

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

1922. In making up the estimate of prices that you say you will be able to furnish us, you can state the price of the over-haul?—Yes.

1923. The length of the over-haul did not effect the price paid to Mr. Whitehead?—No.

1924. But you say that notwithstanding that the engineers have mentioned the length of the over-haul?—I have got it from the engineers. Claim founded on measurement of over-haul made by Government engineers.

1925. Is it from that you make up your claim?—Yes.

1926. And not from the measurement of any person who measured it in your own interest?—No.

1927. Do you know how it is that the Government came to measure the distance of the over-haul?—No; it may have been because I asked them for the information. All that they would have to do is to look at the profile and make it up from that.

1928. The profile would not tell the length of the over-haul?—Yes it would.

1929. You mean the profile of the borrow-pit?—I mean the profile of the borrow-pit in connection with the profile of the line. The two together would show it. I just asked for the information and I got the exact figures.

1930. You did not get them verified?—No; but if it is necessary I can get it done by an engineer.

WINNIPEG, Thursday, 9th September, 1880.

**CARRE.  
Exploratory  
Survey—  
Party M.**

HENRY CARRE, C.E., sworn and examined :

*By the Chairman:—*

1931. What was the time of your first connection with the Pacific Railway?—I was telegraphed for when I was on contract 14 of the Intercolonial Railway, in the latter end of May, and started the 1st of June, 1871, as near as I can remember. Working on contract 14, Intercolonial Railway, when telegraphed for by Fleming.

1932. Do you mean telegraphed for to go to Ottawa?—Mr. Fleming telegraphed to me asking me to leave the Intercolonial Railway and join the staff of the Pacific Railway, as he was unable to procure enough men to take charge of the parties.

1933. Did you come on then at once?—I came on at once to Ottawa about the 1st of June. Goes to Ottawa, 1st of June, 1871.

1934. To what place did you go?—Some time in the middle of June I left Ottawa for Thunder Bay in charge of a party to run a line between the height of land and English River, from Lac des Isles to Lac Seul. There was a plan published on which the lines were all laid down, but I lost my copy of it in the fire. I ran until the end of September, when I wrote to Thunder Bay to Mr. Rowan, telling him that I was out of provisions, and that I would have to leave the 1st of October, if he did not send on more supplies. The provisions did not come, but I kept the work going until the 10th of October, when I backed out and returned to Thunder Bay. On the way we had to patch up our old canoes, and I got home without dinner for my party. Leaves Ottawa for Thunder Bay in charge of a party to run a line from the height of land to English River. Out of provisions by September. Returns to Thunder Bay, 10th October, 1871.

**Exploratory  
Survey—  
Party K.**

First engaged as the head of exploring party,

K party.

1935. In what capacity were you first engaged?—In charge of an exploring party.

1936. What was the distinguishing number or letter of the party?—I think it was K.

1937. The survey was from Lac des Isles westward?—Yes. When I arrived at Thunder Bay I received instructions to remain out all winter, but my men deserted.

Thirty-three men under his charge.

1938. How many men had you under your charge at that time?—Thirty-three men.

1939. In what capacity were they employed?—I had a transit man, leveller, assistant leveller, rod man, two chain men, and the rest were axe men, packers and canoe men.

System of supply.

1940. Do you remember the system that was adopted for supplying the parties at that time?—Yes. We wrote to Thunder Bay for our provisions and got them sent out on the line. There was a commissariat officer employed. Capt. Robinson was employed at that time.

1941. Was he stationed at Thunder Bay?—No; Mr. Jones was employed there.

1942. From what point did you get your supplies?—From Thunder Bay.

Starts with a month's provisions (estimated).

1943. Did you take out enough supplies for a long period, or did you take only a small supply and write for more?—We started with what was supposed to be a month's provisions, and paddled up the river until we came to Dog River, where we made calculations ourselves, and came to the conclusion that we would be eaten out of provisions before we arrived at our starting point. John Fleming was to go east, and I was to go west.

John Fleming to go east; witness west.

1944. Who was John Fleming?—A brother of Sandford Fleming.

1945. Had he charge of a party?—Yes.

1946. Was he an engineer?—Yes.

1947. Then were you not on the same road?—We were to start from Lac des Iles, and he was to go east and I was to go west.

1948. Was it a common starting point for different directions?—Yes.

1949. Was this getting of supplies for a month the system generally adopted with those exploring parties?—Mr. Rowan started us with supplies.

Rowan, engineer in charge of surveys, had his headquarters at Thunder Bay and Pic.

1950. Was Mr. Rowan the engineer in charge?—He was in charge of the surveys.

J. Fleming turns back, and Carre having taken his provisions goes on.

1951. And were his headquarters at Thunder Bay?—Yes, and at Pic. There were parties going in at Pic and others at Red Rock. Mr. John Fleming then consulted with me and we came to the conclusion that when we arrived there we would have to turn back with all hands and get provisions. So he said he would turn his party back and I could go on. I took all his supplies and went on with my party to my starting point.

1952. Do you say that your supplies did not take you more than half way to your starting point?—No. Then when I got to the starting point I was out of supplies in a week.

**Exploratory Survey—Party K.**  
Out of supplies.

1953. Speaking of those supplies: who had the responsibility of determining the quantities that each party should take?—Mr. Rowan and Capt. Robinson. They did everything, and I was never consulted in anything.

Rowan and Robinson responsible for the quantities of supplies given to each party.

1954. You were not consulted and you took such supplies as they sent to you?—Yes, just what they sent me. I think I had run about four miles of line when we were out of some supplies—flour, as well as I can remember—and then Capt. Robinson came through with a few Indians and some provisions. Then we were supplied from time to time along the survey.

1955. What was the nature of the work that you were doing at this time?—The country was totally unknown. No white man had ever been through it. A line was laid down on the best plan that was in existence at that time, and we were given a general bearing to run upon and find a practicable line, if possible, for the preliminary survey.

Nature of work.  
Country unknown.

1956. You mean in exploration?—A preliminary survey is just running a line as close to where you think a railway can be located as possible.

1957. For railway purposes?—Yes.

1958. Was it an instrumental survey?—Yes; it was all done astronomically with the transit. Observations were taken every five or ten miles to prove our course. We worked on latitudes and departures just as a ship sailing on the sea, so as to find our position. We got our latitude from the stars.

Worked astronomically.

1959. Had there been any other survey over that same country before that?—No white man had ever been through it so far as we could hear.

1960. Then it was an exploration, and preliminary survey together?—Yes; it was the first survey to find the character of the country.

Object: to find character of country.

1961. Who gave you that general direction line?—Mr. Sandford Fleming.

Directions given by Sandford Fleming.

1962. Had you any instructions, either written or printed, at that time, as to the manner in which you should conduct the party?—There were printed books of instructions issued to the staff.

Printed instructions issued to the staff as to how the line should be run.

1963. Would the staff include yourself?—Yes.

1964. So that there were printed instructions given to you?—Yes; as to how the line should be run.

1965. Did they give you any direction also as to the quantities of supplies to be used on the work?—I do not think so, except in this: we had to keep ourselves down to a certain number of pounds weight of personal luggage. I do not remember anything of going into details of that kind. Mr. Rowan and the commissariat officer had the whole charge of the Commissariat Department.

1966. Was there a commissariat officer with each party?—There was a sub-commissariat officer.

A sub-commissariat officer with each party.

**Exploratory  
Survey—  
Party K.**

1967. Who was the commissariat officer with your party?—I cannot remember his name now, it is so long ago. There was one man came out and he was dismissed.

1968. Look at Appendix "D" in the special report of 1874 and see if that is a copy of the instructions that were given to you?—It is. When I said that there was nothing about the supplies in it, I meant that there was no scale of rations or quantities. Of course the arrangement was to be made with the commissariat officer, but Mr. Rowan took all of that in his own hands.

Witness, engineer in charge.

1969. Then what were you called so far as the engineering force was concerned?—I was engineer in charge.

Reasons why witness did not act on section 4, of instructions.

1970. Section 4 requires the engineer in charge before starting for the survey to obtain a complete list of supplies, and if any article appears to him to be wanting, or superfluous, he shall at once confer with the commissariat officer, and before leaving for the survey, he shall arrive at a perfect understanding with respect thereto?—Mr. Rowan told me in this case that he was coming with me out to the starting point, and that he would see me started, and that I had nothing whatever to do until I got there. So when I got out as far as the Kaminitiquia portage he came out there and then started me on ahead, with Capt. Robinson to look after the supplies. Capt. Robinson went out as far as Dog Lake Portage, and then he went back and said I could go on myself. There I was until I took stock on Dog River. Neither John Fleming nor myself knew what supplies we had; and when we took stock and calculated it for ourselves we found that it was not sufficient.

1971. Then you had not been furnished with a list of the things you were taking with you before you started?—No; after we were thrown on our own resources altogether—after Mr. Rowan had left us and after Capt. Robinson had backed out at Dog Portage, and said he would stay there and guard the men from deserting us, we had only paddled one day on our journey. He left us at the first camp.

1972. Your party, you say, was composed of thirty men?—Thirty-three, all told.

1973. And you started out with this party without knowing the quantity of supplies you had?—Yes. Mr. Rowan said he would send everything through and be with us himself.

1974. Did you consider that that was according to those instructions?—He was my superior officer.

1975. Did you think it was according to instructions?—No; it was not.

Acted contrary to instructions. But considered he could not help himself.

1976. Then in doing that do you think you acted contrary to instructions?—Yes, I suppose I did; but I considered then I could not help myself.

1977. But you did so, you say, at the suggestion of your superior officer?—Under the orders of my superior officer.

Took stock at end of third day.

1978. Was it at the end of the second day's paddling that you took stock?—No; it was at the end of the third day. We came out to Des Isles River, and it was the third night when we took stock.



**Exploratory  
Survey—  
Party K.**

1979. When you took stock, for what time did you consider you had supplies for your party?—Just enough supplies to land us at the starting point—the two parties. Not more than seven days' supplies.

1980. What time would it have taken to reach the starting point?—Three or four days.

1981. So that you had really not more than seven days' supplies according to your recollection of it now?—No.

1982. And the supplies would, at the end of that time, have become insufficient to go on with?—Yes; with only one party I only ran five or six days until I was out of provisions.

1983. Was it the end of the third day when the party was divided and John Fleming gave you all his supplies to add to your own?—Yes; and then I went on four or five days' travel and four or five days' running the line, and then I was out of provisions.

1984. Were provisions forwarded to you then?—Capt. Robinson came through with one canoe and six or seven Indians and some provisions.

1985. How long did that supply last?—I really cannot remember. Unfortunately, I lost my accounts in the woods, and all my papers on contract 15; the papers were burned.

1986. How long did you stay out that season?—I returned about the 15th of October to Thunder Bay. Returns to Thunder Bay 15th Oct., supplies having given out.

1987. Did you return to Thunder Bay because there was no more work to be done, or because you had not supplies to go on with?—It was because I was out of supplies. I had written to say that I would return on a certain day unless the supplies were at a certain point, or unless the mail canoe was sent to say for certain that they would be there.

1988. Was the work stopped on that particular survey in consequence of the want of supplies?—Yes; I backed out then. Work stopped in consequence.

1989. If supplies had been forwarded would the work have gone on?—Yes; it would have continued.

1990. How much longer?—I do not think I would have been sitting here to-day if it had gone on longer. When I got back to Thunder Bay I was told by Mr. Jones, who was the commissariat officer there, that instructions had been sent out to the woods for me to remain out all winter, and supplies had been forwarded. I waited for those instructions to come back. The canoe that had been sent out with the supplies returned about the 22nd or 23rd of October. They had the greatest trouble to get through and back.

1991. To get through where?—To the place where they had deposited the provisions for me. The ice was forming fast.

1992. If you had had all the supplies that you required before you turned back, how long would the work have been proceeded with?—It would have gone straight ahead if I had had provisions. But for want of provisions would have finished survey about 1st January, 1872.

1993. For how long?—Until I would have finished my survey.

1994. When would that have been?—I think I would have finished about New Year's.

**Exploratory  
Survey—  
Party B.**

Started again with a new party having hired new men.

1995. Do you know when that work was finished which you failed to accomplish for want of supplies?—I had to start again with a new party as I had to hire new men. My own men would not go back again. I had to go out by the Dawson route to Lac des Mille Lacs, and remain there until the lakes all froze up. Then I had to explore a line through from there myself to join my own line, and we had to pack all our provisions and everything in. We struck the old line on Christmas Eve. It was well on in January before I had everything back on the end of the line where I had left off.

From the middle of October to end of December time lost.

1996. I understand you to say that from about the middle of October to the end of December the time was lost, and no work was done for want of supplies?—Yes; I was returning to Thunder Bay and working my way back during that time.

1997. If the supplies had been forwarded as required would not that time have been lost?—No; not a day would have been lost.

1998. Would you have been at work instead of on the road?—Yes.

The whole thirty-three men under pay during that time.

1999. Were these men under pay during that time?—Certainly.

2000. The whole thirty-three?—Yes; because they were working their way back to Thunder Bay where I paid them off. Then I had to engage a new party, and there were a few days lost between the time I paid off one party and engaged another.

2001. But with the exception of those few days the time was lost, all the party being under pay?—It was lost except what time the men were packing in provisions. I was hauling in provisions myself, and my staff were hauling in provisions on sleds.

2001½. But the surveying was not going on?—No. When I got back to the point where the canoe had left the provisions in the fall, I found three bags of flour, four bags of pork, two kegs of syrup and some other little things, and these would have been the only provisions that I would have had for thirty-three men had I remained.

The provisions sent to him would not have fed the party for more than two or three days.

2002. Do you mean by this that the provisions which they did send in would have been altogether insufficient?—There would not have been more than two or three days provisions. We would have been lost if we had not returned. I verily believe that the whole party would have been starved to death if I had not returned at the time I did. The lakes were freezing up, and we would have had to cut our way through the woods and walk out.

Pay of the party.

2003. Have you any idea of the daily pay of that party?—I was getting \$160 per month myself; the transit man was getting \$100; the leveller \$100, the assistant leveller \$60, the rod-man \$40, the chain men \$30 each, and the remainder of the party were getting a dollar a day each.

2004. Do you mean for the whole month, or only the working days?—The whole month.

2005. For the time that was lost what would be the expense to the Government?—The time lost was from the 10th of October to the middle of January, about three months before I got to work again. The expense for that period would be about \$3,840.

**Exploratory  
Survey—  
Party K.**

2006. Do you make that as the approximate expense of the party while they were not effective but under pay?—Yes.

2007. Besides provisions?—The provisions are not included in that.

\$3,840 expense of party, exclusive of provisions.

2008. They got this amount in pay and their board in addition?—Yes.

2009. Do you know approximately what the men's board cost per day on that kind of work?—It would be very hard to say on that work, because it costs so much to pack provisions into that country. A man could only pack one hundred pounds seven miles a day and return.

2010. Knowing all that you do about the matter, can you give no information about the probable cost of the men's board?—Every day the cost increases in proportion to the distance the provisions have to be packed in. In some places where we can use canoes, it is much cheaper than where we have to pack supplies on men's backs all the way. I am not able to answer this question satisfactorily under such circumstances.

2011. How long did you work after you commenced again in January?—I worked on until the end of February when I got scurvy and some of my men were also laid up. We lay in the woods, however, until the work was finished up to the end of my section.

When he again commenced, worked on until work was finished to end of section.

2012. When was that?—It was in the middle of March, 1872. I think I was two months at work and I returned to Thunder Bay. On my way back I received instructions to remain out and work ahead from the end of my section until I joined Mr. James who had started in somewhere from a bay on Lake of the Woods. He was to run eastward from Lake of the Woods and I was to run westward from the end of my first survey from Lake Seul to meet him.

March, 1872. While returning to Thunder Bay received instruction to work ahead from end of his section until he struck James, who was to run eastward from Lake of the Woods; Carre to run westward to meet him.

2013. Did you go on with that work then?—I was laid up with scurvy and was being hauled out on a dog train. I was unable to stand; but I asked my party whether they would turn back with my assistant and continue the work. They objected and I had to bring the party in to Thunder Bay.

But forced, through scurvy, to bring his party back to Thunder Bay.

2014. Your health prevented you from obeying the instructions?—Yes; I was unable to stand then, and was not able to walk until the 1st of May.

2015. When did your engagement cease after that work?—I was still under pay.

2016. Then what was the next work you did?—The next year I was sent down on the Baie des Chaleurs to run the Paspebiac Branch of the Intercolonial Railway.

2017. What was your next work on the Pacific Railway?—In 1873 I was sent out on the Nipigon.

In 1873, out on the Nipigon.

2018. In what capacity did you go?—In charge of a surveying party—a similar party to the one I had before. I ran from Red Rock by the north end of Black Sturgeon Lake.

In charge of party; ran from Red Rock to north end of Black Sturgeon Lake.

2019. About what time of the year did you begin?—In June, 1873.

Began June, 1873.

2020. What was the size of your party?—About the same as the former one. It is the general size of such parties. They vary a little

Party same size as former.

**Exploratory Survey—**

according to localities. Sometimes we have more canoes and less packing, and do not require so many men.

Robinson and Rowan sent party supplies from Red Rock.

2021. Were the supplies managed under the same system—under a commissariat officer?—Capt. Robinson and Mr. Rowan remained at Red Rock, and sent out supplies to us.

Supplies did not arrive in time.

2022. Had you any difficulty on that occasion about supplies?—Yes; I wrote for supplies to have them sent out to me, and they were sent away up the Nipigon River, through Lake Nipigon, and down through Black Sturgeon Lake and along the line. They arrived when I did not want them—when I had nearly finished, and was within a few miles of the point of starting from.

2023. With the experience you had on the previous occasion did you not consider it necessary to arrange about your supplies before starting?—I told them what to send, and how to send them, but the commissariat officer thought he knew better.

Would not go out in 1873 without knowing what commissariat arrangements had been made.

2024. But you did arrange for supplies?—Certainly. I would not go out again in 1873 until I knew what the arrangements were. I told Mr. Rowan that I would not run the risk of starving myself and my party. I then had Mr. Norman McLeod as my commissariat officer, and had him with me in camp all the time.

2025. Did you obtain a complete list of all supplies intended to be forwarded?—I received a list of the different items that would be allowed us, such as flour, pork, &c., rations of so much per day.

2026. Did you obtain such a list as would enable you to judge of what was wanting and what was superfluous?—Yes.

Ascertained that the list of supplies was adequate.

2027. You ascertained that the supplies mentioned in the list would be sufficient?—Yes.

Fault lay in not forwarding these.

2028. Then the fault was in not forwarding them?—Yes; if they had arrived in time they would have been all right.

2029. Were they not forwarded according to your arrangement with the commissariat officer?—No.

2030. In consequence of that was there any delay in the work?—No; we got through without them. I cannot remember exactly what we wanted those supplies for. I think they followed Mr. Mortimer and not me.

2031. Who was Mr. Mortimer?—He had charge of another party.

On recollection, says default in not forwarding supplies applied to another party.

2032. Then, on recollection, do you think the default in not forwarding the supplies was not for your party but for another party?—Yes; if I had known that I was going to be examined on those matters I would have thought them over.

Finished October, 1873.

2033. Can you remember now about how long you were on that expedition?—I finished in October of 1873. It was about the last boat that came into Nipigon for the season that we went out on.

Went back to Ottawa to make up plans and profiles.

2034. How were you engaged after 1873?—I always went back to Ottawa to make up the plans and profiles.

2035. Did you on that occasion go back to Ottawa?—Yes.

2036. And you were occupied there in the office?—Yes; I was occupied in the office until I was sent out again the following spring.

2037. Do you remember what time you went out in the spring?—We always started about the same time—the end of May or the beginning of June.

2038. Then where did you go in 1874?—I came out on contract 15, at Rat Portage. In early summer of 1874 went out on contract 15.

2039. In what capacity?—In charge of the location survey on contracts 15 and 14.

2040. Was that the first survey that had been made there?—Mr. W. E. Jarvis had surveyed a line in 1871. He had started from North-East Bay of Lake of the Woods, and ran through westward to Red River. The fire which destroyed the Canadian Pacific Railway offices at Ottawa had destroyed all record of it. The plan now before you will show the line run by Jarvis, as near as can be described. It is all from my own topography and from information obtained from block surveys. W. E. Jarvis had surveyed this line in 1871, having started from north-east bay of Lake of the Woods and run through westward to Red River.

2041. What was the size of the party you had charge of at the time?—I think there were over forty men in it. Carre's party over forty men.

2042. What work was done under you at that time?—I made the explorations and preliminary surveys, and location or trial location of contract 15 as it is now run, with one or two slight deviations which shortened the line. Then I ran the preliminary survey on contract 14, from Cross Lake to the eastern boundary of Manitoba. Work done by Carre at this time: preliminary and location surveys contract 15; preliminary survey contract 14, from Cross Lake to boundary of Manitoba.

2043. How long were you engaged in that work?—I commenced in July, and I finished in the middle of January following. Engaged in this work from July, 1874, to January, 1875.

2044. That brings you down to January, 1875?—Yes. Then my party was sent out to Shoal Lake in Manitoba to run fifty miles easterly to join from Shoal Lake to Selkirk. Party sent to Shoal Lake, Manitoba, to run thence east to Selkirk.

2045. What time of the year was that?—That was in January, 1875. I was afterwards engaged in taking soundings at Selkirk near the present crossing of Red River. Takes soundings of Red River at Selkirk.

2046. But your party was principally occupied between Shoal Lake and Selkirk?—Yes. While his party constituted as before was engaged between Shoal Lake and Selkirk.

2047. What size of a party had you under your control there?—The same old party.

2048. How long were you engaged in that work?—We did not take long. It was only some fifty miles over a prairie country and we finished it in the middle of February, 1875. Work finished February, 1875.

2049. Then after February, 1875?—I went down to Ottawa then to make up the plans. In the meantime I was asked for the plans and profile of contract 15; when I was about ten or fifteen miles west of Shoal Lake—that is when I had got to Rennie on my trial line on contract 14—I was then asked to come in to Winnipeg and make up the plans. To Ottawa to make plans.

2050. Have you omitted anything in connection with your location survey of contract 15 that you would like to explain?—Yes; I was asked to send in a plan and profile of contract 15, from Rat Portage to Cross Lake, when I had made about fifteen miles of the trial location of contract 14. In December, 1874, asked to send in a plan and profile of contract 15, from Rat Portage to Cross Lake.

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

How witness made plan which, sent to Ottawa, was the base on which Frank Moberly and party calculated quantities.

2051. About what time was that?—That was in December, 1874. I then started and walked in to Winnipeg and made up the best plan I could. The paper which was given us to plot on while locating contracts 14 and 15 was nothing but unprinted wall-paper, and when it got damp and was worked on for a time the pencil marks would become erased and it would get torn on the small table we used for plotting on so that we had to cut it off in segments for fear of losing it. I brought in those segments and patched them together, put in the topography, and made the plan look as well as I could. That was sent down to Ottawa and the quantities were calculated from it by Mr. Frank Moberly and his party.

2052. You came into Winnipeg to do that?—Yes.

2053. And you brought those pieces with you?—Yes.

By plan able to give a general idea of the country.

2054. When you were in Winnipeg were you of the opinion that you could make the plan correctly from those pieces of paper?—I could give a general idea of the country as far as the plan went.

2055. I understood you to say that you were asked to make a profile?—Yes; the profile that we plotted in the bush. It was plotted every night and brought to me by my assistants to see if it would suit or not. It was a copy of this profile that was made and sent down to Ottawa.

2056. Did you take those pieces of paper when you went to Winnipeg?—Yes; those were the pieces of the plan, and I pieced them together there.

2057. Did you send those pieces prepared to Ottawa, or did you make a plan from them?—No; I made a tracing of the whole line from them on tracing cloth.

2058. So that the tracing would show exactly the same line as the paper would show?—Yes; a connected line.

Tracing made showed centre line of the profile. There were some errors in levels.

2059. Were you of the opinion at the time that your tracing showed correctly the profile of the line as you had located it?—Yes; it showed the centre line of the profile. It was found out afterwards that there were some slight errors in levels, but that was a correct profile of the centre line.

2060. It was only the centre line?—That was all.

In a rocky precipitous country cannot calculate quantities from centre line only.

2061. Is one able to calculate quantities from the centre line only?—Not in a rocky precipitous country.

Exact quantities can be had by sectioning and test pitting.

2062. What must be done in order to get exact quantities?—The line must be cross-sectioned and test pitted. Test pits would be necessary in order to ascertain the quantities of rock.

2063. When you sent this plan to Ottawa did you consider that it gave the information that you were asked to furnish?—Yes; they knew very well how the work was being done. At least they ought to have known, as I sent a report with it. It was known, of course, how I was making the survey.

Used to report to Rowan from time to time.

