537. Do you know whether he became the contractor for the section?
—I could not tell what he done after that—I could not tell what he done at all. I am on my oath now and I confine myself exactly to what I done myself.

12538. Did you join him in any arrangement afterwards to dispose of that contract to any one?—Not at that time. I did not see my son at all. I told him to go up and attend to the business. I did not see him for some days afterwards.

Told his son to attend to the contract by whom he was informed that Onderdonk had bought the contract.

12539. Have you been told by him that some one became interested in the contract?—Yes.

12540. Who was it?—Mr. Onderdonk.

12541. Did you take any part in arriving at the price that Mr. Onderdonk was to pay for it?—No.

12542. Who settled that?—My son.

12543. Were you willing he should settle it alone?—I left the thing entirely in his own hands and gave him no instructions.

12544. Of course it was understood between you and your son that you were jointly interested?—Yes.

12545. So he was a partner?—Yes; a partner *bona fide*. I left the matter in his hands.

12546. Do you know the amount that Mr. Onderdonk paid?—No.

12547. Did not your partner mention it?—I think he did, but I quite forget it just now.

12548. Do you mean that you do not remember anything near the amount?—Well, I could not say, I could not say just now.

Does not remember the amount Onderdonk paid.

12549. I am speaking now of what your partner told you was the transaction. Of course your partner was your agent as well as acting on his own behalf?—Yes.

12550. And what he would tell you might be material. Now I want you to say what he told you, whether he was right or not in what he told you?—I prefer not answering that question because I might make a mistake in that.

12551. I cannot relieve you from the responsibility of answering merely because you prefer not to answer, because if you know I want you to say. If you swear that you do not know what your son told you you can do so and take the responsibility of that?—If my memory was refreshed by putting the question to him I might be able to answer it better than I can now.

12552. Was it not a considerable amount?—Yes.

12553. Does not the considerable amount make enough impression upon your mind to make you remember it?—A person would imagine it could be so—but really I could not say just now—I could not. I would be quite willing to have my memory refreshed upon it before saying it.

12554. Is your son living in town?—Yes.

12555. Will you go and see if he can come up now and give evidence on the subject at once?—I will. (Witness then went to find out if his son

**Tendering—
Contract No. 63,
B.C.**

could come. He returned in a few minutes, and he informed the Commission that his son could not come that day).

Three of his sons interested in contract, Joseph, Francis and Michael.

12556. How many of your sons were interested with you in this tender?—Three.

12557. Give their names?—Joseph, Francis and Michael.

12558. Do you know what arrangement was made for putting up the deposit with your tender?—I do not; I know the deposit with my tender—I think it was my son Michael put in the deposit with my tender.

\$5,000 deposit put up by one of his sons.

12559. How much was it?—Upon my word I forget—I think it was \$5,000, but I am not quite sure.

12560. Had he the command of \$5,000?—Yes.

12561. Do you know whether any arrangement was made with any person else to help you or your son with the contract or with the tender?—I do not know what he done—I left it altogether with himself, I was quite ill at the time.

12562. What amount did your son say Mr. Onderdonk gave for the tender?—I think he told me at the time, but really I forget now. I never settled with my sons since. If I had settled with my sons I could tell, of course, but I have not settled with them for two years.

12563. Have you seen him since?—Yes.

12564. How long ago?—A few moments ago.

12565. Did you put any question to him?—No; there were too many by. I only asked him if he could come up here and he said he couldn't just now.

Pemb. Branch.

Put up deposit for the Pembina Branch contract, but cannot say whether this was or was not returned.

12566. Did you put up any deposit with the tender for the previous contract, the Pembina Branch?—Yes.

12567. How much?—I don't know; as much as was called for at the time.

12568. What became of that deposit?—I could not say whether it was ever returned or not up to this.

Left the management to his son.

12569. Has there been any time, between that period and to-day, when your mind has been altogether weak and infirm so that you do not remember things?—No; because I left the matter in my son's hands, it was not anything wrong with my mind, but I left it in my son's hands to attend to it. I was thinking, of course, every day that the Pembina Branch would be fixed up, and I don't know but I may be called upon yet.

12570. Was your son interested in that too?—No; he was not.

12571. Well, why did you leave that to him?—Well, because they generally attend to the money affairs.

12572. Do you mean to say that you really do not know whether that deposit has been returned to you or not?—I really don't know.

**Contract No. 63,
C.B.**

Does not remember the amount given by Onderdonk.

12573. Nor the amount that was given by Mr. Onderdonk?—No.

12574. Nor the amount which your son said was given by Mr. Onderdonk?—No.