2064. Were you in the habit of reporting from time to time to Ottawa how you were making progress?—No; but I used to report to Mr. Rowan at Winnipeg from time to time.

Exploratory  
Survey.

2065. Was he then stationed at Winnipeg?—Yes.

2066. That took place in 1874?—Yes.

2067. What happened after you had taken the soundings at Selkirk? —After I had finished the soundings at Selkirk I came into Winnipeg, and received instructions then to start a party and run an exploratory survey from North-East Bay to Sturgeon Falls, or some point where Jarvis and James commenced their surveys in 1871, to run easterly to Sturgeon Falls, the head of an arm of Rainy Lake. That was an exploration. It was done with a pocket compass and estimating distances.

From North-East Bay to Sturgeon Falls.

2068. What time of the year was that done?—It was in March of 1875. Mr. Forest was my transit man. I was in charge of the party.

Made March, 1875.

2069. Did you go on this line?—No; I went to Ottawa.

2070. How long did you remain there?—Until the following May, 1875.

At Ottawa until May, 1875.

Railway Location—Contract No. 15.

2071. When you sent the profile of section 15 which you have alluded to, did you make any bills of quantities to send with it?—No; I have told you that Mr. Frank Moberly made up the quantities, and when I got to Ottawa I was asked to schedule them out, put them in schedule form and carry out the quantities, and I did that. It was then found that the quantities were so enormous, that there was such a discrepancy between the amounts and the estimates, that after tenders had been asked for I was requested to see if I could not find a better location. I think the estimate was over 600,000 yards of solid rock, and 40,000 yards of loose rock—I am talking of round numbers—and over 900,000 yards of earth. I was asked if I thought I could not get a better route. I said I thought I could. I was asked whether I would take charge of the engineering of contract 14 or go back on the surveys again. I said I would be sorry to allow another man to go on contract 15 and find a better line than I had found; I would rather try my hand at it again as I knew the country well, and I went back.

Quantities found enormous; asked whether he could not find a better route.

2072. What time did you go back?—In June, I think.

Went back to make another survey on section No. 15, June, 1875.

2073. Then you went back to make another survey of section 15?—Yes.

2074. What size was your party then?—I had then a larger party because I asked for it. I had a transit man and leveller making the exploration ahead, and another party with a transit man and leveller making the location after them. As soon as the exploration party found a good line the location party came along and located it. It saved backing up, and I found it more economical.

Party, how constituted.

2075. Did that keep the parties always moving in the same direction?—Yes.

2076. How long did you continue at that survey?—I finished that line, I think, in December, 1875.

Finished December, 1875.

2077. Was that the line that was adopted finally?—No.

Line not finally adopted.

2078. How many men had you in that party?—I cannot remember exactly now, but about fifty men.

Had about fifty men in the party.

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Character of work done in summer of 1875.

2079. What do you call the work that you did that summer?—It was explorations, exploration survey, and location—the whole three were going on together. I was doing the explorations, another party were doing the surveying after me, and the location party came after them again. At the same time I ran another line north of the present line. During October and November I ran a line from the Dalles, north of Rat Portage, through to join the present location, so that there were the two surveys going on that year.

2080. It was not going over the same line again? It was taking in new ground, was it?—Yes; except the first five miles of what we called the south line, which was identical with the present line.

Neither of the two lines Carre ran finally adopted.

2081. Was either of the two lines you ran that summer finally adopted?—Neither.

2082. Did you do any further work about those two lines—for instance, profiles or anything of that kind?—Yes; plans and profiles were made, and calculations were made upon the approximate quantities.

2083. Upon each of those two lines?—On the south line.

2084. Was either adopted?—There was a comparison made. I returned the quantities, as I estimated them, to Mr. Rowan.

2085. Then you estimated the quantities on your work of that summer?—Yes.

2086. Where were you when you estimated the quantities?—In Ottawa.

2087. You went back to Ottawa after the summer of 1875?—Yes.

At Ottawa until May, 1876.

2088. How long did you remain at Ottawa?—Until May or June of 1876. Then I was appointed to construction on the present line—that is on the original line that I ran.

The line located by witness in 1874 adopted.

2089. Was the original line which you located in 1874 the line which was adopted in 1876?—Yes.

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Witness, Engineer in charge May, 1876.

2090. Your efforts of 1875 did not lead to any new location?—It led to the former line being located, but no further survey was made on that line.

2091. In May, 1876, you came out as what?—As engineer in charge of construction on contract 15.

Contract let January, 1877.

2092. Did you come out before or after the contract was let?—Before the contract was let. It was not let until some time in January, 1877.

Began to re-locate contract 15.

2093. Then what was your work after May, 1876?—I had four assistants and I commenced at once to re-locate contract 15. I found that the old stakes had fallen down, lumber had fallen across, and the marks we had made on the rocks in the hasty survey were obliterated. I knew that a number of slight deviations could be made which would improve the road, so I considered it better to at once re-locate the line and cross-section it. In 1876 I re-located the whole of the contract.

Re-located whole contract from June to December.

2094. Was that on the line that was finally adopted?—Yes; the one that they are now working on, with a few little deviations.



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2095. How long were you engaged in that work—re-locating and cross-sectioning contract 15?—From the middle of June until the end of the year.

2096. Then did you go to Ottawa as usual?—No; I remained out in the woods that winter in a little shanty about sixteen by eighteen feet. Remained in woods, winter of 1876-77.

2097. Where was it?—At Lake Deception: I was at different parts of the contract; there were four parties, and I assigned each man his own quarter of the contract, and allowed him to go on with the cross-sectioning. Shanty at Lake Deception. Four parties. To each a quarter of contract assigned to cross-section.

2098. Who prepared the profiles?—My assistants.

2099. Did each of your assistants prepare the profile of the particular part of the line on which he worked?—As far as the location was concerned. I had four assistants but only two parties, one under the charge of the transit man, and the other the leveller, and each man made either his own plan or profile.

2100. Were there two sets of profiles and cross-section plans, or were there four?—Each party did half the contract, and the profiles were done in two sections. The profiles done in two sections.

2101. Who ascertained the data on which to make up the quantities of the cross-sections?—Each one of the assistants. Quantities ascertained by assistants.

2102. Who were they?—G. R. L. Fellowes was one.

2103. Which end did he take?—From Rat Portage to station 480, Sturgeon Falls; Mr. Kirkpatrick had from 480 to about station 955; Mr. Alexander McNab had from 955 to station 1433, and Mr. Waters had from 1433 to station 1911.

2104. Do I understand that these were the individuals who took the measurements of the cross-sections?—Yes; they and their assistants.

2105. And they were responsible for the correctness of them?—Yes.

2106. Is it from the data thus obtained that the quantities are finally arrived at in the office?—Yes.

2107. So that if those data are not correct they will mislead as to the final quantities?—Certainly.

2108. Was it your duty to verify these data so ascertained by your four assistants?—Yes.

2109. How did you verify them?—The centre levels were checked by the former line that had been run; that was the only thing which I could check them by. Manner of verifying data supplied by assistants.

2110. I am asking you whether, besides the centre line, you had any duty as to the verifying of these cross-sections so ascertained by the four individuals you have named?—Yes, as far as being over the ground, and seeing as far as I could see from the nature of the ground; otherwise I would have had to look through the instrument any time the men looked through it to check the work.

2111. Then your mode of verifying it was by walking over the ground?—Yes; and examining it thoroughly.

2112. That would enable you, if there was any great discrepancy, to detect it, but if there was only a moderate discrepancy, you would not

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be able to notice it?—Yes; I have frequently found out errors that they made in this way.

2113. Did you go over the quantities in the cross-sections to ascertain their correctness?—I did.

2114. Did you come to the conclusion that they had made the cross-sections correctly?—Yes; in some cases I found that they were incorrect.

2115. Were they afterwards rectified?—Yes.

**Final returns correct in opinion of witness.**

2116. So that their final returns were, in your opinion, correct?—Yes.

2117. Did you sign them as the superior officer?—No; I did not. I returned them, but I did not sign each sheet; I admitted them to be correct.

2118. You adopted them as proper returns to be made to the head office?—Yes.

2119. Was it upon those particulars so sent in by you, and so made by these four individuals, that the quantities in the schedule for tenders were finally prepared?—No; the cross-sections were made, but never calculated up at the time the contract was let.

2120. I understood you to say that all this was done before the contract was let?—So it was. The actual work on the ground was done at the time I have told you, but the cross-sections were not plotted on paper in a form so that you could calculate from them until after the contract was let.

**Cross-sections not completed until March, 1877, after the contract was let.**

2121. When were the cross-sections completed?—They were completed and sent at once to Ottawa, I think in March, 1877.

2122. That was after the contract was let?—Yes.

2123. When were they ascertained on the ground?—The work was finished in the end of 1876—about the latter end of December.

2124. Do you remember when the last tenders were called for for contract 15?—I think it was some time in August, 1876. A contract was let either the end of 1876 or the beginning of 1877.

2125. Then at the time the tenders were asked for there were no cross-sections taken?—Yes; it had been going on the latter part of the year; it was going on from the fall of 1876.

2126. But the tenders were asked for in August, 1876?—That was the time we were making the cross-sections.

2127. When did you begin to make the cross-sections?—About that time.

**Cross-sections began to be made about time tenders asked for.**

2128. Then you say that the cross-sections began to be made about the time the tenders were asked for?—Some time about then.

**But never calculated up until 1878.**

2129. When were these results sent in to the head office that you were speaking of?—The cross-sections were never calculated up until 1878. We never made the calculations right through from the cross-sections. I was asked for an estimate of the quantities then to complete the contract, and I then calculated them from the cross-sections.

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2130. At the time these tenders were asked for, do you know whether quantities which were assumed to be approximate were offered to tenderers for their information?—Yes.

2131. How could they assume to give approximate quantities if there was none of this work done from which to ascertain proper quantities?—The only data in our possession at the time that the quantities were made was the profile of the centre line, and a general idea of the country that was gained from walking over it. There were no cross-sections, no test pits, nothing except the centre line levels.

Data on which approximate quantities stated in tenders were founded.

2132. Would those data give sufficient information to afford anything like approximate quantities to tenderers?—The quantities as I calculated them will, I think, be found to be very close when the contract is finished. There have been so many changes and alterations—changes in the grade and alterations in the alignment and other matters—that the contract as it is now is not at all the contract as it was let, and the quantities calculated then can never be checked accurately with the quantities that are executed.

Changes made in grade and alterations in alignment make it impossible accurately to check quantities originally calculated.

2133. Do you mean that the line has been so much altered?—Yes; there have been changes in alignment, and changes of grade, and in rock ordered to be borrowed. As far as I can understand it, the whole trouble has been the rock quantities. The rock quantities have been used as the test of the cost of the work—it has all been based upon the quantity of rock. The line was located in 1876, and re-located in 1876, and grades were placed on it by myself. I was asked to state how much rock I thought there would be on that contract; I said 300,000 yards. Since that the line has been deviated, and it has heavily increased the rock quantities. The grades have been lowered somewhat and an earth estimate of 113,000 yards found for that alone. Take 300,000 yards for the original quantity of rock, then add 113,000 yards for lowering the grade, and 40,000 yards for changes in alignment, ordered by Mr. Marcus Smith and others, that would bring it up to 453,000 yards; and rock borrowing 20,000 or 25,000 yards as near as I can come to it, which has been estimated for in the original quantities, would bring it up to 478,000 yards, and I think it will be finished for 495,000 yards.

2134. You say that the quantities calculated only from the centre line, were in your opinion nearly correct without any cross-sections?—I think they will prove to be correct enough if these other things are added on.

2135. If the Government were in possession of information which was nearly correct then as to quantities, can you explain how it was that the estimates given to tenderers turned out to be so very incorrect?—If the line had been let alone the quantities would not have been inaccurate. If I make an estimate on a certain line, with certain grades, and the line and the grades are afterwards changed, you cannot expect it to be the same quantities, or the same line, if you lower the grade two feet throughout the cuttings.

If line had not been altered quantities would not have turned out inaccurate.

2136. Do you say the grades were lowered?—They were lowered. In the spring of 1877, I sent down to Ottawa a plan properly plotted, showing all the deviations I had made from the original line in 1874 in the re-location of 1876. I sent down the profile for the centre line and the cross-sections for the whole line, taken through the bush. The

Grades had been lowered.

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grades were then established in Ottawa, and when I received those grades I found that they had been lowered materially.

2137. Do you mean that having sent down those plans and profiles to enable them to ascertain the quantities, that when you got instructions from Ottawa, you found that they had changed some material part of that arrangement?—Yes.

Rock cuttings and  
earth excavations  
had been increas-  
ed.

2138. What was the part that they had changed?—They had lowered grades, and made more rock cuttings and earth excavation.

2139. Did it affect the earth more than the rock cuttings?—It affected the rock most materially. It was not of much consequence so far as the earth was concerned, because if the earth was not found in the cuttings it was to be got somewhere else:

2140. Do you attribute the great difference between the executed quantities and those estimated at the time of the tendering to the change of grade?—To the change of grade and the change of alignment, which was made afterwards when Mr. Smith went through, and to quantities of rock ordered to be borrowed—some 20,000 or 25,000 yards.

2141. Would your progress estimates show how much difference occurred from these changes?—I do not think so.

2142. Would not a comparison of the quantities executed, with the quantities estimated on the first located line show exactly where the excess was?—Certainly.

How far the  
changes have  
affected quanti-  
ties may be  
shown.

2143. So it is possible to show just now how far the changes have affected the quantities?—Yes.

2144. And are there somewhere in the possession of the Department materials for a calculation which will show just where the changes have occurred in all the quantities?—Yes.

2145. Have they ever been ascertained or compared that you know of?—No; not thoroughly. I know myself a good part of them.

2146. Have you ever furnished that information to the Department?—No; Mr. Rowan may know something of it, but it has been furnished to me by my assistants.

2147. Then you have those materials in your custody?—I had them but they were taken out of my hands.

2148. Who has them?—Mr. Rowan and my assistants have them.

2149. You mean that they are now in control of persons who have taken your place on the line?—Yes; the whole thing can be worked out. He cannot tell the quantity of rock until the cuttings are taken out, or whether the cuttings are of rock or of earth.

2150. But you can tell whether the executed quantities on the changed lines exceed the estimated quantities on the proposed line?—Yes.

2151. We are comparing the executed quantities on the actual work with the estimated quantities on the proposed work?—Yes; but we are certain of the work done in the one case, and in the other it is only guess work.

2152. But is it not possible to compare the executed work with the proposed work?—Yes.

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Garre's original calculations can all be checked.

2153. So that it is possible now, at this day even, to ascertain whether the increase in quantities was due to changes in the line, or whether it was due to a miscalculation of quantities in the beginning?—Certainly; and the original calculations made by me can all be checked, because the work is all in the offices. They are all kept in the level book.

2154. That only applied to centre levels?—Yes.

2155. And that can be verified now?—Yes; and if there is any error in that it can be found out, and then the only thing is estimating the percentage in the cuttings of rock. That was the great trouble to estimate in going through the country for the first time, when it was all bush, bogs and moss on the surface. I say this, that if the original estimate, of which I have the figures, had been taken it would be found that I was right; but the quantities were altered.

2156. Then you have sent in an estimate of the quantities on the line as now located?—Yes; I sent in two since the work commenced.

2157. I think you said that upon your first location some tenders were asked for, but the quantities were so great and the prices so high, that they abandoned that location?—Yes.

2158. Do you remember whether those tenders were called for upon the same grade that they were finally asked for?—No.

2159. Which was the higher grade?—The present grade is the higher one. That was the second set of tenders.

2160. I am asking you, as between the first and third set of tenders, which grade was the highest?—The first set was the lowest grade and the highest quantity of rock; the third set was the highest grade and the lowest quantity of excavation.

2161. Is it your opinion now that at the time the tenders were asked for on the third occasion, and which resulted in a contract, that sufficient information had been obtained to ascertain a fair estimate of quantities?—No; you never could tell a contractor that it was an accurate estimate of quantities.

Insufficient data to estimate quantities.

2162. At that time had there been sufficient information?—No.

2163. How do you consider that it affected persons tendering, the fact of being unable to ascertain accurate or approximately accurate quantities?—It depends altogether upon the prices.

2164. Would it enable them to make fair tenders, or would their tenders be speculative?—It would enable them to give a fair tender as to the comparative cost of each.

2165. Do you consider that a man can give a fair consistent tender without knowing the comparative quantities of different kinds of work?—He need not have a very inconsistent tender; but if he requires to get in an immense quantity of plant, and does get in a large quantity of plant, expecting to have to perform a certain amount of work, and it is afterwards found that he has not got so much of that kind of work, of course he loses by it.

Knowledge of comparative quantities and fair tendering.

2166. Notwithstanding that possibility, can a man give a fair tender?—Not for a lump sum contract.

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2167. But can he on schedule prices?—I think he can; of course the more accurate the quantities are the more closely the contractor can estimate on the cost of performing the work.

2168. If he is not able to estimate accurately the probable cost to himself of any particular work, can you explain how he is able to offer to any person else to do it at a fair price?—I suppose he cannot.

2169. Is it material that when a man offers to do work for another he must ascertain for himself what he can afford to do it for?—Certainly.

Without accurate knowledge tenders must be speculative.

2170. Then without that opportunity is it not a consequence that his tender must be largely speculative, that he must gamble to a certain extent?—Yes.

2171. It cannot be done on a business-like basis?—I do not think he could do it at all on a business-like basis out there.

2172. I am speaking now in the abstract, not of contract 15, or any other contract, but of the theory of the thing; if a person wants work done composed of different items, some rock, some loose rock, some sand and gravel, and different material, and the contractor must take his chance of how much of every item he will be called upon to do, can he tender for it on a business basis?—I should say myself that he could not calculate closely, nor get an estimate of the cost unless he did know the quantities. Inaccurate quantities do not necessitate an inconsistent tender, but materially affect the cost of the work as a whole, the cost of one item as compared with another being based on the state of the labor market, and the difficulty of supplying plant and provisions.

2173. You say that inaccurate information may affect the aggregate cost of the work?—Yes.

2174. How?—Because there may be a greater quantity of high-priced work than was estimated, and a smaller quantity of the low-priced work. For instance, there may be a far larger amount of solid rock in a cutting than he estimated; say that in one cutting there was 10,000 yards estimated as a total, and out of that 10,000 he estimated 8,000 of earth, and only 2,000 of rock, that cutting will cost less than if you reverse it, and say there are 8,000 yards of rock and 2,000 of earth.

2175. Do you say that inaccurate information to the tenderer may cause disappointment to the proprietor?—Yes; that if he does not know much beforehand he knows more at the end of the job.

2176. That is the point I am trying to get at—whether a proprietor is likely to get his work done as cheaply by making the contractor a speculator as to amounts or quantities as if he could give him accurate quantities at the beginning?—I think a contractor would calculate more closely if he knew exactly the quantities than he would if he had to speculate on items. It is very likely that if he knew his business, he would add a good percentage to cover profit and loss, and to make himself sure would have his quantities high.

2177. What result will that have upon the price the proprietor will have to pay?—If accurate quantities can be given it is better for both parties.

Accurate quantities conducive to economy.

2178. Then it is better for the party who wants to have the work done?—Yes, because the proprietor can estimate, and the contractor can estimate; and the contractor has not to put on enough to cover

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probable losses by increase or diminution whichever way it will tell against him.

2179. You surveyed on section 15 the line which became the final location?—Yes.

Surveyed two lines in addition to that which became the final location.

2180. Did you make any survey of other lines?—Yes; of two other lines—one to the north and one to the south.

2181. Do you remember when the one to the south joined the main line again—at what common point?—It left the present line at station 290 and deviated to the south, it joined in with the present line again on contract 14 at what was then called the end of the location. I cannot remember the station, but it is about four miles east of Bog River.

2182. Can you, by looking at the published map, find any station names corresponding with those termini?—It deviated about two miles west of Keewatin, and joined it again about station Darwin, as near as I can tell from the map.

2183. Was that line as favourable for building as the one that was adopted?—I consider it much more favourable.

Southern line more favourable for building than the one adopted.

2184. Do you know why it was not adopted?—I do not.

2185. Who decided upon the line to be adopted?—I could not say. I was informed that the present line was adopted.

2186. You were informed from Ottawa?—Yes; after they had made calculations I was informed that the other line had been adopted.

2187. Are you still of the opinion that the southern line is the most favourable?—Most assuredly.

2188. In what respect did it differ from this?—According to the calculations that I made it was cheaper; it had less quantities; the centre elevations as a general thing, in my estimation, would show more accurately the quantities. The calculations on the south line were based on more accurate data than the one line adopted, because there was not so much side hill. The rock was of a different nature, and the facilities for bringing in plant here far superior. For instance, on the average a point could be reached there every three miles from the waters of the Lake of the Woods. On Shoal Lake he would only have a mile of haul from water communication.

Reasons why southern line would have been more favourable.

2189. Irrespective of the facility for bringing in supplies was it a more advantageous route than the other?—I consider it to be so.

2190. Is there less rough country on the southern route?—Yes. Taking Rat Portage as an initial point, in twenty-five miles from that point, going west, I was out of trouble from bad country except little knots of rock at the western extremity of Crow Lake.

2191. Then had you only twenty-five miles of difficult rock country to overcome?—Yes; while there are thirty-seven to thirty-seven and a-half miles of as difficult, or worse, country on the adopted line.

2192. Did you furnish your opinion, or whatever information you had, to the authorities at Ottawa before the decision was made?—Not further than by the plans and profiles which I deposited, and verbal statements of my opinion.

2193. To whom did you make the verbal statements?—To Mr. Rowan.

States his views to Rowan.

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2194. You say you think that the southern line was a more favourable one although it curved northward to join the present line near Darwin: do you know whether it would have been more or less favourable if continued westward to a point further south than Selkirk, on Red River?—From all the notes that I can find of the block surveys, and any information I got from those who know the country best, I am decidedly of the opinion that it would have passed through a better country.

2195. Do you mean by going further south than Selkirk?—To go further south than the present line so as to strike some point further south than Selkirk.

2196. Have you any idea of the difference between the expense of constructing that southern line that you are speaking of, and the one that was adopted from Keewatin west to Red River?—I never made any calculations except for thirty-seven and a-half miles of the present line on contract 15, against forty miles on the southern line.

2197. And is that forty miles between Keewatin and Darwin?—No: it is from a point four miles west of Falcon Lake.

2198. You say that thirty-seven and a-half miles on the adopted line as against forty miles on the southern line have been estimated by you on the same data?—Yes.

The southern line cheaper by \$380,000.

2199. What did you find?—I found that the south line was considerably cheaper.

2200. About how much cheaper?—Comparing thirty-seven and a-half miles of one line against thirty-seven and a-half miles of the other, the southern line would be about \$360,000 cheaper.

2201. The adoption of the same length of section 15 on the southern line would have saved \$360,000?—Yes, according to those calculations; and they were based on the four feet hoist of the present line over grades to balance cuts and fills, against a two feet hoist on the south line above grades to balance cuts and fills. I also made an estimate of the southern line on the same sort of grades as the adopted line. I cannot give the result from memory, but I have got the quantities.

2202. Can you give them to us later on?—Yes. It made a great difference in the comparative cost of the two lines.

The line as finally adopted will cost \$275,000 more than the southern line would have cost.

2203. I will ask you again, as there seems to be some uncertainty about this, whether the line as finally adopted will cost \$275,000 more than the southern line, in your estimation, for an equally feasible route?—Certainly.

Southern line a better route.

2204. As easily worked in every way?—Certainly, and a better route, because there was eighty feet less summit to get over.

2205. Does the question of the four feet hoist or the two feet hoist affect in any way the capacity or the maintenance of the road after it is built, in your estimation?—No.

2206. Then what is the point?—It is the quantities.

2207. But the quantities are already taken into account when you deduct this \$275,000, are they not?—Yes.

Two feet and four feet hoists, as they affect quantities.

2208. Then why go back to the quantities? How do they affect the question?—Because there is more of a balance between the cuts and fills in the one than in the other. It is in the quantities of rock



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that the difference in hoist is seen. The two feet hoist to balance cuts and fills made 600,000 yards of rock. The four feet hoist brought it to 369,000 yards. To balance the cuts and fills on the south line brought it up to 416,000 yards of rock as against 600,000 on the other line, but give it a two feet hoist and it brought it to only 311,000 yards.

2209. In speaking of balancing cuttings, you mean, of course, that the material excavated shall fill the embankment?—Yes.

2210. That gave 600,000 yards of rock on the north line?—Yes.

2211. Then in order to save expense it was thought better to raise the grade four feet and reduce the quantity of rock?—Yes.

Grade raised four feet and quantity of rock reduced.

2212. In making an estimate for the southern line to compare it properly with the adopted line, should you not have made them on the same basis?—Yes.

2213. If you estimated on a four feet hoist in the north line, and a two feet hoist on the south line, then did you not make a fair comparison?—No.

2214. Why is it not fair?—Because in case of its being built with trestle work against earth filling, two feet or four feet makes a great difference in the cost of the embankment, but a very small item in the cost of trestle work.

2215. Yes; but is it not balanced on the other side by the quantity of rock, as you have hoisted the grade and reduced the rock cutting?—Yes; the higher the embankment is when the comparison is between trestle against earth work, the more the estimate goes in favour of the trestle.

2216. Perhaps you made your comparison upon trestle work?—Yes.

2217. Then did it reduce the high-priced work—that is, the rock, more than the increase of the earth quantities?—After reducing everything that was reduced, and raising everything that was raised, the result was that one cost \$275,000 less than the other.

2218. You say that according to the calculation you made at that time, which was based upon a two feet hoist of grade on the south line, and a four feet hoist on the north line, there would have been a difference, or saving, of \$275,000 in forty miles of the south line as against thirty-seven of the north line?—Yes.

2219. Could you have made a larger saving and still have made the line equal in value to the Government?—I consider so.

2220. By what means?—By alterations in alignment, and by its being a more favourable country to work through.

Still farther savings might have been made by alteration in the alignment.

2221. Then when you estimated the cost of the southern line did you not do it as favourably as it might have been estimated?—Not as favourable as a comparative estimate would have made it one against the other.

2222. Do you mean that your estimate of the cost of building this southern line for forty miles was at too high a price?—No.

2223. You say you might have made it less by giving it a higher hoist. Would that not have made it less absolutely by lowering the quantities?—It might have been.

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2224. Then in forming your estimate as to the cost of this road did you estimate it higher than you thought it would cost?—I cannot understand that.

2225. Why did you not when you were making up your calculation of the lower line at a two feet hoist, make it up at a four feet hoist?—Because I made that calculation on my own responsibility. I was never instructed to give that two feet hoist. I did it because I was certain that that line was the best, and I was anxious to have it adopted. I handed in my figures and allowed the Department to make their own deductions from them.

2226. By making your estimate on the two feet hoist did you not withhold from them your impression that this south line might have been cheaper than the north line?—I said that that was the best line.

How the cost of the south line might have been reduced.

2227. But you did not inform them of the low cost of adopting a four feet hoist?—There were four enormous fills on the south line which swallowed up an immense quantity of earth in the calculations, and had those four been trestled or bridged in some way I consider that that would have materially affected the cost of the road.

2228. Is that the way, then, you would have reduced the cost of the lower grade?—Yes.

2229. How much lower would the four feet hoist basis of calculation make the cost of the southern line for that forty miles than with the two feet hoist?—I could not say without calculating.

2230. A material amount?—It would depend on how it is built.

2231. Have you never estimated, in your mind, as to whether there would be a material difference?—It would reduce the earth filling by using viaducts, and when viaducts are a certain height they are cheaper than earth filling. I am on oath, and I would not like to make any statement of the difference in cost. It is a thing that can only be based on calculation.

The four feet hoist would have made no difference in the gradients.

2232. At the four feet hoist would it have made any difference in the gradients?—No; it is an absolute hoist all the way.

2233. And the ruling grade of twenty-six feet to the mile going east would have been maintained all the same?—Yes.

2234. Have you the calculation upon which you made that estimated difference of \$275,000 at your command?—Yes; I have portions of it. I have got the calculation of the quantities in cuts and fills, but I have not got the structures and other portions. I had them all.

2235. Have you materials now at your command which you could give us to show how your calculation was made?—I have; but it would take some time. I would want the original plan that I put in. It is deposited in the head office at Ottawa.

Witness reported strongly to Mr. Rowan in favour of the south line.

2236. Then you would not be able to give it to us up here?—No; it is a thing that would take some time. The calculations were all made and handed in, and any deductions that were made from them were made outside of anything I did. Although it was not in my province at all, I made certain calculations on certain data that was given to me. I handed in those calculations, and deductions were made from them, but I was not consulted as to the reasonableness of those deductions. I

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reported, however, to Mr. Rowan, strongly in favour of the south line, but what he said to Mr. Fleming I do not know.

2237. Who assisted you in making the southern line survey?—  
G. R. L. Fellowes—he is still on the line at Keewatin—and William Robinson, who is on contract 42. You remarked that there was a strong desire to know why the quantities were increased beyond the estimates. That is a question that I wish to have thoroughly gone into, so that I may be exonerated from the blame of having made false quantities or errors.

**G. R. L. Fellowes,  
his assistant in  
making the  
southern line  
surveys.**

**CAMPBELL.**

WINNIPEG, Friday, 10th September, 1880.

**Contract No. 48.**

H. M. CAMPBELL, sworn and examined :

*By the Chairman :—*

2238. Where do you live?—At Portage la Prairie.

**Lives at Portage  
la Prairie.**

2239. How long have you lived there?—Three years and three months.

2240. Are you well acquainted with the locality and the business done there?—Yes.

2241. Do you occupy any official position there?—I am warden of the county, but I am not an official in the town.

**Warden of the  
county.**

2242. What county?—The county of Portage la Prairie.

2243. Have you been over much of that part of the country?—Yes; I have been over the whole of it pretty much, from the Assineboine River to Lake Manitoba in that county, including four ranges: 5, 6, 7 and 8.

2244. What is the extent of that country east and west?—Twenty-four miles—four ranges of six miles to the range.

**Extent of country.**

2245. And north and south between the limits you describe from Lake Manitoba to the Assineboine River?—It would average, I think, about twelve miles. The lake comes in in some places, and the river is crooked also.

2246. About what is the population of Portage la Prairie village now?—We have not taken any census, but we generally calculate it at nearly one thousand.

2247. Is the farming country about it pretty well settled?—Yes; very well settled.

2248. Have you any idea of the population of the county?—I could not tell you the population of the county, but I can tell you the assessment.

2249. What is the assessment?—It is about two and a-quarter millions of dollars.

2250. Do you know what the assessment of the village is?—I do not know.

2251. Where did you come from before you settled at the Portage?—I came from the county of East York, within fourteen miles of Toronto.

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2252. Did you reside there long?—All my life.

2253. Then I suppose you are well acquainted with the effect of railways on settlement and business?—Yes.

2254. Do you know whether the location of the railway in the vicinity of Portage la Prairie has been finally settled?—I do not know.

2255. Is there any work being done upon the railway near there?—No.

2256. Not through that county?—No.

County crossed by first hundred miles west of Winnipeg. Plan shows a deflection of line to the south as it approaches Portage la Prairie.

2257. That county is crossed by what is known as the first hundred miles west of Winnipeg, over Ryan's contract?—Yes; the plan which we have of the probable location shows a deflection of the line towards the south as it approaches Portage la Prairie.

The more the line deflects to village the better.

2258. Have you any idea how that deflection would affect the prosperity of the village?—Of course the more it would deflect towards the village the better effect it would produce. After it comes just opposite the village by the town line, between ranges 6 and 7, it then deflects to the south about a mile and a-half. If it were to make that deflection before it comes that far it would be an advantage to the town. It begins to deflect at the town line; if it made that deflection further east, so that the most southern point would be at the town line, it would be a great benefit to the village.

If they deflected further east it would be brought nearer the village

2259. Do you mean that that would bring the railway within a shorter distance of the village?—Yes; a mile and a-half nearer.

2260. Is there anything in the country there which would make an earlier deflection less advantageous to the government?—I do not think so.

2261. You think it could be done further east than where it is said to be done?—I think so, and I have travelled that country.

2262. Do you mean that is a benefit to the town to be deflected even as far south as it is now without going any further south?—That deflection of a mile and a-half is made just after the line passes a point directly opposite the village, to the west.

2263. Supposing that this curve were made further east and went no further south than it is at present supposed to be, would that help the village?—I think it would. It would not go as far south as we would like it, but it would be a little help, in our estimation.

2264. Do you think that that curve would be more advantageous to the village than if the road kept on in a straight line?—If it made the curve it would be of more advantage to the village.

2265. Although going no further south than township 13?—It is at township 13 now, and then this curve goes still south into 12.

2266. How far does it go into 12?—I think it is a mile and a-half; I am not certain.

Projected line not nearer the village at any given point than six miles.

2267. How near does that come to the village?—At the town line it is just six miles north of the village. Then it diverges south about a mile and a-half—still going west of the village, so that I am not

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prepared to say that it is any nearer the village at any given point than six miles.

2263. Do I understand you to say that if the railway goes no nearer to the village than it is now it is an advantage to have it as near as that?—I do not know that the southern divergence of a mile and a-half is any benefit to us.

2269. But, supposing it diverged further south?—Then it would be an advantage to us.

A more southerly divergence would be an advantage to Portage la Prairie.

2270. I understood you to say, in a conversation before you gave your evidence, that it would be better that this line should continue directly west, or north-west, unless it approached nearer to the village than it has yet been proposed to bring it; is that right?—We propose to build a branch, and the shorter the distance we would have to build the branch the more advantageous it would be for us.

2271. Then it is an advantage to have it come within six miles of the village rather than have it go further north?—Yes.

2272. What advantage do you think would be gained for the railway by having the road still nearer the village?—I think it would accommodate more of the farming community as well as the people of the town, because there is a great country lying to the south and south-west which has no other outlet only to come in that direction. And another thing: those to the west and south-west for a certain distance could utilize the Assiniboine River to that point and then tranship by railway.

Advantageous to railway itself to be brought nearer the village.

2273. Did I understand you, before you began to give your evidence to-day, to say that it would be better for the village that the road should continue directly west, and not go south at all unless it went further south than it does at present?—We had an idea that it would be better for us if the road went altogether north; then we would have a chance of getting a road of our own.

2274. You had that idea; have you got it now while you are giving your evidence?—If the road went north of the lake; but as long as it goes south of the lake the nearer it comes to us the better.

2275. You have not the same idea now that you had when you were conversing with me?—No.

2273. You have changed your opinion since that conversation?—Yes; I think when it goes south of the lake the nearer it comes to us the better, and the more people in that locality it will accommodate. The country along the southern part there, on the Assiniboine, is more thickly populated than it is out towards the lake.

2277. Then, in your opinion, it would be no advantage to the village if the road were continued due west or went in a north-westerly direction rather than where it goes now?—No.

2278. Is there anything further that you wish to say as to the location of this part of the line?—All that I would say is, we would be satisfied if we could get the road to what is termed the two miles limit—that is four miles south of the point which it now passes at the town line between ranges 6 and 7. They have come a mile and a-half of that south after they passed west of us. If they would only come two miles and a-half further south we would be satisfied, and it

**Railway Location.**

**Contract No. 48.** would accommodate the great bulk of the settlers along through that district.

Engineering and commercial results of taking line further south

2279. Then your suggestion is that they should add five miles to the length of their railway—two and a-half miles to get down and two and a-half miles to get back?—I beg your pardon, it will not lengthen their line that much. When the deputation of us met Mr. Murdoch the engineer some months ago when he was surveying the road, he said it would only lengthen the road a mile and a-half by striking to the south a greater distance to the east and making a curve. They have come a mile and a-half further south already than they supposed at that time, consequently the additional length of the road now would not be a mile and a-half.

2280. But you want them to go still further south?—Yes; we want them to come still further south than they are at present. When we asked Mr. Murdoch to come south to the village at first, he said it would only lengthen the road a mile and a-half. Now the road is a mile and a-half further south than they expected at that time.

2281. And you wish them to come further south?—We do.

2282. Then will they not have to get back again?—Yes.

2283. And will not that lengthen the line?—Yes; but it will be on a long curve, and although we want them to come two miles and a-half further south it does not follow that it would lengthen the road five miles.

2284. How much do you suppose it would lengthen it?—I do not suppose it would lengthen it more than a mile.

2285. Is it a detriment to the village to bring it as far south as they have brought it now rather than continue on a straight line to the west?—No.

2286. I understood from your conversation that it was more detrimental to the village to defect as far south as they have than to carry it directly west or north-west, because you said it would, perhaps, lead to the starting of a rival village within a short distance of the Portage, and if there was to be a rival village it would be better further off; have you changed your opinion on that?—I never feared a rival village; but that was my opinion.

2287. You remember having urged that before us as a reason for being called to give evidence to-day?—Yes.

2288. Is there anything further that you wish to say upon this matter?—I think not.

**McILVAINE:** SAMUEL McILVAINE, sworn and examined :

*By the Chairman :—*

Lives at Portage la Prairie.

2289. Where do you live?—At Portage la Prairie.

2290. How long have you lived there?—Since the spring of 1878.

2291. Where did you live before that?—In the town of Meatford, county of Grey, Ontario.

2292. How long had you lived there?—Two years, and formerly in the town of Orillia, and then in the county of Huron.

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2293. Have you noticed the effect of the building of railways upon different localities such as villages and towns?—I have.

2294. Do you occupy any official position in Portage la Prairie?—No; nothing except school trustee.

2295. Are you a property holder?—Yes.

2296. A large property?—I have between three and four acres in the village, a dwelling-house, store, office and lumber yard.

2297. Is the last witness a property holder there?—He is.

2298. A large property holder?—He has three or four buildings.

2299. Then both you and he are interested in the prosperity of the village?—I am; and I think he is also.

2300. Are you aware of the line that is likely to be located for this western end of Mr. Ryan's contract?—Yes.

2301. How near do you understand that it comes to the village?—I think it is about six miles from the centre of the village to where it would strike the nearest point of the railway, due north.

2302. You think the nearest point of the road is due north?—I do not think there is much difference. It curves out from the east four and a-half miles north of the 4th base line; then it turns south-west and across the 4th base line on the town line, running out of Portage la Prairie six miles north of the village.

2303. How do you consider that that deflection towards the south, as far as it is said to be laid out, will affect the prosperity of the village?—I should say that in case we do not get a branch road, or any other road, into Portage la Prairie, but must depend upon the navigation of the river, then the railway, where it is located, will be a detriment to the village.

Without a branch road, line as located would be a detriment to Portage la Prairie.

2304. In that respect you differ from the last witness?—I do.

2305. Why would it be a detriment to the village?—Simply because we would have no railway communication. Of course my argument is based on the railway going where it is now and there being no railway to the village. If we must depend on water communication then rival towns will grow up on the railroad and they will naturally injure the Portage. Then my argument would be, the further from the Portage the better in that respect. Of course, it would not be better for the farming community. Then, again, my reasoning would be, if we are to have a branch road the nearer the main line is to us the better. I agree with Mr. Campbell in that respect.

2306. Is there any reason why you would not get a railroad?—There is. In the first place the Government may not run in there. We would be willing to build a road partly, provided we got the iron from the Government. We might not be able to get a company to run a road that short distance, then in that case we would be debarred from having any railroad. But should we be successful in getting the Government to run a branch in there by us building it—the Government furnishing the iron—then the nearer the main line would come to the village the better, because we would have the shorter road to build.

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2307. Then are we to understand your opinion to be that the injury or advantage to the village will depend entirely upon some things that may or may not happen in the future?—Yes.

2308. So that without knowing what is going to happen it is impossible to form an opinion whether it would be injurious to the interests of the village or not?—The chances are in our favour.

2309. I am not speaking of the probabilities, I am asking you whether the advantage or injury to the village by this road depends on something happening in the future which is, at present, impossible to ascertain?—I would say leave it as it is, but if the chances are all against us I would say move it away as far to the north as possible.

2310. I understood you to say the other evening something different from that?—I think not.

2311. Did you not lead us to understand that you wished to give evidence to this effect: that unless this road was diverted further south than it is now intended to be, that it would be better to continue straight on to the west without any divergence?—I say so still, if we cannot get a road into the Portage. I think I always had the idea in my mind that it would be better to keep the road away unless we could get a branch road.

Better for all parties to divert the road further south.

2312. But it all depends upon the possibility of something happening in the future?—Yes; but I have reasons for saying that the road could be diverted still further south and still be advantageous to the whole community and also to the railway.

2313. Then, in your opinion, it would be better to divert the road further south?—Yes.

2314. But it is not your opinion that if that will not be done it would be better to go further north—in other words, that this present projected line gives you half a loaf which is better than having no bread?—No; I think not. I would rather see the road far away from the Portage in case we never get a branch road from it.

2315. But is it impossible to say what is going to happen in the future?—I think we can build the road ourselves provided we get the iron.

2316. Assuming that you build the road yourselves, then would you rather have the road where it is than to have it go further north?—Yes; I think so.

Taking the chances of getting a branch road it is better for the village to have the road where it is rather than farther north.

2317. Taking the chances, then, you think it is better for the village to leave the road where it is, rather than take it due west or further north?—Yes.

2318. That was not the tenor of your views the other night?—My opinion was always, to a great extent, different from that of the last witness in that respect.

Reasons why the line could be taken farther south with advantage to the Government.

2319. Why do you think it could be taken still further south with advantage to the Government?—It will not cost the Government any more to bring it further south, if they allow us to pay for the difference in length. In order to have connection with the road we will have to build a branch line, and if the Government will come down towards us by lengthening their road a mile we will far more than make up for



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that deflection in helping them to build the connection. Then, again, the Assineboine River runs in a south-westerly direction from the west, and comes through a large country that is now being rapidly settled up. They will, for a number of years, have to depend upon the river for an outlet. The point of transshipment would be at the Portage where all the freight would be transferred to the railway, and instead of coming down the river would take the sixty miles of rail to Winnipeg, which I think will more than pay for the extra length of the road. They could secure freight now by striking a town that is already in existence, they would get freight at once in that way, but it would not pay to transship goods from the river up to where the road is now, a distance of six miles.

2320. Do you think that immediate business for the railway will more than compensate them for the extra expense of running the road further south to the village?—Yes; I think so.

2321. Is there anything further that you wish to say upon this subject?—No.

#### CARRE.

Contracts Nos.  
14 and 15.

HENRY CARRE'S examination continued:

*By the Chairman:—*

2322. You spoke yesterday of two lines having been run for section 15, and that the southerly one would probably be less expensive than the one which was adopted; do you remember whether you had located that southerly line before section 14 was commenced?—No; I had not. Section 15 was commenced in 1875. The staff came up with me the same time that I started to locate that southerly line.

Had not located southerly line before section 14 was commenced.

2323. Then at the time of the location by you of the southerly line, work had been done upon 14, further east than the western limit of that line?—Yes; there was a portion of 14 completed before the location survey of the southerly line was completed.

2324. Then that southerly line of yours could never have been adopted without abandoning some of the work done on 14?—Yes; I stated so in my evidence before the Senate Committee.

The southerly line could not have been adopted without abandoning some work done on section 14.

2325. Have you any idea of how much work had been done upon that portion of the line, which could be replaced by this southerly line?—I could not state. I heard rumours, but it is so long ago that I cannot be certain.

2326. Have you any opinion whether that southerly line was available to the Government at the time you located it?—I think it was. The actual work that I did came into the end of the work that had been done. I ran to the end of the location on 14. My line joined in with the end of the location on 14—the easterly portion, which was then chopped out clear and located.

2327. Have you any idea how much of 14 then done would have had to be abandoned to make your southerly line available?—I remember hearing that there was about \$60,000 or \$65,000 worth of work that would have to be abandoned if the best line had been adopted.

Had heard that about 65,000 worth of work would have had to be abandoned.

2328. In order to save the \$275,000 you spoke of yesterday the Government would have lost \$65,000?—Yes.

Thus, to save \$275,000, Government would have had to lose \$65,000.

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Net saving a little over \$200,000, taking it that the remainder of the line would be equally difficult with the adopted one here.

2329. Do you mean that the highest saving in price would have been somewhere about \$200,000?—Yes; that is taking it for granted that the remainder of that line would be as difficult. I had made no estimate of the full line from Rat Portage to the connection with 14. I made no calculation for that; it was only as to the first forty miles as against the thirty-seven miles on the other line.

2330. The saving in cost to the country which you spoke of yesterday would have to be diminished by the value of the work which would have been done on the eastern end of 14?—It would if they joined in with the south line with 14, near Brokenhead. Had the south line been adopted, running from Falcon Lake direct to Brokenhead, then there would have been a certain amount of work which had been done on 14 that would have been lost.

Had line been adopted as witness ran it there would have been no loss.

2331. So that any gain by this line must be diminished by that loss in order to see how far the country would be benefitted by adopting your line?—If the line had been adopted as I ran it there would have been nothing lost. I ran it to the end of the location, two or three miles east of Bog River, then after that there was another line ran further south.

Forrest and Armstrong ran another line still farther south.

2332. Who ran that?—It was run by Forrest and Armstrong. Without a plan and letters marked on that plan it is very difficult to describe the line intelligently.

2333. You ran the southerly line?—Yes.

Southerly line run by witness struck line finally adopted two miles east of Bog River

2334. Where did that strike the line which was finally adopted on the west-end of your southerly line?—About two miles east of Bog River.

No work had been done east of this point on contract 14, at the time witness located the line.

2335. Had any work been done on 14 further east than that point, at the time you located the southerly line?—No; there had been no work—no construction work.

Therefore not necessary to abandon any work.

2336. Then it would not have been necessary to abandon any work that had been done in order to adopt your southerly line?—No.

2337. Then your previous evidence is not correct on that point—that they would have had to lose \$60,000 in order to adopt your southerly line?—My southerly line, as I understand it, and speak of it, is for contract 15. Then, as far as contract 14 is concerned, there was no estimate ever made. I was asked whether it would have been better to adopt my southerly line for 15, had the line gone south of Manitoba Lake.

2338. I am not directing my questions to anything about Manitoba Lake, or anything west of Red River. I am assuming that those two lines join at a common point two miles east of Bog River for the present?—That is the line actually that I ran, but there was no calculation made up to Bog River.

The saving would have been \$75,000, but the line would have been five miles longer.

2339. Assuming that the point to which you had made your calculation on the southerly line, from there to Bog River, was of the same expense as the east end of 14 westerly to Bog River, then what saving would have been effected by adopting the southerly line?—The saving would have been what I have stated; but in that case the other route would have been five miles longer.

**Railway Location—  
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14 and 15.**

2340. Have you not already taken that in, in your forty miles estimate as against the thirty-seven?—No.

2341. Is the west link of your southerly line five miles further from Bog River than the last end of section 14 is from Bog River?—I have put it in this way: from Rat Portage to that point, two miles east of Bog River by the present line, 15 and 14 are five miles, or would have been five and a-half miles shorter than the south line between these same points.

2342. Of that five miles you have already estimated over three miles?—Yes, three and a-half miles.

2343. Are you able to say whether there would have been any gain at all to the Government by adopting that southerly line from Rat Portage to two miles east of Bog River?—I have never made an estimate of that portion between the forty-mile station on the south line and Bog River.

2344. Have you been over that country?—No; I have not been on that piece myself. My party ran that line while I was exploring the Dalles line.

2345. Then you have no information that would enable you to judge whether the southerly line as a whole would be better for the Government than the present line?—I have no estimate. I only speak of the southerly line for contract 15 as against the present line for contract 15; but the general character of the country I consider better—it was found to be better.

2346. How do you consider it to be better?—The plans and profiles show it to be better.

Plans and profiles show that the southerly line would have passed through a better country.

2347. Have they shown it to you to be better—have you looked at them?—Yes; I consider it to be better from what I saw and heard from those parties.

2348. Have you any information which would enable you to say whether the probability is that that line would have been better for the Government than the one that has been adopted?—I cannot speak personally.

2349. Who was it saw those plans?—I saw them myself, but I have not made any estimate on them. I consider from the plans that it was a better line, but I was not over the ground and therefore I could not swear to it.

2350. What if the plans are correct?—Then I consider it is better—that it went through a better country.

2351. Better in what respect?—Less swamp; it would save all the work on the Julius Muskeg by going south of it. There have been so many lines run that it is impossible to make a description of it that would be intelligible without a plan.

Less swamp on southerly line.

2352. Then the Julius Muskeg would not have been escaped by the little piece which you did run?—No.

2353. Were you ever over that country through which you say you proposed this line to Whitemouth River, which would have saved the Julius Muskeg?—No.

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Data for his opinion that a southerly line would be cheaper.

2354. How do you get your opinion, when you say it would be cheaper?—From the plans and the reports of the men who ran the line. On this south line there was one portion that was never estimated, that is the mile and a-quarter to Cross Lake—the heavier portion of 14 which Mr. Whitehead built. That ought to have been placed against an equal distance on 15 and 14, until you get out of the rough country, and then it would have made it more difficult still.

2355. You are speaking now of a portion of section 14?—Yes.

2356. That portion which is so expensive in consequence of the fill at Cross Lake?—Yes.

**Cross Lake.**

2357. Cross Lake is partly on 14 and partly on 15?—Yes; it is a bay of Cross Lake which has cost such an immense sum above the estimate. Take forty miles of 15 from Rat Portage of the present line, and forty miles on my south line, and estimate one against the other, and then I say that there would be a much greater difference and the country would have been easier, or as easy.

2358. Your estimate on the southerly line was for forty miles which ended somewhere about the west end of Falcon Lake?—Yes; and the other has thirty-seven and a-half miles on the present line of 15, but it did not take you out of the difficulties.

A cheaper line could have been had from Falcon Lake to Red River.

2359. Are you able to say whether, from the west end of Falcon Lake to Red River a cheaper line could have been run than from the end of the forty miles west of Rat Portage to Red River?—I consider, from all I have heard and seen of the plans, that it would have been cheaper.

2360. How much cheaper?—I could not say without making an estimate.

Or at least as cheap.

2361. Could you give anything like a round number?—No; I would say at any rate it could have been done as cheaply, without any doubt, as the present line.

The country would thus have the saving on the south line contract 15, more than \$275,000.

2362. Would that have been of any advantage to the Government to have it built only as cheaply?—Yes; because then the whole advantage would have been in favour of the contractors. If contract 14 was built as cheaply, then we would have gained the whole advantage of my calculation on the south line in 15.

2363. And what would that amount to?—\$275,000. I consider it more than that. \$275,000 it showed by my calculations of forty miles against thirty-seven and a-half, but had forty miles on the present line been estimated as against forty miles on the southerly line the difference would have been greater.

2364. Should not the cost of the three miles on the east end of 14 be added to that saving? If you saved \$275,000 upon comparing the thirty-seven miles of 15, against forty miles on the southern line, which took you as far west as Falcon Lake, then that saving of \$275,000 would be increased, would it not, by the actual cost from the end of the thirty seven miles to the west end of 15, to the point forty miles west of Rat Portage?—Forty miles on this line only brought me to the same degree of longitude as thirty-seven on the present line, so that there would be an equal distance from there to Red River.

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2365. Then why did you say that forty miles of your southerly line ought to be compared with forty miles of the present line?—Because it is the rough portion of the country on one line compared with the rough portion of the country on the other line.

2366. Would the westerly end of that forty miles upon the adopted line leave the Government at a point from which they could make as cheap a line to Red River, as from the westerly end of the forty miles of your southerly line?—I think the present line would be more expensive, from all I have seen and heard of the plans. It is through a worse country, from what I have seen of the block surveys and reports of the engineers.

2367. But you have not been able to make a comparative estimate?—No; I have never made an estimate, but there is plenty of data in the office to make an estimate from. I would not like to give anything more than my private opinion, until I had made an estimate. Witness did not make a comparative estimate.

2368. Taking Rat Portage and Winnipeg as objective points on the line of railway, would the south line in your opinion be shorter, and less expensive, than the present line?—The south line would certainly be shorter. South line shorter and less expensive.

2369. And less expensive?—Yes.

2370. By how much?—It would be very hard to say, as there was no survey made. You can see by the plan that it would be shorter. The south line went more directly for Winnipeg.

2371. Now as to section 15, I wish to ask again, did you take any part in making up the quantities which were submitted to the public when tenders were asked for?—I did. Railway Construction—Contract No. 15.

2372. What part did you take?—I was given instructions to take out the quantities from the profile, the centre heights given on the profile, by tables which were provided for me. I used our centre heights, and estimated from those tables. When tenders were asked for section 15, witness was instructed to take out the quantities from the profile, &c.

2373. Where were you at that time?—I was in Ottawa.

2374. Who had prepared those profiles?—I had, with my assistants.

2375. Then it was from your own profiles and the tables that were given to you, that the quantities submitted to the public were calculated?—It was. Quantities calculated from his own profiles and the standard professional tables.

2376. When you speak of tables what do you mean?—Tables calculated which give the number of cubic yards in a hundred feet length, for every height of bank.

2377. Were these printed tables?—Yes.

2378. In general use in your profession?—Yes.

2379. Are they standard tables for such calculations in the profession?—Yes.

2380. And by using those standard tables and your profiles, those quantities were arrived at which were submitted to the public?—Yes.

2381. The profiles giving only the centre line, would not, I suppose, enable you to ascertain the quantities accurately?—No; they would not.

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Cross-sections necessary to the accurate calculation of quantities.

2382. Why are cross-sections necessary to make it more accurate?—Because of the irregularities of the ground.

2383. But if the ground were perfectly level all the way through, I suppose the centre level would be sufficient?—Yes; it would give the correct quantities.

2384. Then the cross-sections were necessary because the surface of the ground was not level?—Yes.

Quantities calculated from cross-sections, January, 1878.

2385. Do you know whether, after those cross-sections were taken, any calculation was made then of the quantities that would be required to be done on the work?—Yes; I made a calculation from the cross-sections in January, 1878.

Prior to this calculation grades lowered on an average two feet.

2386. How do the quantities so ascertained compare with the quantities which had been ascertained before from the centre line?—These were largely in excess, but in the meantime the grades had been lowered, which increased the quantities.

2387. Then the cross-sectioning alone did not increase the quantities, as far as you know? Is that what you mean—that the increase was due to something else than the cross-sectioning?—There was no calculation made on the same line, with the same grades, by cross-sections, because the grade had been changed in the meantime.

2388. In what way had it been changed?—It had been lowered.

2389. Had it been lowered an average depth over the lines or only in places?—I would say it was an average of two feet. In some places it was identical with the old line; in other places it was lower.

2390. But the general result was an average of two feet?—I should call it so.

2391. Do I understand that the location had been changed in some places, before this cross-sectioning calculation, as well as the lowering of the grade?—There were two calculations: the first when it had been changed in one or two places.

2392. The location?—Yes.

2393. Did that materially affect the quantities?—It was a great improvement.

2394. That is a lessening of the quantities?—It was a lessening of the embankment, but it was a slight increase of the rock—scarcely any increase of the rock, because it made a reduction in other places.

Increase in rock cuttings in consequence of the lowering of the grades, 113,200 yards at \$2.75 per yard.

2395. Have you any opinion as to the increased cost of rock cuttings by this lowering of the grade upon the whole of section 15?—We made a rough estimate, and found it to be 113,200 yards.

300,000 yards of rock in accepted tenders.

2396. Do you remember what the approximate estimate was in the tenders for solid rock?—300,000 yards of rock in the accepted tenders.

2397. Then that lowering of the grade increased the actual cost of the road, as far as rock is concerned, by that quantity—113,200 yards at \$2.75 per yard?—It increased the excavation by that, as far as the rock is concerned.

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2398. Do you know whether the lowering of the grade increased the loose rock excavation?—It increased all excavation in the cuttings.

2399. Did it happen that there was any loose rock to be excavated?—Yes; it certainly increased the loose rock.

2400. Do you know how much?—No.

2401. Did it increase the earth excavation?—Yes.

2402. Do you know by how much, in round numbers?—There was one calculation of Mr. Rowan's—I think it was 224,000 yards. I do not know how he arrived at it. Earth excavation increased by 224,000 yards.

2403. Did you ever make any calculation of it yourself?—I have the notes, but I never made them up in that shape. We put the whole excavation in to complete the contract.

2404. Do you know whether the lowering of the grade had any effect on the excavation of off-take drains?—No. Off-take drains not affected by lowering grades.

2405. It did not affect that item?—No.

2406. Assuming that on the road, or at least on this work, there was to be solid embankment instead of trestle work, how would the lowering of the grade affect the quantity obtained from other places for the embankment, such as borrow-pits?—It would reduce it.

2407. The lowering of the grade reduces that item?—It reduces the quantities required for embankments.

2408. Have you any idea by what amount it would reduce that?—There is no calculation that would give it accurately. I could come at it from my notes, but I do not remember. It seems strange that I should not be able to answer this; but the calculations that were made were made at different times, a year apart, and there were changes in the alignment during that time which altered the sum total of the whole thing, and I cannot take out these portions to see what the reduction or increase would be.

2409. You have never ascertained that?—No.

2410. Assuming that the work on this contract was to be done all solid embankment instead of trestle work, would this lowering of the grade be a saving in the cost of the whole work, or an increase?—I should say that the lowering of the grade was an improvement. Lowering of grade an improvement.

2411. Then the lowering of the grade saved expense to the Government, provided that it was all solid embankment?—I think so.

2412. Have you any idea how much it saved?—I could not say.

2413. Did you ever enter into any kind of calculation upon that subject?—No.

2414. Then you are not prepared at all to give evidence upon that subject?—I could not give anything from any calculation made by me.

2415. Do you consider that the cost of the road, which is now a good many thousand dollars more than the first estimate, is in any way due to the alteration of the grades?—I could not really answer that question from any calculations of my own.

2416. But I understand you to say that it is a lessening of the cost—that the general effect would be a lessening of the cost?—Yes.

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2417. Then can you not say whether the increase was due to that?—I do not think it was due to that, but I could not say anything without calculating. It has increased the quantities, but whether it has increased the actual cost I could not say.

2418. It has not increased all the quantities; it has lessened the borrowing quantities, for instance?—Certainly. That was a point that was never gone into—the decrease in the earth excavation from borrow-pits to make up embankment; it was never calculated, and there was no allowance made for it.

2419. Besides this change of grade you say that there were some changes in the location of the line?—Yes.

2420. Do you consider that those changes in the location of the line were an increase or a lessening of the cost?—I think they were a lessening of the cost.

2421. Then this increase over the estimated cost cannot be due to those changes?—No.

2422. So that the increase of cost is not due to changes in location, nor to lowering of the grades?—I do not think it is.

2423. In your opinion what is it due to?—It is due to a change—a difference in the way of constructing the road.

2424. What was the difference in the way of constructing it?—Making round timber trestle work.

2425. But there was no trestle work. The change that has actually occurred could not be due to trestle work, because trestle work has been actually abandoned as a material feature of the transaction?—Then there is no great difference between the two estimates.

2425½. What I want to know is, what two estimates you are comparing—are you comparing Mr. Whitehead's estimate of the total cost to complete the contract according to trestle work with the actual cost, or are you comparing two different contracts of solid embankments?—No.

2426. Did you not make an estimate of the works that you thought were going to be done on the line?—In what way?

2427. The last estimate which you submitted was to be largely of trestle work, was it not?—Yes.

2428. Did you not make up that calculation as to quantities?—Yes.

2429. And when the prices were applied to those quantities the moneying out resulted in a tender of somewhere about \$1,600,000 in round numbers, did it not?—Yes; that is with trestle.

2430. After the contract was entered into changes were made: first of all, by lowering the grade, secondly, by change of location; and the result is now that the work is likely to cost from three-quarters to a million of dollars over the estimated cost at the beginning—I am asking you now to what is that increase due in your opinion?—That is the increase of earth banks against trestle work.

2431. That is what you attribute it to?—Yes; I attribute it to the changes in quantities. In that case the lowering of the grades made a difference.

Increase of cost not due to changes in location nor to lowering of the grades.

The increase of 750,000 to \$1,000,000 over estimate due to the abandonment of trestle work for earth embankments.



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2431. But it made a difference in favour of the Government?—Not as against trestle work.

2432. You say, broadly, the change was because trestle work was abandoned, and earth embankment adopted?—Yes.

2433. Now what was your estimate for trestle work?—My estimate was \$379,000 I think, or something like that.

Witness's estimate of \$379,000 for trestle work.

2434. That was to be the cost if these gaps were to be filled with trestle work in the way you estimate it?—A portion of this trestle work is for culverts.

2435. Do you know how much of that estimate has actually been put upon the road in the shape of culverts or bridges, or in any other shape? That estimate is for the whole amount of the wood work, is it not?—Yes. If I could see the last progress estimate that was sent in I could tell.

2436. Can you give any approximate estimate of what has been actually done of that wooden work on that road?—About \$9,800, and there has been a heavy amount done since.

2437. You have just left the contract?—Yes.

2438. And have you no idea of the amount of trestle work that has been done since?—I have had nothing to do with it since the end of June.

2439. Assuming that \$380,000 represents the amount of trestle work and iron bridges that was originally intended, can you say about how much of that has been dispensed with?—About \$370,000, up to the date of the return of May, 1879.

Amount of trestle work dispensed with up to May, 1879, \$370,000 worth.

2440. I understand you to say that the increase of the actual cost beyond the estimated cost is due to the substitution of earth embankments for trestle work. Now, by abandoning trestle work, \$370,000 of that expenditure was saved, how much was the cost of the earth embankment increased?—I really could not give you any figures.

2441. How much was the estimated cost of the earth work?—The estimated cost of embankment was only taking out the stripping of the rock, and the cuttings.

Estimated cost of embankment of \$70,800.

2442. How much was it?—\$79,600.

2443. In May, 1879, can you say what estimate had been made of the earth work then done, and yet to be done after that time, in the aggregate?—The work done was 82,993 yards, and the work to be done was 530,252 yards.

May, 1879, work done 82,993 yards; work to be done 530,252 yards.

2444. Then what would be the aggregate cost of all the earth work at the tender price?—\$613,245.

Aggregate cost of earth work at tender price \$613,245.

2445. Deduct the estimated cost at the beginning from that?—It would leave \$583,645.

2446. Now that represents the total increase of putting in earth embankments as they will be put in, above the estimated cost of earth embankment as at first intended to be put in?—Yes

Total increase on earth embankments, \$583,645.

2447. Ought you not to deduct from that the estimated cost of trestle work which has been abandoned and saved, in order to say how much the whole cost has been really increased by this change?—Part of the

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evidence that I gave was as to the advantage of lowering the grades in case there was solid embankment.

2448. This \$583,645 represents the total increase in the cost of the earth embankments?—Yes; according to those calculations.

2449. The effect of making that increase was to do away with \$370,000 of trestle work?—Yes; according to that return. That is \$213,645.

2450. Then that sum, \$213,645, represents the actual increase of substituting earth embankment for trestle work?—Yes; according to this return.

2451. Do you think this return as to that item is correct, or is it too high or too low?—I think the total quantity of earth, according to that return, was too small. The calculation of the amount to be done was too small.

Thinks the total  
cost of earth work  
will exceed  
\$613,000.

2452. Do you think the total cost of earthwork will eventually be more than \$613,000?—I think so.

2453. Have you the impression that the executed work when completed, will be more or less than the information given before the Committee?—I think it will be less.

2454. But you think that particular item will be more?—Yes.

Solid rock will be  
less than estimate  
of May, 1879,  
500,000 yards  
instead of 525,000  
yards.

2455. Then, on the other item, it will compensate for that?—The estimate of May, 1879, for solid rock was 525,000 yards, and I do not think it will exceed 500,000 yards.

2456. Then you think there will be a saving of 25,000 yards of solid rock?—Yes; over that estimate. I did not make another estimate since the one they have adopted here (pointing to the Blue Book). I made one of 516,000 yards, and the last one I made is 513,000; now I do not think it will exceed 500,000 yards, owing to some of the deviations that have been made of late, saving rock.

Saving in rock  
accounted for.

2457. Then that saving in the rock has been by a deviation of the line?—It is partly due to deviations in the line, and partly to the cuttings turning out less rock than we had calculated for. And then there are increases in rock quantities due to deviations in the line.

2458. Upon the whole you think the rock quantities will be 25,000 yards less than the May estimate of 1879?—Yes. I do not know why they have adopted this. They have adopted it because it was the largest, as I had another one in of 516,000 yards instead of 525,000 yards.

2459. But you say the 525,000 yards estimate is too small?—That is of rock, which I say is too high.

2460. Assuming 500,000 yards to be right, that would be a saving of 25,000 yards of rock?—Yes.

Amount saved on  
rock, \$68,750.

2461. What would that amount to?—\$68,750.

2462. What is your estimate of the total quantity of earth when the work is finished? You say the return is not correct, and I want to see what your estimate is?—I could not say what it will actually be.

2463. You could not say exactly, but you say that is not enough?—It is not enough by the way the work is turning out.

2464. Can you say how much more it ought to be?—No.

2465. I do not understand how you came to those conclusions and made those calculations and not know the amounts?—I made the calculations and allowed 10 per cent. for shrinkage. Now I know that in places it has shrunk more than 10 per cent., but how much more I cannot say.

2466. I am trying to get from you your reasoning about the excess of the cost of the works over the estimated cost at the beginning. You say it is not due to the lowering of the grades, nor to changes in the location, but that it is due to the substitution of earth work for trestle work?—I said that the lowering of the grades was an improvement in case the banks were made of solid earth, but it was not an improvement if the work was to be done with trestles. It was then a loss. It was an increase of the cost.

Lowering grade an improvement if banks were to be made of earth.

2467. That is coming back to the same conclusion, that the abandoning of the trestle work and the adoption of earth embankment increased the cost?—Yes, and lowering the grades; but if it was intended to build it with solid embankments right through, then I say the lowering of the grades was better according to those prices; but had the trestle work plan been adopted, the grades not lowered, and the banks afterwards filled in at what it would cost the Government, I consider then it would be cheaper. The lower the grades to balance quantities the better. Then, again, there is no extra haul allowed in this estimate for all that immense quantity of earth that was to be hauled.

2468. That does not affect the question, because the actual cost is made up without charge for the extra haul, according to Mr. Whitehead's proposition?—Yes.

2469. We are making all this comparison upon the basis of the works to be executed by Mr. Whitehead, so that the extra haul is not an element in the calculation?—No.

2470. Will you explain your opinion of the effect upon the total cost of this work that the changes made since the contract was let would create?—The principal changes in quantities is due to the lowering of the grades, and assuming the increase in the rock excavation due to that lowering to be 113,000 cubic yards of rock, it would be necessary that a decrease of about 565,000 yards of earth required in embankments should be made in the amount of earth to fill up those spaces, so as to balance the cost of forming the embankments at the present contract prices. The comparative cost of filling voids with trestle work, as against earth, is very materially increased by the lowering of the grades. If the intention was to complete the contract with solid earth banks, at contractors' prices, then I consider the lowering of the grades was beneficial; but if built with trestle work such as is now being put in by Mr. Schreiber, and the voids to be afterwards filled in with earth by the Government at the actual cost of performing the same, I think the lowering of the grades would have the effect of increasing the total cost of completing the contract. All depends on the actual cost of filling at a further date, in this last calculation. I would also state that the bill of timber in the bill of works was made before the grades were lowered. It was estimated for a higher gradient than the one that is adopted at present.

Effect on the total cost, of changes made since contract was let.

2471. Would the result of lowering the grade have a material effect as to the quantity of timber that was tendered for?—It would be very slight.

Trestle work.

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 struction—  
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2472. The difference in quantity, then, would not be material?—It would not be material. The superstructure—the expensive portion of the timber—would be the same. The lowering of the grades would have the effect of shortening the trestle work also, because the cuttings would make more embankment and shorten the voids, leaving less voids to be filled. All these calculations would have to be gone into accurately in order to form an estimate.

**Material differ-  
 ence in cost of  
 trestle work  
 made by depth  
 of void.**

2473. In using trestle work to fill voids, does it make a material difference whether the road is a deep one or a shallow one?—It does; a very material difference.

2474. How does that affect the cost of the trestle work?—Trestle work can be formed so as to make it equal to the cost of earth filling. The trestle plans handed to me, on which I based the last calculation, were so expensive that the superstructure alone would form an eighteen feet bank of solid earth at 37 cts. a yard. That I considered to be too expensive a trestle for the purpose.

2475. Then you mean that the superstructure alone would be equivalent to an earth embankment eighteen feet high, or about that, in round numbers?—Yes.

2476. Is the effect of that, in your opinion, that any trestle would be advantageously replaced by earth embankments, provided they were not higher than eighteen feet?—According to that plan, the bents and trestle work would make a twenty feet bank. The superstructure alone would make an eighteen feet bank.

2477. If the superstructure alone would be of the same price as a bank eighteen feet high, inasmuch as every trestle work requires something more than superstructure, would it not be advantageous to do away with trestle work in every void where it was only eighteen feet?—Yes; according to those plans.

2478. Will you explain what you mean about the relative cost of trestles to fill a shallow void, and to fill a deep void?—The superstructure, no matter what the depth of the void, is the same. The difference in cost between a twenty feet and a forty feet trestle bent, in height, is very slight in comparison to the difference in cost of a twenty feet and a forty feet earth bank.

**Where a deep  
 void can be filled  
 with trestle work  
 advantageous to  
 do this.**

2479. Do I understand you to mean this: that whenever a deep void can be filled with trestle work it is advantageous to do so?—Certainly.

**Banks ordered  
 for certain large  
 fillings.**

2480. But if it is a shallow void it would be better to fill it with earth than with trestle work?—Certainly. In this special case there were certain large fillings—water stretches—in which banks were ordered to be put in. In fact I was instructed that they had been allowed, and that those protection walls being allowed, virtually granted earth filling at those points. I was also instructed not to calculate trestle work in those cases.

2481. Did you start to explain this deep filling over water stretches with a view to showing the comparative cost of trestle and earth embankment?—Yes. I say that in this particular case the earth fillings were eliminated out of the calculation that I made upon which Mr. Rowan's calculation was based; that these heavy fillings that would

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have told in favour of the trestle work were eliminated, and the average number of fillings is below the paying price—that is, eighteen feet.

2482. At which points were the deepest fillings made? Can you name some of them?—As it is now?

2483. Yes?—Stations 42, 215, 430, 435, 530, 570, 1445, 1705, 1745 and 1792. Those would be the deepest voids. Localities of deepest fillings.

2484. Do these numbers start from the east or the west?—From the east, and number to the west.

2485. Then station 1792 would be about Cross Lake?—Two miles east of Cross Lake.

2486. Is there any part of Cross Lake on section 15?—Yes.

2487. Is not that a deep fill?—Yes; but that was eliminated. I have not given you any of the water stretches; these are the land voids.

2488. Besides those stations that you have named, are there other deep fillings on section 15?—Yes, there are.

2489. For the sake of illustration will you name the deepest filling on section 15, so far as you know?—Cross Lake would be the deepest. Cross Lake the deepest filling on section 15.

2490. What is the height of the filling there above the base?—It is soft mud bottom.

2491. Above the stone base?—Above the stone base it is not the highest.

2492. I want to know some spot where a deep filling has been filled with earth that might have been filled with trestle; of all those fillings any one filling on the line which absorbed most earth?—Cross Lake.

2493. Have you any idea what that particular filling would cost in the way it has been done, with earth, for the distance that it might have been done by trestle?—I understood that it took 205,000 yards to fill it. That was the calculation some two months ago before I left the work, and it sank the other day some five or six feet and they were filling it up again as I was passing. I should say it would take now 222,000 yards. Amount of earth necessary to fill Cross Lake.

2494. You mean for the distance that might have been filled with trestle?—Yes.

2495. What would that cost at the contract price?—\$82,000. Cost of earth \$82,000.

2496. What would it have cost, in your opinion, to have filled that with trestle at the contract prices?—That 222,000 yards is full quantity to fill up between protection walls. It is not a calculation for the amount above rock basis. The trestle work above a rock basis would cost about \$17,000. Earth work and trestle work compared.

2497. What would it have cost to put in a rock basis for the trestle work?—That would have been a big item. You would have had to haul the rock from the cuttings for five miles to have done that. It would take about 120,000 yards to put the earth top on, and that, at 37 cts., would be \$44,400.

2498. What would the trestle work have cost?—The trestle work would have cost about \$17,500, a difference of \$26,900. That is, with the expense of trestle work.

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2499. I suppose that this instance you speak of at Cross Lake is a most striking example to illustrate the benefit of trestle work as against earth embankment?—It is.

2500. Supposing the rock basis to have been there, the saving would have been \$26,900, in round numbers?—About that.

2501. But supposing that the rock basis was not there, how would it have operated upon the comparison?—Then you would have had to put in rock points.

2502. What do you consider to be a fair length to take for the purpose of comparison?—Seven hundred feet.

2503. And you think about fifty feet is the height?—Yes.

Cost of filling Cross Lake according to original specification, \$345,832; according to execution, \$142,500.

2504. Commencing this work now with the rock protection walls only, and intending to fill in the middle of it so as to make trestle work available, what would be the expense of this most favourable example of trestle work?—With full rock base and trestle work, as contemplated by the original specification: for the rock, \$328,332; for the trestle, \$17,500; or a total of \$345,832.

2505. To have filled that void according to the original specification, it would have cost \$345,832?—Yes.

2506. What did it cost as it has been executed—with earth—in your opinion, the same void and the same depth?—\$142,500.

\$165,832 in favour of earth and protection filling.

2507. How much is that in favour of the earth and protection filling?—\$165,832.

2508. Do you mean to say that the earth embankment in this particular void is \$165,000 less expensive than the rock basis and trestle work?—It would appear so from that calculation.

2509. In addition to that advantage, in favour of the earth embankment, is there not another advantage, that the trestle work would have to be eventually filled with earth?—The earth embankment is cheaper than a full rock basis.

2510. So that the change from the original intention is beneficial, and this is the most favoured place for trestle work over the water stretch?—No; because the rock basis in this case is very deep. In some cases we have very light rock bases, and very high trestles. It is the excessive rock basis that makes the frightful cost in this case. There is no doubt that a full rock basis would kill the trestle work in every case.

2511. Did it not happen that on this section several rock bases were contemplated?—Yes.

2512. Then was the original arrangement with solid rock bases and trestle work, as favourable to the cost as the later arrangement of making solid earth embankment?—No; it was not.

Solid earth embankment more favourable as to cost.

2513. A solid earth embankment was the more favourable as to cost?—It was the more favourable of those two.

In heavy land voids, of which there were many, trestle work cheaper.

2514. In what other places would the trestle work be cheaper?—In heavy land voids.

2515. Were there many of them?—Yes, all those that I gave you, and one or two others that I have since thought of. 1420 is another.

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2516. You have shown that in this particular water stretch the trestle work would have cost some \$164,000 more than the earth embankment?—Yes; earth embankment and full rock bases as originally contemplated.

Upon the whole, the original arrangement for solid rock bases and trestle work would have proved more expensive than the rock protection and earth embankment.

2517. Taking all the water stretches together, in your opinion was the original arrangement for solid rock bases and trestle work superstructure more expensive than the rock protection walls and earth embankment?—It was.

2518. How much more expensive—taking the water stretches only, first?—I would not like to say.

2519. Would it be in the neighbourhood of half a million in favour of earth embankment?—I am not done with this one yet. There is another item. That rock that we have charged altogether to your base is now used to make up embankments over land voids in the meantime.

2520. That is in favour of the earth system?—Yes; it is in favour of it, but then there is a query as to whether, if there had been a full rock base put in, there would have been such a waste of earth.

2521. You say, as I understand you, that adhering to the original plan of solid rock bases and trestle work superstructures over the water stretches alone, that that system would have been much more expensive than the rock protection banks and solid earth embankments?—I have made no calculation for protection banks yet.

2522. I am asking you, from that illustration, whether your opinion is that it would have been better, or less expensive, or worse, that is more expensive, to have filled in with rock protection and solid earth embankments over all the water stretches, instead of trestle work and solid rock bases?—As a rule the earth and protection walls are far better, and less expensive.

2523. You mean not only more economical as to future effects, but absolutely less expensive at the present?—Yes.

2524. Now as to the other voids on the solid earth foundations, have you any idea as to the comparison in favour of trestle work which you say it would be as against earth embankments? Take, for instance, any void you remember as most favourable for the trestle work system?—In every void over twenty feet in depth trestle work would be less expensive than earth filling.

Land voids.

Trestle work in voids over twenty feet deep less expensive than earth filling.

2525. Have you any idea what it would have cost to fill all the land voids, as distinguished from the water stretches, with trestle work according to the original specification?—I am not able to say.

2526. When did you take charge of the works as Government engineer on section 15?—In May, 1876.

Took charge of works as Government engineer, May, 1876.

2527. That was before the contract was let?—Yes.

2528. Then you were there when the contractor came on the ground to proceed with the work?—I was.

2529. Had you any instructions from your superior officer as to the information that you were to give the contractor?—What sort of information?

2530. Of any kind?—Yes; different orders.

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struction—  
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His instructions  
from superior  
officer.

2531. Do you remember what the instructions were?—I was instructed, in the first place, not to let any one know what the prices were—not even to let my own assistants know what Mr. Whitehead's prices were. They were printed in a book and published a few days afterwards. I was also given general instructions to lay out the work and give the contractor points at any places that were necessary.

2532. What kind of points?—To lay out his work and allow him to commence at any point he wished.

2533. You mean on the ground?—Yes; to lay out his work.

2534. Was that all the instructions?—I cannot remember exactly. I was told to show him any plans that I had in my custody or control.

2535. You were never told to withhold any plans?—No.

Refused contrac-  
tors certain  
information.

2536. Did you always give any information you could?—I did not give them all the information they asked for.

2537. What information did you refuse?—They asked for details of every cutting from station to station—so much of a return in each month.

2538. I am speaking of a time before the execution of the work; did they ask for any information and plans?—Yes; they asked for a working plan and profile.

2539. Who was it asked for that?—Mr. Ruttan asked for it. He wrote to me several times.

2540. Did he get it?—Not for some time.

Reason why  
information was  
refused.

2541. Why not?—I had neither the time nor the material to make it. The work was going on full swing; my assistants had as much as they could do with that work, and I repeatedly asked for stationery to make those plans and plot my cross-sections, but I could not get it.

2542. Do you mean that they could not get this information that they asked for because you had no stationery?—Because I had not the material to make them with.

2543. Did you show them the originals?—I did not show them to the contractor himself, but I told the contractor's engineer that he could go to the office and look over the works with the assistants, and examine them, or do anything he liked. He demanded this information as his right, and said that he was told in Ottawa that he would get it—that he was to get copies of all my estimates. I told him that I had no instructions to give them, and that I could not do it until I got instructions.

Contractors com-  
menced work in  
February, 1877.

2544. About what time did they go upon the ground to work?—In February, 1877, I think he commenced work.

Work all cross-  
sectioned and  
cross-sections  
plotted. Were  
not got from  
Ottawa until  
September.

2545. At that time had any cross-sections been made of this work?—Yes; the work had all been cross-sectioned; and the cross-sections had all been plotted and sent down to Ottawa. I had repeatedly asked Mr. Rowan to have them brought back, as I knew they were not required there. I could not get them back, however, until Mr. Smith came out in September.

2546. You had no duplicates of them?—No; nor had I paper to make duplicates on. I had the figures in my field notes.



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Changes made  
after contract  
was entered on.

2547. Was any change made either in the character of the work or the location of the work, after the contract was entered upon?—Yes; there were changes at different times.

2548. Do you remember what the first change was?—Lowering the grade was the first material change.

First change :  
grade lowered.

2549. About what time was that?—The new grades came out the 29th of June, 1877; and the work had been going on from February.

2550. That was the first material change?—Yes.

2551. How did you come to be informed of that change?—Some of the grades were telegraphed to us from Ottawa, just the elevation gradient and the rate per hundred.

2552. Were there any other instructions given as to change of grade, except by telegram?—Yes; we got copies in writing.

2553. Did they follow the telegraph?—Yes. I pressed so hard to get the grade of certain portions that they would have to telegraph it.

2554. Why did you press for the grades?—Because the contractor was at work and wanted them.

2555. Had you not the grades already?—I had the grades but they were not approved by the Chief Engineer. They were grades which I put on myself.

2556. Do you mean that at the time the contractor came upon the ground, no grade had been regularly and authoritatively established?—  
No.

Grade uncertain  
at the time con-  
tractor came on  
ground.

2557. You mean it was left uncertain?—Yes.

2558. Then how was there a change made if the grade had never been established?—I established them myself. After re-locating I put on the grades. I sent down a plan, profile, cross sections, and the data that were necessary to put on the grades properly.

This explained.

2559. Then these changes that came by telegraph, or otherwise, to you, were only changes from the suggested grade and not from the established grade?—Yes; from my suggested grade on which I had made up the quantities.

2560. You supposed then that when the contract was let it was let on the grade which you had suggested?—Yes.

2561. Then why was it necessary for you to telegraph, if you supposed that was sufficient to go on with?—Because I was certain when they saw the cross-sections that they would alter the grades. These grades that I put on were the four feet hoist, and when the line was re-located the grades would have to be adjusted.

2562. And you would write or telegraph for definite information?—Yes. I telegraphed to get the grades at the different points where the contractor was working. I would telegraph: "Please send me grades between such and such stations."

2563. Then the answer to your application was to lower the grade from your suggested grade?—Yes.

2564. But in accordance with your ideas as to what would happen?—Yes. I expected those changes if the contractor were to build with

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timber. I did not know whether the grade would be lowered or raised. I expected that they would alter it.

2565. Why did you expect that they would alter it?—At any rate I wanted them authorized. I did not want to go upon my own grades, I wanted them authorized; but whether they were to be lowered or raised I did not know.

Change in grade sent from Ottawa.

2566. Then this change in the grade of the line that you have spoken of several times, was by information sent to you, either in the shape of telegrams or letters, subsequently to the beginning of the work on the contract?—Yes.

2567. Do you say that they came from Ottawa?—Yes, from Ottawa, signed by Mr. Smellie.

2568. Did they also send you plans or profiles showing the grades on them?—In one or two cases they did for short pieces.

2569. How was the grade established in most cases? Was it by plan, or by letter, or by telegram?—By all three.

Telegrams respecting change of grade always confirmed by letter.

2570. After these telegrams came to you, were they always confirmed by letter or by plan, or by both?—I think so. I think I got a complete list of grades right through.

Grade lowered four months after the contract had commenced.

2571. How long was this lowering of the grade after the commencement of the contract?—About four months after.

2572. When the contractor first came upon the ground did you expect that the contract would be fulfilled according to the specifications?—Certainly.

2573. That is with solid rock bases in the water stretches and trestle work superstructures?—Yes.

2574. That was your expectation at the time?—Yes.

2575. And you had, at the beginning, no reason to doubt that that would be carried out?—No.

2576. Was it carried out?—No.

Reasons why specifications as to solid rock bases not carried out.

2577. Why not?—Because I found that we could not get rock enough for those solid rock bases within reasonable distance of the water, and I wrote to Mr. Rowan asking him whether rock-borrowing would be allowed to make up the deficiency. He answered that no rock-borrowing would be allowed, but that the contractor must haul over intervening spaces from the cuttings until he had a sufficient number of cuttings taken out to make that special rock base. The contractor then objected to that—I think very fairly. He said that if he was compelled to do that it would take him an immense length of time as he could not put more than one or two gangs to work to get out this immense quantity, and he would either have to haul rock over a cutting which was in progress or wait until each cutting was out to haul to it.

Witness proposed protection walls over whole line to Mr. Rowan who approved by letter, October, 1877.

2578. It was too difficult for him to do that?—Yes; then I wrote to Mr. Rowan and explained this barrier, and proposed that protection walls should be put in, in place of the rock base.

2579. Over the whole line?—Yes, over the whole line; and he approved of that.

2580. How did he approve of that?—By letter.

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2581. About what time?—That would be in October, 1877. He said that Mr. Smith would be coming up shortly, and would arrange the whole thing.

2582. When you say he approved of it, do you mean that he authorized it?—No; he did not at that time. But he approved of it in this way, he said: "You can go on forming the rock protection walls for the present, until the thing is finally settled, because those protection walls will be, in any case, a part of the rock base."

In November, 1877, Rowan directed witness to go on with the rock protection walls at all events.

2583. When did he say that you might go on with the rock protection walls at all events?—I think it was in November, 1877.

2584. I thought you had said during this evidence that Mr. Rowan told you that the adoption of the rock protection walls conceded absolutely the earth embankment?—That was afterwards,

2585. Then at first he did not agree to that, that it committed the Government to solid earth embankment?—What I spoke about before as to its conceding earth embankment was after Mr. Smith came through.

2586. But at this time he did not concede that the contractor might put in earth embankment?—No; he did not.

2587. When he approved of the rock protection walls in November, 1877, did he authorize you to get them done instead of the rock base?—He said that there would be two outside portions of the solid rock base, and if they were not approved of we could afterwards fill in the centre.

2588. Then it was after the middle of November, 1877, that Mr. Rowan approved of, or authorized, the earth embankment?—Yes; it was Mr. Rowan himself that authorized it.

2589. When?—He wrote to me authorizing it.

2590. When?—It was about the fall of 1877. I think Mr. Smith went away in the end of October, 1877, and it was immediately after he left that Mr. Rowan wrote to me saying that Mr. Smith had authorized it. But it was previous to that that Mr. Rowan wrote to me saying that I might make the protection walls for the present.

2591. When was that?—It might have been in August that he wrote me telling me to go on with the protection walls for the present, as they were only a portion of the solid rock bank.

In August, Rowan had written to go on with the protection walls for the present.

2592. Was that for a particular locality, or all over the line?—The only case in point then was at Monk Bay, station 40.

2593. Do you mean that Mr. Rowan's letter authorizing the rock protection walls referred to only one locality?—I would prefer to look at my notes before speaking positively of those things while under oath. (After looking at the book): On the 3rd of November he wrote me, stating that Mr. Smith had authorized the contractor to put in the double protection walls.

2594. Is this the letter you allude to which is published at page 109 of the Blue Book, "First Report of the Select Committee of the Standing Committee of Public Accounts, 1879?"—Yes; and it was about the end of August that he wrote the other letter. That letter is not

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published. It was after I suggested the rock embankments that he wrote me.

2595. That was for one locality?—Yes; that was for Monk Bay.

2596. You think that was in August?—Yes.

2597. Have you that letter in your control now?—I have.

2598. Is it here?—It is in town among my papers.

2598½. Would you be able to produce it to-morrow?—Yes.

2599. Was there any letter previous to that from Mr. Rowan authorizing the change?—I cannot remember.

2600. Those letters are in your custody now?—Yes.

2601. And you think you have an earlier letter than any that has been produced before any Committee?—I think so. Not authorizing it except in that conditional way, that it would be better to commence with those side walls, and we could afterwards fill in the middle and make full rock bases.

Practice of witness to put on his own grades and have them afterwards re-adjusted by the Engineer-in-Chief.

2602. That was not authorizing a change, but authorizing a step preparatory to the change, if it should be afterwards authorized. Now, going back to the grades of section 15, what is the usual practice upon that subject? Is the engineer of construction the one who rules in the grades, or the superior officer who has not been over the ground?—On the Intercolonial Railway and the Pacific Railway, as far as I have done work I have put on my own grades, as engineer in charge of the party, to guide myself in the location, and those grades were afterwards re-adjusted by the Engineer-in-Chief.

Final re-adjustment after cross-sectioning.

2603. Who had not been over the works?—Who had not been over the works. They were finally re-adjusted after the cross-sectioning was done.

2604. Your own views would not be carried out in reference to the change of grades?—No; unless I was consulted.

2605. Would you not be better informed on the subject of the effect of change of grade than anyone else who was not on the ground?—Yes; unless they had the cross-sections I would be better informed. I had the material written on the cross-sections.

Second change: instructed to get all the earth he could on line instead of using trestle work.

2606. Besides this change in the base for trestle work, was there any instructions given to you about getting all the earth you could upon the line instead of using trestle work?—Yes.

2607. When was that instruction given you?—Those were verbal instructions given in 1877, I think in the summer of 1877, that wherever borrow-pits were found available without extra haul, the contractor might be allowed to form banks from them.

2608. Do you remember where you were when you got those verbal instructions?—Yes; about station 250.

2609. Was any one along with you when he gave you those instructions?—Mr. Fellowes, my assistant; and Mr. Ruttan and Mr. Charles Whitehead, I think, were there.

2610. Was that considered by you at the time a change from the original intention of the contract?—It was certainly a change from the intention at the time that the quantities were taken out, as I

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understood them. For although the quantities consisted of earth in excavation from cuttings and borrow-pits, we had no data to go upon as to the quantity in borrow-pits, and therefore I made no calculation of that amount. The idea was, when that 20,000 yards was calculated, to strip the rock and take out the gullet afterwards.

2611. Have you within your control now the particulars of that survey of the southern line which you made as against this adopted line?—I have not. I have a portion of it—the profile.

2612. Have you sufficient data to give full particulars?—I have the calculations of quantities in the cuttings as I made them out at the time.

2613. Had you at any time fuller information?—I had.

2614. In what shape was it?—It was in the shape of a bill of works for the whole forty miles.

2615. Had you a profile and plans?—I had the location plan and location profile.

2616. Have you those now?—No; I have not.

2617. Where are they?—They are deposited in the head office at Ottawa.

2618. Why were they deposited in the head office at Ottawa?—All plans and profiles of the road are deposited there. All the plans of all the surveys, trial surveys and everything, were deposited there.

2619. Have you looked at them since they were deposited?—Yes.

2620. Are they to be had now?—I saw the profile in May, 1879.

2621. There have been some changes in the location of section 15, as well as changes in the grades; were they made by you?—They were made under instructions—after receiving instructions from Mr. Rowan or Mr. Smith.

Materials for a comparison of quantities in the adopted line and the southern line not at witness's command, they being deposited in head office, Ottawa.

The changes in location were made according to instructions from Rowan or Smith.

2622. Would they give instructions without information from yourself, or would they be based on your own views?—They were based on suggestions of my own.

These instructions based on suggestions from witness.

2623. What was the object of those changes?—Improvement of the line and improvement in the cost.

2624. Had those changes the effect of decreasing the cost?—They had. They increased the quantities in the excavation of the cuttings, but they decreased the fills, and in some places improved the alignment, and in other places we injured the alignment. The first survey was made through the wild bush without cross-sections at all, and I always expected that when the clearing was done, and the cross-sections made, I would be allowed to vary the line a little backwards and forwards so as to balance and get reduced quantities and cheapen the work as much as possible. When I took charge of the contract I re-located the line as closely as I could, and made a good number of alterations to decrease the work without increasing the cuttings. I was ordered not to make any change and not to touch a stake.

The changes decreased cost.

When witness made alterations in order to decrease the work he was ordered by Rowan not to touch a stake.

2625. By whom were you ordered not to make the change?—The instructions came from Mr. Rowan.

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struction—  
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2626. Written instructions?—No; verbal instructions over the line. Then, after great pressure I got permission to make one or two alterations.

2627. Did Mr. Rowan pass over the line frequently to inspect it?—Not very.

**Rowan's Inspec-  
tion of line :  
Particulars of.**

2628. About how often while you were in charge of construction?—First in 1876, he came out once or twice and canoed along the canoe route over half of it that summer. Then he came out again in the fall and stayed at my camp for some days at Keewatin waiting for Mr. Smith. Mr. Smith did not come while he was there. He was behind time and the weather was very broken and bad, and Mr. Rowan and I both started in for town. Mr. Smith arrived after we left and walked over a short distance of the line, and then came on to Winnipeg.

2629. Then, after the contract was let?—After the contract was let Mr. Rowan came out twice or three times, in 1877—once in the winter time. I cannot remember the dates, but I have them all noted in my diary. He was out from two to three times a year.

2630. That is as often, I suppose, as division engineers ought to go over the line to get correct information on the subject?—Yes; if they go regularly over it. If the line had been walked it would have been sufficient for the first year in my estimation—he would have learned something about the line; but there was no walking over it until the summer of 1877, when I asked him to come out and fix the structures, and state what structures were to be put in at different points. He then walked for the first time one half of the line, that is from Spruce Lake down to Keewatin.

2631. Do you mean that at different times he has been over the line sufficiently to get the information that your superior officer ought to get?—Not before that.

2632. That time and since?—He did not walk over the remainder of it until 1878, a few days before Mr. Smith walked over it in September, 1878.

2633. Did you apply to him to come at other times before he came?—I did, repeatedly.

**Rowan did not go  
sufficiently often  
over the line, and  
business of road  
suffered in conse-  
quence.**

2634. Do you mean that he should have come earlier and oftener than he did?—I wished him to come oftener so as to assist me and see things for himself. In my opinion I thought it was necessary, and would have been of advantage to the work if he had done so.

2635. Did he give you any reasons for not coming?—He said he was very busy generally, and was delayed by other work.

2636. Has the business of the road in any way suffered by his delay or omission, as far as your opinion goes?—I think so; I think if he had seen it for himself and urged the thing more strongly than has been done, he might have got more definite instructions sooner. He did do a good deal. He did write, you can see by his letters, to Ottawa on different occasions, forwarding my suggestions and his own about matters, but no attention was paid to them.

**The Department  
perhaps in part  
responsible for  
this.**

2637. Do you mean, then, the fault was not with him, but with some one at Ottawa?—Possibly; I should say so from the letters I have seen.

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I did not get the information I asked for, and it appears that he had asked for it at Ottawa.

2638 What sort of information?—There was one instance in which I proposed that cheap masonry culverts, permanent structures, should be put in instead of those very expensive trestle culverts. I see by his letter that he proposed that at Ottawa, but no notice was taken of it. It is now being done by Mr. Schreiber. He is hauling out these trestle culverts at great expense and putting in the very structures that I proposed in the fall of 1877—putting them in even after the culverts are built, and taking out the timber.

Rowan proposed cheap masonry culverts (afterwards adopted by Schreiber) but no notice was taken of his proposal.

2639. Do you mean that it would have been better to have done it long ago, when you first suggested it?—Yes; and there would be no trouble about it now.

2640. Who do you blame for its not being done?—Some person in Ottawa. I suggested it to Mr. Rowan, who writes to say that he fully approves of it, and that he would make the suggestion of it at Ottawa. I see he did make the suggestion at Ottawa, and nothing was done. Whose fault, it is is not for me to say.

2641. How long did you remain in charge of section 15?—Four years in charge of construction.

Witness four years in charge of construction.

2642. When did your connection with it end?—Last June.

2643. Was the work still in the contractors' hands at that time?—I could not say. Mr. Haney was sent out to take charge as superintendent of the work.

Haney sent as superintendent who took charge without notice.

2644. Is he an engineer?—I do not know whether he is or not; he has a good knowledge of engineering as far as I have seen.

2645. Do you mean that he supplanted you?—He took everything in his own hands.

2646. Had you any letter of instructions at the time?—No; he never consulted me at the time. He went ahead and did everything without consulting me. I had no letter of instructions, but I wrote to Mr. Rowan asking who Mr. Haney was, what position he had, and under what authority he acted. He did not answer my letter, but he told me verbally afterwards that he had no instructions about him at all.

2647. Had you no instructions as to whether you were to continue in the employ of the Government at the time?—None at all; Mr. Haney walked into my office and asked to see the profiles. I showed them to him, and he then volunteered the information that he had been placed in full charge, and supposed that I did not know it, but would hear of it in a short time. He never consulted me in anything, but worked just as he liked.

2648. Did you cease to interfere after that conversation with him?—Yes; I ceased to interfere. Then I went and saw Mr. Schreiber. I went out to Spruce Lake and I telegraphed that I could drive up and see him. I drove up, and then asked him who Mr. Haney was. He said that he was superintendent in full charge. I asked him if he had anything to do with the engineering. He said: "No, he had not." Still Mr. Haney was making alterations and telegraphing to Ottawa that he had made alterations in alignment, and given instructions generally.

2649. Do you mean doing work that you would have done if you had been engineer in charge?—Yes.

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2650. Who prevented you from doing it?—I had no instructions to make those changes. Some of them have been made since that I never had instructions to do.

2651. Did Mr. Schreiber inform you that the work had been taken over by the Government from the contractors?—He did not inform me officially at all. There was no information given to me officially.

2652. Do you know when the change did take place?—I do not. I know that Mr. Haney came on some time in February, but I am not certain about the time. Mr. Schreiber came out in February, but when Mr. Haney came out I would not be certain as to date.

WINNIPEG, Saturday, 11th September, 1880.

HENRY CARRE'S examination continued :

*By the Chairman.*—

Rowan's letter permitting earth-borrowing.

2653. Have you found the letter of June, 1877, which you spoke of yesterday, from Mr. Rowan?—Yes; I have a letter of his in which he refers to the understanding that earth-borrowing would be permitted as far as possible. I forgot, at the time I was examined before the Senate Committee, that I had such a letter. It had escaped my memory, but I have found it now, and produce it. (Exhibit No. 86.) I also found another letter with reference to Mr. Ruttan's demand for plans and profiles, and that sort of thing. He says: "I may say with reference to Mr. Ruttan's demand for certain things that it is not part of your duty to furnish him with any of the things asked for. These should be furnished from my office, but I regret to be obliged to say that it is not in my power to do so, in consequence of the fact that you have not as yet furnished us with either a complete plan, profile, or anything else in connection with the division of the railway under your charge, as it is your duty to do." In answer to that I told him that I never had been provided with the stationery to make the plans; that the line was not finally established, having proposed certain changes which had not been made, and that I had not then received the final grades. Neither the grades nor the line had been established, and no stationery had been provided. I put this in to prove that he considered it was not in my province to hand over the things asked for, or to make them. I produce the letter dated the 30th of June, 1877. (Exhibit No. 87.) I was also accused before the Minister of not having my work in proper shape in the time taken to do it. I produce a letter of August, 1878, as evidence, that they ordered me to cut down my staff so low that it was impossible for me to do it. (Exhibit No. 88.)

Letter referring to Ruttan's demand for certain things.

Accused of not having work in proper shape.

Left in uncertainty as to grade.

2654. Was it so reduced?—No; after bringing Mr. Rowan over the work, and showing him the absurdity of my being asked to cross-section through the bush with only one axe man to each party, he then allowed me to keep on a sufficient number. To prove that the alterations in the grades were under consideration in July, 1878, I produce a letter dated 31st July, 1878, which says: "I have received a letter to-day from Mr. Marcus Smith informing me that he will be at the Rat Portage about the middle of August. He says that the grades, &c., on the section are to be overhauled and the quantities revised, so as to give an approximate estimate of the final cost." That proves the



state of uncertainty in which I was kept as to the grades, even in 1878. (Exhibit No. 89.) I now produce a copy of a report which I made to Mr. Rowan direct, dated 9th of November, 1874, showing that I did not leave my superior officers in ignorance of the work that was done, and how it was being done, and the character of the country through which I passed. (Exhibit No. 90.)

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Did not leave his superior officers in ignorance of progress of work.

2655. Did you ever make an estimate of the amount of rock required to be excavated on this section, so as to make the rock bases according to the original plan?—A full rock basis?

2656. Yes?—I did.

2657. What did the full rock basis call for?—It called for 183,387 yards of solid rock in excavation.

Original plan required 183,387 yards of solid rock excavation.

2658. Was that over the water stretches only?—That was over water stretches at ten points.

2659. Did not that include all the water stretches?—Yes; that included all the water stretches.

2660. Did you ever make an estimate of the quantity required to be excavated to make full protection walls at the same place?—I did at the same time.

2661. What did the rock protection walls call for in excavation?—83,700 cubic yards.

Rock protection walls required 83,700 cubic yards excavation.

2662. What would be the difference in the quantities?—99,687 cubic yards.

Difference: 99,687 cubic yards.

2663. Would the adoption of the rock protection walls, instead of solid bases, save absolutely the expense of that quantity of rock, or would it only release it for use at some other place?—It would release it for use at other places, unless an equivalent were borrowed. If it were not taken out of the rock cuttings then it would have to be borrowed.

2664. There was a great deal more than 180,000 yards of solid rock taken out at all events?—Yes.

More than 180,000 yards of solid rock taken out.

2665. Then the decision not to use it in the rock bases would not save the expense of that much rock cutting, as it had to come out at all events somewhere?—Yes.

2666. You would only use it in another place instead of at the bases?—In forming the bases we must use that rock, and if we did not take it out of the cuttings the excess required must be borrowed.

2667. I am speaking now of adopting rock protection walls; would the work cost \$275,000 less because you did not put it in the solid bases?—No; because earth would have to be borrowed.

2668. Then it would only release it for somewhere else?—Yes.

2669. The rock had to come out, and had to be paid for?—Yes.

The rock had to come out and be paid for at all events.

2670. So that the decision not to put it in that particular spot did not save the cost of it?—No.

2671. There was more than that amount of rock taken out, at all events? No matter where it had to be put it had to come out of the work?—Certainly.

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struction—  
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2672. Then it was a mere question whether it should be put in here or somewhere else?—Yes.

2673. The decision of not putting it into the rock bases did not save the expense of the rock?—It may have saved extra haul by using it in the intervening voids. Extra haul at present is allowed in all excavation in cuttings, but not in borrow-pits. Any material taken out of cuttings and hauled over 1,200 feet is paid extra haul for, but for excavation out of borrow-pits, according to a new arrangement, no extra haul is charged.

2674. Is there no extra haul for rock?—Yes.

**Rate for extra  
haul of rock.**

2675. Do you remember what that rate was?—A cent a yard for every hundred feet over 1,200 feet up to 2,500 feet. For a greater distance than 2,500 feet it was paid at the rate of 13 cts. a yard.

2676. Have you made up any estimate of the rock that would have been available at these points, for either the bases or the protection walls, without extra haul?—I could not separate it. I made an estimate of the extreme distance on either side of each water stretch from which it would be necessary to haul rock, so as to obtain a sufficient quantity to form the solid rock bases. That was in accordance with instructions received from Mr. Rowan ordering me to force the contractor to take out no cuttings on either side of the water stretch until sufficient rock had been obtained to form that full rock base.

2677. You mean to prevent his putting it anywhere else?—Yes.

2678. You do not mean to prevent him from taking it out, but to prevent him from applying it anywhere else?—Yes; forcing him to haul it round or over intermediate cuts, or through intermediate cuts.

2679. Have you prepared a statement showing between what stations in the neighbourhood of each fill over a water stretch it would be required to take the rock to supply what was required for that particular stretch?—I have.

2680. Have you distinguished in that statement between the rock that would be required for protection walls and the rock that would be required for a solid base?—I have.

2681. And have you distinguished the distances?—I have. I have given the stations in each case between which sufficient rock, as estimated at the time, would be obtained. I produce the statement (Exhibit No. 91. See note, page 175.)

2682. At what date was that proposed?—It was just before I went down to Ottawa, last May twelve months.

2683. Yes; but it was made in reference to the original quantities in the bill of works?—Yes; I was asked for that statement some time early in 1879.

**Statement  
applies to present  
grades.**

2684. Was that statement made up so as to apply to the original grades at the time of the contract, or the grades as altered some-

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NOTE—Statement showing quantity of solid rock required to form full rock bases for earth banks across water stretches, and the quantity in protection walls as built, and haul in each case.

Comparative statement of quantities of solid rock for rock bases and protection walls across water stretches. Exhibit No. 91.

Stations.	Rock Base. Cubic yards.	Protection Walls Cubic yards.	Stations between which the required rock will be found.
83 83	8 500 .....	..... 512	From 60 to 65-35 " 86 " 88
135 135	8 600 .....	..... 2 800	From 65-35 to 141-20 " 140 " 151
183 183	21 500 .....	..... 11 400	From 141-20 to 203-60 " 172 " 205
226 226	33 100 .....	..... 22 600	From 203-60 to 284-27 " 209 " 242
293 293	11 200 .....	..... 4 000	From 284-27 to 309-20
405 405	28 006 .....	..... 11 098	From 341 50 to 474-15 " 388 " 430
795 795	25 508 .....	..... 9 976	From 720 to 884 " 783 " 789-50
1109 1109	17 200 .....	..... 5 900	From 1060 to 1113 " 1083 " 1113
1362 1362	6 273 .....	..... 1 414	From 1333 to 1337 " 1335 " 1337
1905 1905	43 500 .....	..... 14 000	From 1736-50 to 1997 " 1857 " 1897
Total solid bases.....	183 387	83 700	
Protection walls.....	83 700		
Excess of solid base	99 687		

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where about two feet lower?—It was in accordance with the present grades.

2685. So that the width of the bases would be narrower for the present grade than according to the contemplated grade of the letting of the contract?—It would.

2686. These are the lesser quantities then?—Yes.

**Railway Location—  
Contract No. 14.**

Ran preliminary line.

2687. Going back to the time of your being employed in locating the line on 14, do you say that you located it as far west as Red River?—No; I never located it. I ran the preliminary line.

Brunel located as far as Brokenhead, 1874-75. Forrest made remainder of location.

2688. Who made the location?—It was made by different parties. Mr. Brunel located as far as Brokenhead, in the winter of 1874-75. I think he ran in the curves then. Then Mr. Forrest ran the location of the remainder of it, I think.

2689. You did not locate any part of 14?—No; I did not.

2690. What did you do towards ascertaining the line to be used?—I made a preliminary survey, and I plotted the plan, and laid down what I proposed as a location, and on that proposed line I made an approximate profile.

2691. Were you employed on that work all the way west to Red River, on 14?—I was employed on the preliminary survey.

His preliminary survey did not go farther west than eastern boundary of Province of Manitoba.

2692. Did you do it all the way to Red River?—I did not; I only came to the eastern boundary of the Province.

2693. Did you expect to go further west than that?—I did.

Brunel instructed to make a crossing on the Red River and to run to easterly boundary of Province.

2694. Why did you not go further west?—Because I received instructions from Mr. Rowan—or a letter from Mr. Rowan—stating that I was not getting on fast enough, and Mr. Fleming was most anxious to have the work done immediately, and that therefore he had instructed Mr. Brunel to make a crossing of the Red River and run easterly to the easterly boundary of the Province to meet me there. I can produce that letter.

2695. Had the employment of Mr. Brunel for that work the effect of finishing the preliminary survey sooner than you would have done it?—Yes; it had.

Brunel's employment expedited work by about a fortnight.

2696. How much sooner?—About a fortnight. I should say I could have run it in a fortnight.

**Shoal Lake to Selkirk.**

Instructed to go to Shoal Lake to run easterly fifty miles.

2697. What became of your party the time Mr. Brunel came in between you and the river?—As soon as I had made the connection with Mr. Brunel's work I received instructions to move camp and go westerly to Shoal Lake, north of the Province of Manitoba, and run easterly fifty miles back, to join the western end of Mr. Brunel's survey.

Took soundings of crossing near Selkirk.

2698. Was that the time you took the soundings of the crossing near Selkirk?—That was the same time. I was engaged at the soundings while my transit man, Mr. Forrest, was engaged at that line. It was merely the production of a long tangent—running a straight line through for fifty miles.

2699. As to the soundings, did you find any place that you thought would be a proper site for a crossing?—I did.

Railway Location—  
Crossing Med  
River.

2700. Where was that?—Near Mr. Bunn's residence on the east bank of the river, about half a mile south of Sugar Point.

2701. Is that where the crossing is now supposed to be, or has there been any place fixed for the crossing as yet?—I am not certain. There was a place fixed, but whether it has been changed since or not I do not know.

2702. Is this place that you found suitable for a crossing?—I was told there was another survey ordered by Mr. Schreiber within a few hundred feet of the same point. Whether that crossing will be adopted or not I do not know.

Another survey  
ordered by  
Schreiber.

2703. Have you understood at any time that a crossing place had been adopted by the Department?—No; I have not. Nothing more than the plan showed it.

2704. What plan?—The general plan with Mr. Fleming's report.

2705. Where did it show it to be?—About a mile or a mile and a-half north of Sugar Point.

2706. Has it got any name?—The town of Selkirk is on the west side of the river, and the line passes through it. I think there has been an alteration since I made the soundings.

2707. Did you take the soundings at Selkirk?—I did at the then proposed crossing—Mr. Brunel's proposed crossing. Since then it has been changed, I am informed.

2708. Which was the most desirable place for the crossing, in your estimation?—The one at Bunn's.

The most desirable crossing  
near Bunn's.

2709. How far south is that of the one you speak of as Mr. Brunel's crossing?—About a mile and a-half, I should say.

2710. Did you find a good foundation for any structures across the river at Bunn's?—I did. I had regular boring tools and had long poles cut, and the tools dropped through holes in the ice, and tapped along on the bottom. It struck solid rock every stroke, or what was taken for solid rock, and what I believe to be solid rock.

Rock foundations  
for bridge  
supports found  
there.

2711. Is there a good a foundation at the Brunel crossing?—There was a more expensive one.

2712. Is there as good a foundation?—No; I found no solid rock there at all. I passed through clay and loose gravel. It would be more expensive, but still it could be made a good foundation.

At Brunel cross-  
ing, foundation  
clay and loose  
sand.

2713. Going back to section 14, you say that you made an approximate profile for the location of the line?—I did.

Contract No. 14.

2714. Did you make that for the whole of section 14?—I think so; as far as I had run. Mr. Brunel had made his profile of the other part.

2715. Would the bill of works offered to persons who were tendering be made up from the quantities as ascertained by that profile?—I believe it was.

2716. The quantities could not be made up, as I understand, from your profile, but they could be made up from yours and Mr. Brunel's together?—Yes.

Quantities could  
have been made  
up from the  
profiles of witness  
and Brunel.

**Railway Loca-  
tion—  
Contract No. 11.**

2717. Your profile extended only as far west as the boundary of the Province?—Yes, as the eastern boundary. The present line is not at all in the same position in which I laid it down, and on which I made my approximate profile. Deviations have been made in a great number of places.

2718. Do you mean since the contract was let?—Yes.

2719. That would not affect the bill of works attached to the tenders?—It would affect the executed quantities.

**Bill of works  
actually made up  
on profiles of  
Carre and Brunel.**

2720. I was trying to find out who was responsible for the bill of works offered to people tendering?—They were made up, I believe, on that. I did not make them up, but that was the only information that was in the Department at the time.

2721. As far as you know, the bill of works for the whole of section 14 was made up from the quantities shown by your profile to the eastern boundary of the Province, and Mr. Brunel's profile from the eastern boundary to Red River?—Yes.

**Quantities  
executed might  
vary from quan-  
tities made up  
from profile of  
witness in conse-  
quence of changes  
in location of line.**

2722. But you did not make them up?—No; but I wish it to be understood that the line now is not in the position it was when I located it. If my profile is called in question the quantities executed may vary from the quantities made from my profile, by changes in the location, and not from inaccuracy of the profiles.

2723. Do you know who made up those quantities on section 14?—I cannot remember.

2724. Where were they made up?—I think they were made in Ottawa in the winter of 1874-75.

2 25. You were going to Ontario: in what part of Ontario will you probably be if we should want you as a witness a month or so later?—My address will be Carleton Place, near Ottawa.

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

2726. Did you find at any time after the contract was taken by Mr. Whitehead that any of the persons acting for him, or employed by him, were objectionable to the Government engineers—either to yourself or to any others?—No; I cannot say they were objectionable. There was, of course, difference of opinion and sometimes hard feelings, but we might have got on satisfactorily.

**Witness suggest-  
ed to contractor  
the removal of  
Charles White-  
head and Ruttan.**

2727. Was any suggestion made to the contractor at any time that he ought to get rid of any of the persons acting for him?—Yes.

2728. Was that suggestion made without their being objectionable?—You said "to the engineers."

2729. Or any one?—That was a mere matter of opinion so far as anything I know.

2730. Was there such a suggestion made?—There was.

2731. To whom did it apply?—To one Charles Whitehead, and Mr. Ruttan.

2732. Who made the suggestion to Mr. Whitehead, the contractor?—I made it myself, for one.

2733. Did you do it entirely on your own responsibility?—Yes.

Railway Con-  
struction—  
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2734. You were not instructed to do so by Mr. Rowan or any superior officer?—No; I was not. I believe Mr. Rowan and other parties expressed the same opinion.

2735. To you?—I think I have heard him say so.

2736. What was the idea of suggesting that the contractor should get rid of these persons?—It was because of the little disturbances and disagreements between us; and I considered that the work was not going on as it should. I would prefer not to be asked to give any reasons; I might have been wrong; it was only my private opinion; I would prefer that it should not be gone into. There may have been hard feelings at the time; but I am glad to say that it has died off since.

Reasons for  
suggestion.

2737. Then, as I understand, there was no such serious objection to the conduct of any of these parties as would make it necessary for the efficiency of the work that they should be dismissed or parted with?—There were differences of opinion; and some of my orders were countermanded by my superior officers without my knowledge, and the work was carried on without my being notified that my orders had been countermanded.

2738. What I am asking now is, whether the retention of those parties to whom you objected has affected the efficiency of the work in any way?—It was my opinion at the time.

2739. I am asking whether the retaining of them had a bad effect on the work?—That is my opinion.

2740. That the work is not as well done as it would be if they had been dismissed?—In some instances.

2741. In what instance?—The cuttings were not cleaned up as they went along: the rock was left loose in the cuttings. I ordered it to be taken down and the cuttings finished according to the specifications. The specification states that the cuttings shall be left in a workmanlike manner; and to permit of making the final return of any cutting the slopes had to be dressed up and left so that there will be no danger from falling portions of the rock. Great portions have fallen down since then and have had to be removed; and in case of the contractor throwing up the contract, or its being taken out of his hands, I thought it was proper, in accordance with the specification, that the cuttings should be cleaned up and left completed, otherwise we could not arrive at the actual cost of the completion. Bottoms were left in certain cuttings which have not been taken up yet. Some of them are being taken up now at great expense; others of them are left in, and it is almost impossible to get men to go in and take them up.

Bottoms left in  
cuttings.

2742. Why, is there any danger in taking them up now?—Yes.

2743. What does that arise from?—From the leakage of glycerine in the cracks. There were three men blown up in one instance, in drilling a hole to make the water course.

Taking out  
bottoms so left in  
cuttings danger-  
ous.

2744. That is while taking out the bottoms of unfinished cuttings?—Yes; that was a difference of opinion between myself and Mr. Rutlan. They thought it was not necessary that this work should be done, and informed me that it was their intention to do it afterwards when the engine was passing. I objected to that on the ground that the rails might be injured.

**Railway Construction—  
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Contractors thought witness was not giving them sufficient quantities in loose rock.

Instructed his assistants to retain a sufficient quantity from estimated totals to cover expense of finishing up work.

Discretionary with engineers whether they shall return real or smaller quantities.

Contractors bound to take out excavations to slopes, but they shot portions of rock beyond prism.

2745. By the explosion?—By any blasting that was necessary in the bottoms, or by throwing down any heavy rocks or boulders from the sides. That was one cause of trouble between us. Another cause was the loose rock estimates. They thought that I was not giving them sufficient quantities.

2746. Speaking about the pressure or objection to these gentlemen who were employed or acting for Mr. Whitehead, was it suggested by any person—yourself, or any of the engineers—that it would be advisable to make the estimates closer than was absolutely correct in order to induce the dismissal of those parties—in fact to shorten their allowance of money?—No, there was nothing of the kind either of myself or of my superior officers; but I would state that, owing to the unsatisfactory condition in which some of the rock was left by the contractor, I instructed my assistants to retain a sufficient quantity from the estimated totals to cover the expenses of finishing up the work—that is, of taking up those bottoms and finishing the slopes. I had to do so in case a new contractor came on the work, as in that event he would estimate that work at a high figure, because it was most expensive work. It is being done now, and is costing an immense sum of money.

2747. Do I understand then at times you would certify that a smaller quantity of rock excavation had been executed than had actually been done?—Yes.

2748. And you would do that so that the deficiency would help the Government to reimburse themselves if they had to do the rest of it at a higher price?—Yes; it is the usual way with engineers.

2749. Then when they certify quantities they are allowed to exercise a discretion as to whether they will put in the real quantities executed or a smaller amount?—Yes.

2750. And at times you did certify to a smaller amount?—Yes, I did; and there were times when there were errors made by myself and by my assistants. One month a certain item would not be returned, but it would be placed in the next month's estimate.

2751. That would be unintentional?—Yes.

2752. But this action you have spoken of would be intentional?—Yes; and was done under instructions.

2753. Was it done under written instructions?—No; verbal instructions. It was a perfect understanding between Mr. Rowan and myself. I wish further to say that under the specification the contractor is bound to take out exactly to slopes; that the specification states that no excavation shall be paid for outside those slopes, unless under a written order from the engineer.

2754. Which engineer?—The engineer in charge of the works; the specifications of the engineer-in-chief. They, in taking out their cuttings and using high explosives, shot portions of rock beyond the prism. Those portions of rock, in my estimation, were left in a dangerous state, so that they were liable to fall down at any time. They claimed solid rock prices for the removal of those pieces. I refused, under the specification, to return them, because the specification said that they would be paid nothing for them without a written order. These portions of rock were shot out by their own action, by the large charges of explosives which were used. In many cases the holes were



bored outside of the prism to throw out the rock. I refused to return it in accordance with the specification, as I understood it. The specification says that everything shall be left in a workmanlike manner, and I understand that to mean that the cuts shall be left safe and secure so that there can be no slides or slips. There is another clause in the specification which says that after the slopes are properly formed should a slide occur in the rock then that slide shall be measured and estimated at loose rock prices. Under these clauses I did not consider it my duty to make any return for them.

**Railway Construction—  
Contract No 15.**  
Refused to return such pieces of rock for solid rock prices, &c.

2755. Was it not used in making up the rock bases?—Yes.

2756. And there was nothing paid for it?—There was nothing paid for it. The specification said clearly that nothing should be paid for it unless it was a slide.

2757. Then these portions of the rock outside of the prism, for which you refused to certify, came off, or were excavated, by the negligence or default of the contractors?—I could not say that it was negligence. In some cases it was from errors of their own men in driving the hole and blasting outside of the slopes.

2758. Was there any portion of this rock outside of the prism, which you refused to certify, that was excavated without any fault of the contractors—in other words: that they could not perform the contract without excavating?—Certainly, there was.

Some portions of rock outside prism excavated without any fault of contractors, for which he refused to certify, but for a portion of which he ultimately certified.

2759. But still you declined to certify for it?—Yes. Since then I have made a return for a portion of it.

2760. Would there have been less excavation outside of the prism if smaller charges and more shallow borings had been used than were adopted?—I consider so.

2761. Do you mean that by using larger charges and deeper borings than were necessary they took out more rock than was necessary?—I do not say deeper than was necessary, but by using high explosives and deep holes there was more rock shot off the sides than there would be in a tunnel. In a tunnel they only take off about a foot.

Contractors shot off too much rock by the use of high explosives.

2762. Could they have, by exercising great care, saved the excavation of some of this rock outside of the prism, which you refused to certify to?—They could, I believe; but it would have cost them a great deal more to do it. I think it would have cost them more not to have excavated outside of the slopes than it will cost them to do it as they have done and lose the price. Since then it has been decided that they are to get earth prices to cover all that when the contract is finally settled. That is a case that did not come under my jurisdiction. The specification says distinctly that they shall not be paid for it, and I had no power to go beyond it.

Decided since to pay earth prices for this scattered rock.

2763. When you speak of "earth prices," that was Mr. Fleming's first instruction?—Yes.

2764. At the beginning you allowed only earth?—No; I did not allow anything.

2765. Then Mr. Marcus Smith was the first person who dealt with that subject, by allowing something?—Yes.

Marcus Smith first allowed loose rock prices.

2766. In what classification did he allow it?—The contractor claimed it as solid rock, and Mr. Smith said, on the ground, that he would allow

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struction—  
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But instructions came afterwards from Ottawa to pay only earth prices. On learning Smith's decision witness put in a lump sum of 10,000 yards at loose rock prices.

Fleming's order to transfer the 10,000 yards of loose rock to the earth column.

Gave contractors general instructions.

Asked to give written orders in certain cases but refused.

solid rock. Then he came into town, and on consultation with Mr. Rowan they reduced it to loose rock prices.

2767. And then afterwards?—Then after the matter was discussed in Ottawa in May, there were instructions to pay only earth prices for it. As soon as Mr. Smith decided that they were to receive loose rock prices I put in a lump sum of 10,000 yards at loose rock prices, to cover anything outside of slopes. I had no time, and had only a few days before the estimate, and I put in the lump sum, estimating it at about 5 per cent. of the total rock excavation.

2768. Was that as near a sum as you could arrive at?—Yes; I intended it to be approximately correct, and thought it would assist the contractor.

2769. Was any change made afterwards?—Yes; then I was ordered to transfer that 10,000 yards of loose rock to the earth column, and have it paid for at earth prices by Mr. Fleming's instructions.

2770. So that the final instructions from the Engineer-in-Chief were to allow for this material outside of the prism only at the value of other material that could have been used in the filling, that is, earth?—Yes; that, I understand, was to cover the expense of hauling and putting it in the bank.

2771. Was that decision adhered to until you left, to allow it only as earth?—Certainly.

2772. You mean that he has not been allowed anything more valuable than earth for this rock that fell from the cuttings?—No.

2773. And, as far as you know, the account between the contractor and the Government stands on that basis now?—Yes.

2774. Did you refuse to give written orders to trim the cuttings?—I gave them orders to trim all cuttings.

2775. Written orders?—I cannot remember that I gave it in writing. I remember giving them general orders to carry out their specifications and trim up their cuttings.

2776. Were you ever asked to give written orders as to these special cases?—Yes; I was asked to give written orders for half a yard in one place, a yard in another spot, a yard and a-half in another, and so on, and I considered it impossible to do it. Mr. Rowan told me to give written orders, but I could not describe it without taking bearings and measurements between stations; and I could not measure it, it was impossible. It was outside of the slopes, and under the contract I do not think it was necessary. I said to them: "If you do not take it away now for your own good, it will come down some time and give you more trouble, and you will be under the expense of taking it away."

2777. What was your reason for not giving written orders to have those projections removed?—Because under those written orders they could claim the full amount for anything cut outside of the slopes unless the piece was measured and specified, and exact distances given between the stations. It was impossible to do it.

2778. Did you decline to do it because it was impossible, or because you considered that it was in the interest of the Government that you should do so?—Yes; and I told Mr. Rowan that it was a thing that should not be paid for, under the contract, and I would not do it. He

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ordered me to do it, but I told him I would not do it. If I considered it was my duty I would have done it no matter how troublesome it might have been.

2779. Did you give Mr. Ruttan, or any one working for Mr. Whitehead, that as a reason for not doing it?—I said I could not give any written instructions to clean up every piece of rock, but I gave them general instructions; and I also ordered, where there was a natural cleavage of the rock which, from the action of frost or other causes, would cause a portion of the rock to fall into the cut, that it should be measured and returned, even where they would have to take it out to save their own men from danger.

2780. Did you do that in all cases?—In all cases, as far as I remember, where it was natural. I can show points on the ground where it was done.

2781. As a matter of principle can you say what rule you adopted as to the measurement of rock found in earth cuttings?—I do not think you can bring in a matter of principle in their case, because I do not think there ever was a specification similar to theirs.

2782. What was your principle?—My first principle was to estimate as closely as I could, the number of stones that I found, or I saw, in the cuttings, and estimate the quantity in cubic yards.

Principle on which witness measured rock found in earth cuttings.

2783. On what rule?—The specification said, over fourteen cubic feet and under forty was to be loose rock. A stone fourteen cubic feet is a little over three feet in diameter if it is perfectly round. That is a very large stone, and would require derricks to hoist it.

Definition of loose rock.

2784. You called that loose rock?—Yes.

2785. And over forty feet?—Over forty cubic feet was solid rock.

Definition of solid rock.

2786. And under fourteen cubic feet?—Was earth.

Definition of earth.

2787. So that any stone found in an earth cutting, under fourteen feet, would be called earth, and you so estimated it in the contractor's work?—Yes; as well as I could.

2788. Was there any change made in that mode of estimating?—Yes; I gave instructions that large stones of that kind should be left in the cuttings until they were measured. That was objected to by the contractor's engineer. He claimed that it would be very costly, and that it would be impossible for them to do it; that the cuttings would be choked up, and that I should guess the percentage. I received written instructions to do so.

2789. To estimate them as you went along?—Yes; to estimate them as we went along, and see how much percentage of loose rock there was in the cuttings. As I could only go over it once or twice a month I considered it a very inaccurate way of estimating. However, I received written instructions to estimate the percentage. I did that to the best of my ability, but Mr. Ruttan and I differed on that point in calculating the quantities—that is, as to whether there could be possibly 100 cubic yards of loose rock in 100 cubic yards of excavation when the crevices were filled up with earth or sand. We differed on that, and Mr. Ruttan claimed 40 per cent. over and above my estimate. Mr. Marcus Smith then came out on the line, and he ordered all small stones to be piled into waggon, and the number

Instructed to guess the percentage of loose rock as work went on.

Contractor's engineer claimed 40 per cent. over witness's estimate of percentage of loose rock in excavations.

Marcus Smith's directions and the unsatisfactory way they were carried out.

Railway Con-  
struction—  
Contract No. 15.

of stone-filled waggons to be kept count of, and the number of earth-filled waggons. Mr. Ruttan got a number of books ready, which he handed to his foreman, and they kept track of the loose rock. In coming over the line and seeing the men lifting these stones in their hands and loading them without a derrick into the car, I would ask the foreman: "How do you return that to the contractor?" "Oh, that is loose rock, sir." Each one of those stones was from six inches to a foot in diameter, instead of being three feet in diameter, so that I saw there was no dependence to be placed upon it. The work was all put into the hands of their own foremen who were rated according to the amount of work they did, and it was to their advantage to return as much loose rock as possible, because it was a higher price than earth and more difficult to handle, and showed a great deal of work done in their cuttings. I considered it no way to estimate it. I also instructed my assistants to obtain the number of car loads from the contractors as far as possible and let me know them so that I might see what they were doing. I believe that there were instructions issued to the foremen not to give us those quantities, so that I was then left to go on my own resources and still go on estimating percentages in accordance with Mr. Smith's new definition of loose rock.

Marcus Smith's  
new definition of  
loose rock.

2790. What was his definition?—It was that all small stones and boulders were considered loose rock, and that they were to be estimated in the pile that they would make in embankment, whereas the specification says that everything shall be measured in excavation.

Smith's instruc-  
tions.

2791. I am asking what Mr. Marcus Smith directed?—He directed that they should be put into those cars, and that the number of car loads should be ascertained. I went on ascertaining the percentage on that new definition as far as I could guess.

2792-3. Do I understand you that Mr. Smith's definition was that all stones of a certain size found in the earth embankment should be put together in a heap, and the cubic contents estimated as loose rock instead of earth?—Yes.

2794. Did you follow that practice?—I did as far as I could.

2795. Did you follow it by estimating the percentage, or by measuring those quantities?—By estimating the percentage. The contractor had refused to pile them.

2796. Could they not be measured in waggons, or loads, as well as in piles?—Yes; if I had gone to the expense of putting a Government man on to keep track of them.

Smith wished to  
have small stones  
and boulders  
estimated as  
loose rock in a  
heap on the  
ground.

2797. Do I understand you to say that Mr. Smith directed you to measure them in heaps or in quantities when they were put together?—Yes.

2798. How do you understand in what shape quantities they were to be put together. Was it in heaps on the ground, or in the waggon?—Heaps on the ground.

2799. What was his instruction?—That was his instruction; if there was to be so great a difference between my estimate and the contractor's estimate that we could not come to an agreement about it.

2800. Was that done?—No; it was not.

2801. Why was it not done?—The contractor preferred the other portion of the instructions—that is the keeping track of the car loads.

2802. Was that part of Mr. Smith's instructions?—Yes.

2803. Then his instructions were not to have them piled in heaps on the ground?—They were both his instructions; you will find them in his letter at page 113 of the Blue Book: "First Report of the Select Standing Committee on Public Accounts, 1879."

2804. This letter is directed to Mr. Rowan?—Yes.

2805. Was a copy ever sent to you?—Yes; a copy was sent to me.

2806. I understand those instructions to be to this effect: that if you and the contractor, or his engineer, differed so that no satisfactory arrangement could be made, then the only course was to separate the stones from the earth, leaving the stones in the cuttings, piled so as to be measured at convenient intervals of time?—Yes.

2807. You and the engineer, as I understand you, did differ, and there was no satisfactory arrangement arrived at?—No; there was not—at least I could not get from the contractor what his estimates were.

2808. Was there a satisfactory arrangement arrived at?—No.

2809. Then were the stones left in the cuttings to be piled?—No, they were not; the contractor refused to do it. He said he could not do it previously.

2810. So as to that matter you obeyed what you considered to be the substance of Mr. Smith's instructions?—I went as close to it as I could.

2811. Was there any change made in that respect?—There was a large increase in the amount of loose rock estimates. I was ordered to go back over my previous estimates and increase them. I did that with the contractors. I went over my previous estimates to the date of these instructions, and I made as satisfactory a return as I could with the contractor's engineer up to the end of September, 1878.

Large increase in the amount of loose rock estimates in consequence of Smith's instructions.

2812. Do I understand you that after the instructions of September 20th, 1878, you applied the same system to the previous work and increased the estimates as if these instructions had existed from the beginning?—I did.

2813. Do you know how much you increased the cost of the work, by that estimate, going back before September, 1878?—Between 4,000 and 5,000 yards, as well as I could remember.

2814. Was this practice adhered to as laid down in the instructions of September, 1878?—It was adhered to, as I told you, up to the end of May, 1879, when I received verbal instructions from Mr. Rowan to go back and reduce from the very beginning, and to only return the loose rock quantities exactly in accordance with the specification.

Practice based on Smith's instructions adhered to down to May, 1879, when Rowan ordered witness to make returns of loose rock from the beginning in accordance with the specifications.

2815. And that was what?—Stones only between fourteen and forty cubic feet. I was working backwards again, and reducing what I had increased. There were three different instructions, and I was instructed to work it all back again.

Instructed to revise work done under the different orders, and to reduce.

2816. Then the last estimate made between the contractor and the Government was on what basis, as to loose rock, because you say you had to rectify it?—I was instructed to do it and I partially rectified it.

**Railway Construction—  
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Took off 4,000 yards loose rock increased by Smith's instructions.

I took off the 4,000 yards that I knew had been increased by Mr. Smith's instructions.

2817. That was for the work done before September 20th?—Yes.

2818. Then between September 20th and these instructions of Mr. Fleming's?—I have not done anything since except to measure by the strict letter of the specification.

How the whole revision was carried out.

2819. Does the last estimate remain on the basis of the Smith instructions of September 20th—that is to say from that period to May, 1879?—As I say I partially rectified it. Up to the end of September, 1878, I returned according to Mr. Rowan's instructions; from the 20th of September to the end of May, 1879, I returned according to Mr. Smith's instructions, and from that date to the day I left, I returned according to Mr. Fleming's instructions. I also went back and reduced the previous estimates of quantities by the amount, or by nearly the amount of the increase between the Rowan definition and the Smith definition up to September, 1878. It is a most mixed-up thing.

2820. The whole accounts at present are based upon this: the Smith period between September, 1878 and May, 1879, includes a larger estimate for the loose rock than ought to be included if the Fleming instructions are right?—Yes.

2821. So that if the Fleming instructions are right, something ought to come off their account as allowed them under the Smith instructions?—Yes; and also off the Rowan period for the difference between the Fleming definition and the Rowan definition.

2822. Did you include in your returns, or estimates, as loose rock, rock which required to be dealt with by blasting and derricks?—Certainly, derricks or blasting were necessary in all cases to remove any of those stones that are, according to the specification, to class as loose rock. Men cannot get around to lift fourteen cubic feet of rock on a car without a derrick or blasting.

From half to three-quarters of all stones, between fourteen and forty cubic feet removed by blasting or derrick.

2823. As a matter of fact, were all the stones between fourteen cubic feet and forty cubic feet removed by blasting and derrick?—No; they were not.

2824. Was a large proportion of them so removed?—Yes.

2825. About what proportion?—I could not give you an estimate.

2826. As much as one-half, do you think?—Yes.

2827. As much as three-fourths, do you think?—No.

2828. Somewhere between one-half and three-quarters?—I should say so.

The rest removed by crow bars into the dump.

2829. And how were the others removed?—The others were removed by crow-bars into the dump, and sometimes outside of the dump.

2830. And the quantities so removed, you think, would be somewhere between one-quarter and one half of the whole?—Yes.

2831. Did you so estimate them as loose rock because you believed that they were within the meaning of the specification?—These answers refer to stones and boulders, and not to loose rock *in situ*.

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2832. Did Mr. Rowan, or Mr. Smith, limit you to any percentage when you were estimating the loose rock in the cuttings?—Mr. Smith says it seldom exceeds 60 per cent.

2833. I am asking whether you were limited to any percentage?—No, I was not limited. I do not remember that there was any percentage, but I had better put in this letter of Mr. Rowan's on the subject. It is the best answer I can give to that to give the instructions I received. (Exhibit 92\*.)

Rowan's Instructions as to loose rock and earth.

See Note below.

2834. Did you, yourself, limit the percentage of loose rock returns in the cuttings?—I did. I must limit it in each case to a certain amount.

2835. Did you?—I did. In each case I limited it to the percentage I allowed, but I did not consider it right to return over a certain percentage.

Witness limited percentage of loose rock in each case fixing 65 per cent. as the maximum he would allow.

2836. What was that percentage?—Sixty-five per cent.

2837. No matter how much was there?—I said it was impossible that there could be more than 65 per cent.; that the remainder must be sand.

2838. Do you mean that no matter how close those boulders were together you would never estimate over 65 per cent. of the whole bulk?—In some cases I did under Mr. Smith's instructions. I know the very first case I gave 90 per cent. before I began to think the matter out and consider it.

In some cases under Marcus Smith's instructions gave more; in one case 90 per cent.

2839. But after you considered it did you then refuse to estimate over a certain percentage?—I wrote a report to Mr. Rowan, stating that it would be impossible that there could be more.

2840. I am asking whether you did it?—I did estimate as high as 75 per cent., and up to 90 per cent. on one occasion.

2841. What was your general principle as to the percentage to which you would limit the whole amount?—Sixty five per cent.; that is, up to the time on which I received the letter from Mr. Rowan, the 22nd of July, 1878. I wrote a report on the matter then in answer to the report of Mr. Ruttan, which claimed 100 per cent. as the maximum.

2842. Did you not give written instructions to your assistants not to return more than 65 per cent.?—Yes; at one time I did. I said that was the maximum that could be.

2843. Was that adhered to afterwards?—No; it was not.

Note.—\* In Rowan's letter which is dated Winnipeg, 22nd July, 1878, Carre is directed to "Decide in all cases what proportion to the best of your judgment of a cutting is loose rock and what clay, sand, &c., as defined by the specification. Having decided this point, the area thus arrived at is to be returned under the head to which it belongs. If half of a cutting containing 100 cubic yards is loose rock and the other half sand and clay, you return the latter at earth prices and the remainder as loose rock." I cannot say what the Government intend doing in reference to the making the banks solid and doing away with all trestles. I reported some time ago in favour of this course. Mr. Fleming also recommended the same; but I have as yet received no instructions on the subject. In the meantime, I would say it is not desirable to make borrowing-pits in which the loose rock would form anything but a very small proportion indeed of the amount of material to be borrowed therefrom.

Rowan's Letter.

This letter endorsed by Carre: "Definition of loose rock—not to lay out borrowing-pits where loose rock would be claimed."

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2844. Did you change your mind on the subject?—No; but I got instructions.

2845. Was it adhered to up to the time of the Fleming instructions?—It was adhered to up to the 22nd of July, 1878.

2846. That was before the Smith instructions?—Yes.

Wrote to Smith recommending permanent bridge at station 792 or 793.

2847. Did you ever consider the subject in reference to this contract of using, in some places, permanent bridges over the water stretches?—I did; and I wrote to Mr. Smith recommending one at Lake Deception, crossing about station 792 or 793. The embankment there will be over seventy-five feet in height on a bad bottom, and expensive work to get protection walls in. I proposed that as we could get rock foundation at water level on both sides that they should put a 200 or 210 feet span over it.

2848. Would that be a saving?—I think so. I had no data to go on as to what bridge they would put on. Mr. Smith was examining it with a view to viaducts, and I gave him some information after that.

WINNIPEG, Monday, 13th Sept., 1880.

**CHARLES MACKENZIE.**

CHARLES MACKENZIE, sworn and examined:

*By the Chairman :—*

Lives at Sarnia where he carries on alone the business of a hardware merchant.

2849. Where do you live?—At Sarnia.

2850. Are you in business there?—Yes; the business of a hardware merchant.

2851. Alone or in partnership?—Alone.

2852. How long have you been in business there?—I have been there since 1852. I have been in business for myself since 1857.

Was in partnership with his late brother John Mackenzie from 1857 until his death, 1877.

2853. Have you had any partners since 1857?—Yes, my late brother John was with me in business. We were together as J. & C. Mackenzie until his death in 1877—three years ago. Since his death I have carried on the business myself.

2854. How long before his death were you interested as partners?—Since 1857—from 1857 to 1877.

2855. During that twenty years you and your brother John were jointly interested?—Yes.

Interested in no other business except that of Cooper & Fairman, Montreal.

2856. Have you been interested in any business at any other point except Sarnia?—No; except with Cooper & Fairman, of Montreal.

Went in with Cooper & Fairman in 1872.

2857. During what period were you interested?—In 1872 I went in with them.

As special partner put in \$15,000.

2858. What share had you?—I was a special partner. I put in \$15,000 of capital.

**Steel Rails.**

2859. Do you mean that you only had profits on that capital, or if not, in what respect were you special partner?—Probably you will allow me to make a full statement. It is in reference to the steel rails, and I may be allowed to make a full statement respecting the whole transaction. Before saying anything I would remark that in the



## Steel Rails.

summons I am called upon to produce all papers, books and accounts. As you are aware, I am 1,500 miles from home. I am here to see the country, on pleasure, and I have no means of refreshing my memory as to dates. Therefore in speaking or making any statement I am now going to make, I cannot speak exactly as to dates. I would simply state that in 1872 I formed a co-partnership with James Cooper and Frederick Fairman of Montreal. I was a special partner and they were general partners. I put in a capital of \$15,000. As a special partner I had no charge whatever, nor had I any right to interfere in the management of the business. I took no charge of it nor did I interfere with the management of the business. I was in Sarnia during the whole time that I continued with them. I cannot say what year, but it must have been shortly afterwards that those tenders for steel rails were called for. I cannot give dates. They became tenderers for the steel rails. At no time did they ever inform me that they were tendering for steel rails, nor did I know it until I became publicly aware that they were contractors and had secured the contract. I took the earliest opportunity afterwards of meeting Mr. Cooper at Toronto, and I at once said to him that since he had become a tenderer for the contract with the Government that I would retire from the partnership, that I did not wish to be connected with any contract with the Government of which my brother was a member. He remonstrated with me very strongly as to the injustice of my course in retiring suddenly from the partnership in which, he said, my name gave him strength and credit. He was very solicitous that I should not do so. I was firm, and determined to retire, and told him so. Mr. Fairman, he then informed me, was in England, and I could accomplish no dissolution until his return. Immediately on Mr. Fairman's return I went to Montreal and dissolved the partnership.

As special partner had no charge, nor did he interfere with the management of the business.

Cannot give date when tenders for steel rails were called for. His partners became tenderers of which he was not aware until the fact that they had secured the contract was made public.

Witness took the earliest opportunity to meet Cooper at Toronto and inform him that he (witness) must retire from partnership.

Cooper remonstrated on the ground that Chas Mackenzie's name gave them strength and credit.

On Fairman's return from England went to Montreal and dissolved partnership.

Does not remember date.

2860. About what date was that?—That is exactly where I am astray; I cannot give dates. If you can give the date at which that contract was given, then it was the very same year.

2861. Do you know the number of the contract?—I do not. I never saw the contract. I was never connected with it.

Never saw contract.

2862. Do you remember about the quantity of steel rails they tendered for?—I do not. I may say here that I know nothing of the business, and I would receive no information from them in regard to it. I would not discuss it.

Knows nothing about the business; would receive no information from them in regard to it, nor discuss it.

2863. Do you remember what time of the year it was, whether it was spring, summer or fall?—It certainly must have been spring or summer.

Thinks he went to Montreal in summer.

2864. I am speaking now of the date you went to Montreal to dissolve the partnership?—I think it was in the summer, and I am not positive. My memory is very poor for dates, but it can be certified afterwards. I insisted on the dissolution then, and accomplished it. I retired from the firm. My capital in the firm was \$15,000. I took from them in payment of that capital three notes of \$5,000 each. They said to me: "Now, if we make any profit out of this contract, since you have refused to remain in the firm, it is but fair, since you have helped us to start, that you should receive and take part of the profits." That I refused positively and would take nothing whatever either in promise or in fact. Until the present moment I have never done so, and I have no promise from them in any respect whatever, and if I had I would

Insisted on retiring, and took from firm in payment of \$15,000 capital three notes for \$5,000 each. Cooper & Fairman told him it was but fair he should receive part of the profits on this contract. Refused to take profit either in promise or in fact.

**Steel Rails.**

During all those negotiations for tenders for steel rails, witness never once wrote to Hon. Alex. Mackenzie at Ottawa, never spoke to him, nor did Hon. Alex. Mackenzie write or speak to witness in regard to steel rails or contracts with the Government. Only time witness spoke to Hon. Alex. Mackenzie about steel rails was after the contract had been let, when he told him of his resolve to withdraw from firm.

not receive it. My capital was withdrawn in the shape of three notes of \$5,000 each. I would take the opportunity also of saying that during all those negotiations for tenders with the Government for steel rails, that I never once wrote to Mr. Alexander Mackenzie at Ottawa; I never spoke to him, nor did he ever write to me or speak to me in regard to steel rails or contracts with the Government. The only time that I spoke to him in regard to the matter was after the contract had been let. I met him and told him that since I found Cooper & Fairman had become contractors with the Government I had resolved, though against my interests, as I looked forward to that being my future business in Montreal, to withdraw entirely from the firm. His reply to that was simply that I must use my own judgment. That is all the conversation, communication or otherwise, that I have ever had with Mr. Alexander Mackenzie with regard to steel rails, and that is my whole connection with it from first to last. Up to the present moment I am not a benefiter, except a loser by it in any way; a loser in this respect: I abandoned that business, though I had intended to make it the business of my life and establish myself in Montreal.

2865. About how long had you been connected with this firm before the contract for the steel rails?—It was in 1872 that I made that arrangement, and the contract for steel rails was about a year or two afterwards.

2866. Do you think between two and three years would be about the time?—I think so; that will establish the date absolutely (pointing to a Blue Book), and, of course, I can certify it afterwards if necessary. It must have been in the year 1875.

Does not know if Cooper & Fairman were interested in the contract with Guest & Co., or in that with the Ebbw Vale Steel & Iron Co.

2867. Do you think that Cooper & Fairman were interested in the contract which was spoken of as having been made with Guest & Co?—I do not know.

Absolutely avoided all knowledge or conversation in regard to this business, since immediately after the dissolution.

2868. Or with the Ebbw Vale Steel & Iron Co.?—I know nothing at all of it. I may state, further, that I absolutely avoided all knowledge or conversation in regard to their business from that day to this.

2869. Do you mean before this transaction with the Government?—Immediately after my dissolution with the partnership.

2870. Before your dissolution did you avoid all conversation with Cooper & Fairman with regard to steel rails?—Immediately after I avoided it.

Never had a conversation with partners respecting steel rails.

2871. But before your dissolution did you avoid conversation with them in reference to steel rails?—I never had any conversation with them. I could not have conversation about them, because I did not know of it.

2872. Before the dissolution were you made aware that they were interested in any contract with the Government in the name of Guest & Co., or any other name?—No.

2873. You say you were a special partner?—Yes.

General conditions of special partnership.

2874. Upon what general conditions?—The general conditions of special partnership are these: The special partner is only liable for the amount of his capital; and the special partner, under the law, as I understand it, is not allowed to enter into the general management of

the business, otherwise he would become liable for all the debts of the partnership. The terms, if I recollect rightly, as to the division of profits, was that the profits should be equally divided.

**Steel Rails.**

Profits were to be equally divided.

2875. Then do you understand your partnership to be on this condition with them: that you should put in \$15,000, and should get one-third of the profits, and bear one-third of the losses for the capital you put in?—Yes; that was my understanding.

2876. Was there any writing on it?—There was a general partnership paper drawn up. I have not got a copy, and I do not think I ever had.

2877. Then if all the capital of the partnership was lost, and further liabilities existed, you would be free from any liability on account of those?—No; a special partner is not liable any further than his capital.

2878. I am not speaking about the general law, but about the arrangement?—The arrangement was not different from that.

2879. So that in putting in your \$15,000 you ran no risk of losing more than that?—No.

Ran no risk of losing more than \$15,000, and if profits were realized would share one-third.

2880. And if profits were made you should have the profits to the extent of one-third?—Yes.

2881. Before the contracts were made between your firm and the Government, had they been in the habit of sharing profits with you?—No; there were no profits.

Previous to contract with Government there were no profits.

2882. Why not?—The business had not made any profits up to that time. They were a new firm, and had been extending their business.

2883. Had there ever been an investigation of the affairs of the firm?—Not to my knowledge.

2884. Had you never been informed by your partners as to the state of the business?—They informed me in a general way that the business had been in several instances profitable, but in other instances that they had lost. The general statement was that they had not lost any money, but they had not made any money.

Had been informed only generally as to the state of the business.

2885. Besides informing you that they had not made any money, they might have informed you that they had lost?—I think one year they said they had lost, but the amount I cannot say. They lost during one year, I can recollect very well.

2886. How much was the loss?—I cannot remember, but I remember very well that one year they mentioned that there was a loss.

2887. Was it a large loss in proportion to capital?—No.

2888. What was your understanding of the whole available capital of the firm at the time you entered the partnership?—There was my \$15,000, and then Mr. Fairman put in several thousand dollars.

Available capital of firm when witness joined it.

2889. More than you?—No; less than I did.

2890. How much less, do you think?—Well, now, I cannot say, but it strikes me it must have been in the vicinity of \$7,000 or \$10,000.

2891. What did Mr. Cooper put in?—There was an arrangement made with a Scotch firm who gave them a large credit, but the capital

**Steel Rails.**

that Mr. Fairman and I put in—and I think Mr. Cooper had some \$1,500 or \$2,000—was all the cash capital, as far as I am aware of.

Something under \$25,000 would represent actual cash capital of the firm.

2892. So that something under \$25,000 would represent the actual cash capital of the whole firm?—I think so.

2893. Any transactions larger than that would be upon the basis of credit?—Yes.

2894. What was the last information that you got from your firm, before you heard of those tenders, as to the state of the firm's affairs generally?—Well, I could not state that positively. I think I must have been in Montreal the year previous, and had often seen them. I was usually in Montreal once or twice a year, not more than that.

2895. I am asking you what your information was?—My information as I said before, was simply of that character, that they had made losses; but I cannot state to you what those losses were. That can be easily found out.

Has neither papers or books or letters to show what losses of firm were.

2896. I suppose you have papers or books that would show it?—No.

2897. I suppose you have letters from them on that subject?—No; I have no letters upon that subject that I recollect of.

2898. Was the impression derived from the information you got that the capital was gone?—No; but that it was <sup>impaired</sup> ~~impaired~~.

2899. To what extent?—Several thousand dollars.

2900. "Several thousand dollars" is very vague?—I did not take that active interest that I should have done, because I had a very large amount of confidence in the parties engaged in the business.

2901. That was in the beginning?—Yes; for two years.

Saw no balance sheet; trusted to the word of his partners; received impression that capital was impaired to the extent of one-half.

2902. Do you mean that at the last time you got any information from your partners as to the affairs of the firm, that you did not take sufficient interest in them as to get a positive impression as to the proportion of the capital that was impaired?—No; I would not say that; but I had not seen a balance-sheet.

2903. You trusted to their word?—Yes.

2904. What impression did you get from that?—That the capital was impaired.

2905. To what extent?—Certainly one-half at that time.

2906. Was it more than one-half?—No; I do not think it was. Had I been examined in Ontario I could have got all the information.

Never paid any money yet. Notes yet in his possession.

2907. Assuming that it was to the extent of one-half and you had then decided to go out of the partnership; upon that basis how much of your capital could you withdraw?—Perhaps you would allow me to state that I have never been paid my money yet. I have those notes in my possession yet unpaid.

2908. That does not affect the question at all. I am asking you, according to your understanding of the terms upon which you were partners, and having an impression that one-half the capital was gone, when you dissolved how much of your capital ought you to have taken out?—I could not say that one-half of the capital was gone at the time I withdrew, but at one time during the co-partnership it was.

**Steel Rails.**

2909. Did you not understand my question to have relation to the last date of the information of the partnership affairs?—Well, you see that is where I am very much astray. I cannot say the last date of the information about partnership affairs. I think that when I dissolved with them I had perfect faith in their solvency then.

Cannot say last date of information regarding partnership. Thinks that when he dissolved he had perfect faith in their solvency.

2910. You mean at the actual date of the dissolution?—Yes.

2911. But that was after the tender for the rails?—Yes.

2912. I am not speaking of the state of their affairs after they had the advantage of this contract?—No; they had not delivered any rails at all.

2913. But they had the advantage of the Government promise?—

But then they had advantage of Government promise.

2914. I am trying to find out from you now, at the last date of the information from which you received any impression from your partners as to the amount of capital left available to the firm, and before the tender for the rails, what was your impression about the standing of the firm?—I think I understand you now. At one time they had told me the capital was impaired, and afterwards they had done a great deal better; but my impression the last time that I had seen them—that must have been, of course, the year previous to their contract for the rails—was that they were going to get on all right, that they were making money; and when I dissolved with them I did not ask for a statement of their affairs, neither did they offer it.

Witness's impression that the year prior to steel rails contract was the last time he saw his partners, when they told him they were making money. When he dissolved asked for no statement of their affairs, nor did they offer it.

2915. At the time you dissolved?—At the time they dissolved; but my impression was at that time that they were in a far better position than I understood from my previous conversation.

2916. Do you mean that before the tender for the rails you were led to believe that their position was improved as to the amount of capital?—Yes.

Before tender for rails, was led to believe that their position was improved.

2917. Did you remember that awhile ago when I asked you the previous question on that subject?—I was a little confused as to the drift of your question. My statement is this now that I thoroughly understand you: that on several occasions they had told me that they had lost money. You asked me—"to what extent?" I told you that my impression was, to the extent of several thousand dollars. They had afterwards recuperated, and my impression was then that they were certainly better off than they had been before they had lost money.

Explanation of foregoing answers.

2918. Did they state to you about the proportion of the capital that they had lost before the tenders?—They must have stated it to me in a general way, but I did not get the figures. It might have been from \$7,000 to \$8,000.

2919. That was less than half?—Yes.

2920. Was it, in fact, impaired to the extent of less than one-half?—I should say I had the impression that it was about from \$7,000 to \$10,000.

Had impression that capital was impaired from \$7,000 to \$10,000.

2921. Do you say it was one-half?—I <sup>can</sup> recollect those figures.

2922. I am asking you now not for exact figures, but for the impression made on your mind?—The impression on my mind was that the capital was impaired, but to what extent I could not say. Their im-

**Steel Rails.**

pression was, it was impaired, seriously impaired, but to what extent, whether it was one-half, or three-fourths, I could not say.

2923. Was it the whole?—I am certain it was not the whole, but my impression is that it was under half.

Although capital of the firm materially impaired, did not think retiring with his own capital intact a good transaction.

2924. Had you the impression that if the capital had been impaired by these business men, in whom you had confidence, that it would be a good transaction to get out of the partnership with the whole of your capital?—I had not.

2925. You thought that the hope of future business would be better than the capital which you took out?—I certainly had the hope, and I was satisfied that the business would be successful.

2926. Do you mean that you thought you could manage the business better than they did?—No; but I was satisfied that, with my assistance, if I had gone down there, I could have made it my business with them; I had no fear for the business at all. You will permit that to go on evidence, that since I have withdrawn my capital from the partnership I have still the three notes of Cooper & Fairman which I took for my capital.

Notes all over due.

2927. Were they made payable at dates later than this?—No; they are all overdue.

Because firm unable to pay.

2928. Why have they not been paid?—I suppose for the simple reason that they are not able to pay. Of course it impaired their business withdrawing my capital.

2929. You think the business has still been so poor that they have not been able to pay those notes?—I think that they have had a great deal of disasters. The <sup>harbour</sup> trade of Montreal has been in trouble for some years, and I believe that they have come through it with a great deal of difficulty.

When he withdrew his capital he would have been more than willing to remain in business.

2930. Is it your impression now that if you had remained in the business you would have done better than by withdrawing all your capital?—I could not say that now. At that time I would have been perfectly willing to remain in the business—more than willing.

2931. Do I understand you to say that at the time of your withdrawal you thought that it was a pecuniary disadvantage to go out of the firm?—Not a pecuniary disadvantage, but a disadvantage as to my prospects.

2932. From a pecuniary point of view?—Well, I suppose, ultimately from a pecuniary point of view. As I said before it was always my desire to establish myself in Montreal, and I took that means of doing it.

2933. Do you mean to say that you have made money there?—My idea altogether was that if I had remained in that business I would have made it a success. It could have been made a success I believe, but still disaster might have come.

Thinks it would have been better for him not to have withdrawn his capital notwithstanding that the firm had lost money and have been unable to pay the notes.

2934. Are you of the same opinion still, that it was not a good transaction for you to have got out of the firm with all your capital?—I think it would have been far better had I remained in it.

2935. Notwithstanding the fact that the firm lost money and have been unable to pay their debts?—They might have been able to pay their debts.

## Steel Rails.

2936. But they have not paid you?—Because I have not pressed them.

2937. Have they given you any reasons for not paying those notes?—No; they have asked me to allow them to remain; that their business would not allow of them withdrawing that amount of cash from it.

2938. Then, notwithstanding their subsequent inability to pay those notes, you are still of the opinion that it would have been an advantage to you, in a pecuniary sense, to have remained in the firm?—I believed at that time I would have had a great advantage in remaining, but as things turned out for the worse in Montreal and a great crisis passed over the country, it was impossible for me to say whether it would have been ultimately advantageous for me, pecuniarily or not. I had confidence then it would have been better for me to have remained.

Had confidence it would have been better for him to remain.

2939. Do you know whether it was part of the business of that firm to order goods on commission from England?—No; they never did that, to my knowledge.

Firm never to knowledge of witness ordered goods on commission.

2940. Did they buy absolutely the property and sell it as their own?—As far as I know that was the business.

2941. Have you received any interest on those notes?—Yes; they have paid interest.

Interest has been paid on notes at 7 per cent.

2942. Do you own them still?—I do not. I only own one-half; the other half belongs to the estate of my brother John.

2943. Is the interest or income derived from this capital at the ordinary rate of interest?—Seven per cent.

2944. Were the notes secured in any way?—No; they were not secured.

2945. At all events, I understand you to say that the first time that this \$15,000 began to bear you any fruit after you had put it into the firm was when you had retired from it on the basis you have described?—Yes; I never received anything from it until then.

The \$15,000 never bore any fruit until it was retired from the firm.

2946. Was it in money that you put in the \$15,000?—Yes.

2947. Do you know in round numbers the amount of those transactions between Cooper & Fairman and the Government?—I do not.

Does not know about the amount of the transactions between Cooper & Fairman and the Government.

2948. In the conversations between you and Mr. Cooper, when you expressed your wish to withdraw, was there no discussion as to the amounts, or probable results of those transactions?—No; I do not remember that there was. I have no recollection of that at all. He was a little angry with me that I had resolved to leave the partnership. In Toronto, I remember his telling me he was angry with me for my determination to leave, but I have no recollection of discussing the contracts or amounts. I just left it.

Nor when telling Cooper he would withdraw did they discuss them or their probable results.

2949. Was there nothing said between you as to the equity of the transaction by which you should withdraw your whole capital, although the firm had not been able to pay its debts or make any money?—Nothing whatever.

Nothing said as to equity of transaction.

2950. Did you propose, or did he propose, the amount that you were to get?—He proposed to give me three \$5,000 notes.

**Steel Rails.**

Witness insisted on retiring, and, either at that or some other interview, they proposed to give him three notes for \$5,000 each.

2951. Did you not suggest yourself that the withdrawal of your capital first put in should be one of the conditions of retiring from the business?—I do not think I suggested that, but I insisted on retiring, and either at that interview, or some other, they proposed to give me three notes of \$5,000 each.

2952. But the gross amount of capital was proposed?—Yes.

2953. It was not necessary that they should propose three notes?—No.

No discussion as to amount of money witness was to retire from the business.

2954. Was there ever any discussion as to the amount that should go to you on your retiring?—No discussion at all.

2955. Was the discussion simply as to whether you would retire or not?—Yes.

2956. And was there no discussion upon the terms?—No; there was not a moment's discussion on that.

Has avoided knowledge regarding the business since.

2957. Have you ever been informed whether the affairs of that partnership were improved by this transaction with the Government?—I have not. I may say here that I avoided any intimacy with the business from that day to this.

2958. Did you go to Montreal to accomplish the actual dissolution of partnership?—Yes.

2959. Were there papers drawn up between you and the other members at the time?—Yes; and signed.

Never had any connection with a Government contract.

2960. Had your firm any transactions with the Government before that, connected with the Pacific Railway?—Allow me to say, in general terms, that at no time in the past or now, in any way, directly or indirectly, near or remote, have I ever had any connection whatever with any individual or contract in connection with the Government. I have had no connection whatever in any shape or form, directly or indirectly, with any Government contract.

2961. Do you mean that you have not reaped any advantage from any of the transactions connected with the Pacific Railway?—From no contract whatever.

2962. I am not speaking of contracts?—I have had no benefit whatever from any bargain or sale of any kind whatever. I have not been mixed up in it in any shape or form.

2963. Your business is a hardware business is it not?—Yes.

**Furnishing Supplies.**

Repeatedly received orders from H. Sutherland for goods to go to North-West. On other occasions supplied Government engineers with goods. Never liked this, and sometimes refused to sell.

2964. Do you know whether any supplies were furnished from your establishment to parties who went out to survey the country?—Yes; but no contract.

2965. I said transactions?—The only Government supplies, to my knowledge, that I ever sold was that repeatedly Mr. Hugh Sutherland sent me orders for goods to go to the North-West. I filled those orders at several different times, and on other occasions engineers of Government steamboats have called upon me to supply them with goods. I never liked it, and on several occasions refused absolutely to sell. I refused by letter at one time to the late engineer of the Government. The extent of goods which I have sold in that way, from first to last, would amount, in all, in the vicinity of from \$1,000 to \$2,000. That is the whole extent of my sales to any parties connected with the Government and that was in small sums.



**Furnishing  
Supplies.**

2966. Do you know who furnished supplies to surveying parties, as a rule—I mean supplies of hardware?—I do not.

2967. Do you know through whom orders were given for such supplies?—For surveying parties?

2968. Yes?—I do not know. I have no recollection at all of selling to any one for the Government in connection with the surveys, except to Hugh Sutherland.

2969. Did Mr. Nixon ever order anything from you?—No; I do not know the man, and never had any communication with him.

2970. Where do you think Mr. Sutherland was stationed at the time you speak of?—I think it was the time he first went up. I think he must have been going to Battleford.

2971. Was he engaged at surveys?—No; I understand that he went up there and was engaged on buildings for the Mounted Police or something of that kind.

2972. You have spoken of furnishing not more than \$2,000 worth of goods to the Government?—I do not think it was more than that.

2973. Well about \$2,000 to persons who ordered on behalf of the Government?—Yes; by Hugh Sutherland.

2974. And to engineers?—Occasionally they have asked me to supply them and I refused. I did not like the business at all.

2975. Has your business been benefitted by supplies given to contractors?—I do not think so. I have sold a good deal to contractors, but on the whole the profit was very limited, and I have made losses by it. His business not benefitted by selling supplies to contractors.

2976. Do you mean that you have made loss by not being paid?—Yes.

2977. If all had been paid for which was sold to contractors would the result have been very different?—No; the result would not have been very different for the simple reason that the business was very limited. I was very handy at Sarnia for sending goods up. I keep a very fair stock, but as a rule the contractors did not buy from me. As a rule the contractors did not buy from him.

2978. Do you remember to what point those supplies went that you did sell to contractors?—To Thunder Bay.

2979. To what contractors?—I sold a limited amount to Sifton & Ward, but only at the first out-go. They bought everything themselves, but not from me, only to a limited extent. I have sold some little to Purcell & Ryan, but a very limited amount; they have done all their buying below. These, I think, were the only two contractors that I sold to up there.

2980. Those were the two contractors near Thunder Bay?—Yes.

2981. What do you think was the amount of your sales to those two contractors?—During the whole years that they were in business?

2982. Up to now?—I would like to be particular about that.

2983. I do not wish you to be particular; say in round numbers?—I would much rather look at my books and give it to you particularly, but my impression is that from first to last I never sold them more than \$10,000 or \$12,000 worth. I now sell to contractors occasionally. I think I sell to contractors as much now as I ever did. The whole amount of his sales to Sifton & Ward and Purcell & Ryan, not more than \$12,000.

**Furnishing Supplies.**

2984. As far as you can recollect now, you think all your sales, either to the Government direct or to contractors would amount to less than \$12,000?—I should say it might amount to anywhere from \$10,000 to \$15,000 during the whole of the years that I have been doing business. It is a very small portion of my business you must recollect.

**Land Speculations.**

Interested in lands in Manitoba.

2985. Are you interested in lands in this section of the country?—Yes; I am interested to the extent of—I do not know how many acres. I have bought several half-breed claims here within the last year, and I own within the Province of Manitoba now, I think, about 2,000 acres, different lots, at various prices.

2986. Is there any particular locality in which you are largely interested?—No; the lots are dotted over the country, here and there.

2987. Were you, at any time, interested in any particular locality?—No.

2988. Had you bought lands north of Lake Manitoba at any time?—No; I have never owned any lands here until the last six or eight months.

2989. Before that you were not interested in any at all?—No; before that I was not interested in any way, directly or indirectly, in lands in Manitoba.

**Steel Rails.**

2990. Do you consider that between the time you first learned that Cooper & Fairman had made heavy losses and your retirement, you learned from them that their business had improved?—Yes.

2991. Did they tell you in what respect it had improved?—They did not tell me.

Cooper & Fairman when speaking of losses did not state amounts.

2992. When they told you that they had made losses at different times, did they state, as far as you remember, any amounts?—No; I cannot remember.

2993. You say that you have avoided getting any knowledge of the business of the firm since the tendering for those rails?—Yes.

Reasons why he avoided getting knowledge respecting the firm after steel rails tender.

2994. Why did you avoid it?—I avoided it from the simple dislike I had for any matters connected with the rails. I avoided conversing with them, because I had very little opportunity of conversing with them. I never asked them what they had made, or anything connected with it. It was a subject I disliked exceedingly.

Remembers neither date of dissolution nor when it appeared in Gazette.

2995. You say you are not able to define the date of dissolution; it is hardly likely then you could tell how long after that it appeared in the *Gazette*?—I could not tell this. I have a perfect recollection that there was a great paper controversy in the newspapers about it. It was denied that the dissolution had ever been made because it was not registered. I received from the lawyer who drew up the papers a letter saying to me that he was very sorry that the papers had not been registered and that it was all his fault.

2996. You have brought in the name of Mr. Mackenzie, the ex-Prime Minister, in part of your evidence, of your own accord, and stated that you never had any communication with him on the subject of those tenders?—Yes.

2997. Can you remember that you ever had any communication with anybody else, his secretary for instance, or anybody else who would

Steel Mills.

know anything about the transaction?—No; I stated that I had no communication with him directly or indirectly, or any other man, about the matter.

2998. Is there any other matter connected with this investigation that you would like to have taken down in evidence?—No; I have told you the whole matter from beginning to end. I only regret that it was a slight disadvantage taking my evidence here, as I would have been very glad to have furnished every date that I could, but all those dates can be verified, of course, if necessary.

2999. At the time of your arrangement for a special partnership with Cooper & Fairman, was there any understanding between you and them that at any time you should become a general partner?—There was nothing written, but there was certainly an understanding to that effect, that if it suited me I could become a general partner.

When he became a special partner with Cooper, Fairman & Co., an understanding that if he liked he could become a general partner.

3000. When you say there was an understanding, was it an understanding in your own mind?—I think it was with them.

3001. What makes you think it was with them?—Because I cannot think there could be anything else.

3002. You think it was not possible for them to have any other understanding, but that you might become a general partner?—If it suited me.

3003. Why did you think it must have become an understanding without being embraced in the articles of partnership?—It must have been spoken of, the impression is so firm in my mind, that if I went to Montreal I should become a general partner.

3004. Do you say how it was absolutely understood between you and Cooper & Fairman that you might, if you wished, at some future time go to Montreal and become a general partner?—That certainly was my understanding, and I believe it to be their understanding too, although there was nothing written to that effect.

3005. Was there anything spoken to that effect?—I believe there was.

3006. Are you positive about it?—There is nothing positive about it; but if you had not questioned me about it, I never would have doubted that I could be a general partner at any time it suited me.

3007. Would that have required a separate and new agreement of partnership?—I think so. Of course I am no lawyer, but I should say so.

3008. There was no understanding of that kind in the writings that already existed between you?—I cannot recollect that there was anything of the kind.

3009. Then your impression now is that this special partnership should last upon that basis only as long as you chose, and that after that it should become a partnership of a different character?—Yes; if I chose.

3010. You had an option, then, which they had not?—I do not know that the matter was ever discussed in that light in any shape or form.

3011. But you say there was a positive expressed understanding that you should become a general partner?—Yes.

**Steel Rails.**

3012. But was there a positive understanding that they could make you become a general partner?—I do not think so. It never struck me in that way at all.

3013. Have you any idea of the period of time which elapsed from the date of tendering until the dissolution was accomplished by agreement in Montreal?—Why not allow me to give you the date absolutely by reference to my papers?

A few months elapsed between tender and his retirement from the partnership.

3014. For present purposes an approximate opinion will do?—I should say only a few months. We just waited until Mr. Fairman came back from England.

3015. Do you say that you met Mr. Cooper in Toronto, and then, for the first time, you insisted upon retiring?—Yes.

3016. Why did you not communicate your resolution by letter, instead of waiting until you saw him?—I think I was aware in some way of his being in Toronto, and I went down for the purpose of asking him.

Considered it necessary to communicate by word of mouth to Cooper, his intention to retire.

3017. Did you consider it necessary to communicate with him by word of mouth and not by letter?—I did.

Reasons for this.

3018. Why did you consider it necessary to converse upon the subject instead of doing it by letter?—On the same principle that a man always discusses the matter more fully by word of mouth than by writing.

He wished to discuss the matter more fully, though there was no room for discussion.

3019. But I understood you to say there was no room for discussion, as you were determined positively to go out?—Yes.

3020. Then was there anything to arrange by word of mouth?—Yes.

3021. What was there?—Simply my determination to leave.

3022. Could you not have expressed that by letter?—Yes.

3023. Why did you refrain from doing so until you met him in Toronto?—Because I heard he was in Toronto, and I went there to see him.

3024. His business is carried on in Montreal?—Yes.

3025. Have you any idea on what business he came to Toronto?—No; he is a man who travels a good deal selling his goods.

3026. And you think he was there on business of that kind?—I have no doubt of it.

3027. How did you know he was up there at the time?—I have no doubt I heard from him. He may have written to me on the subject; I really could not say.

3028. Do you remember whether he was astonished when you told him in Toronto that you would go out?—He was very much grieved.

3029. Did he act as if it were a matter which he had heard of before?—I think not.

3030. If you had written to him before would he not?—I do not think I had written to him on that subject. My first communication was by word of mouth.

3031. Have you any idea how long it was after you became aware of the fact that he was the successful tenderer until you saw him in

## Steel Rails.

Toronto?—It must have been a month; it may have been within a week for all I can tell.

3032. During that time did you allow him to remain under the impression that you would continue the partnership?—I have no recollection of saying anything at all until that date.

3033. Have you any reason, now, to think that as soon as you heard of him being the successful tenderer, you communicated to him the fact that you would no longer be a partner?—I think I did almost immediately. It could have been only a very short date between the announcement that he had got the contract and my telling him that I would withdraw from the partnership.

3034. Have you intended to lead me to understand that up to the time of these tenders being accepted you had not taken pains to ascertain the financial standing of the firm?—I had not taken the pains to ascertain it.

Up to the time of steel rails tender had taken no pains to ascertain financial standing of firm.

3035. Had you ascertained it without taking the pains?—Nothing further than the general statements they made to me.

3036. Were those made by letter?—No; by word of mouth. I had met them repeatedly travelling west.

3037. In those repeated meetings, had any of them communicated to you from time to time the financial standing of the firm?—They did not communicate their financial standing. I had not probably more than three conversations about the financial standing of the firm.

3038. Can you say now what was the last impression left upon your mind before the publication of the acceptance of their tender as to the financial standing of the firm?—I can only repeat myself in that, that my impression was they were better than they had been in the previous year.

3039. Can you say how much better?—I cannot. I am sorry to have to go into figures here, as it is a very difficult matter for me to do so.

3040. Was it after the meeting with Mr. Cooper, in Toronto, or before, that you had told your brother you would retire from the firm?—Before meeting him.

Before meeting Cooper at Toronto told Hon. Alex. Mackenzie he would retire from firm.

3041. Then the first person of those two to whom you communicated the fact of your intended retirement was to your brother?—Yes; I think before I saw Mr. Cooper I told Mr. Alex. Mackenzie I would retire.

3042. What was your object in telling him?—It was that a man will naturally communicate with his brother about such things.

3043. Was it a general habit of yours to communicate with your brother about your affairs?—No; but this was a matter that I thought affected him.

3044. How did you think it affected him?—I thought it might affect him politically.

3045. Was he of the same opinion?—He never expressed it.

3046. Did you go to him or did he come to you?—I think he visited his family or his friends at Sarnia about that time. His former home was in Sarnia, but he was then living at Ottawa.

**Steel Balls.**

3047. I think I understood you to say that you decided to go out of the partnership, not because it was a good transaction in a pecuniary sense—you considering it a losing one—but you decided to go out because it might affect your brother politically?—I resolved to go out of it because I disliked the whole transaction, politically speaking.

3048. Did you think at the time it was not a good pecuniary transaction to you?—I do not know. I regret going out of the firm.

3049. I understood you to say that you thought it was a bad transaction, so far as the pecuniary features were concerned?—Yes; I regretted it exceedingly.

3050. Was Mr. Cooper of the same opinion?—I cannot say that.

3051. Did he not tell you that it was a very bad transaction for him? Did he not say that it was very hard of you to go out?—Certainly.

3052. Did he not express to you whether it was a good transaction as far as he was concerned?—He expressed his regret that I should leave the firm.

3053. And did he not say that it was a bad thing for him, for you to go out?—He certainly expressed his regret that I should go out because my name was some strength to the partnership.

Cooper said it was not fair to him and Fairman that witness should retire.

3054. Did he not express the idea that it was a bad transaction for the firm, you going out?—Yes; as I said before, he said it certainly was not fair to them to retire, because it would weaken their credit—it might, or would, weaken their credit, the withdrawal of my name.

3055. Did he say it would weaken the establishment to have you take out so much capital?—I have no recollection of his saying that it would weaken them, but the taking out of that much capital would weaken any business. I did not take it in cash.

3056. I understand that, upon the whole, Mr. Cooper thought that it was a bad transaction for them that you should go out, and you thought it a bad transaction to go out?—I do not know that I considered it a bad transaction to go out; and I do not know that it weakened them.

Had great hopes of the future business of Cooper, Fairman & Co.

3057. Do I understand you that if you thought it a good transaction to remain in the firm at that time, it was not on account of their present standing but in the hope of future business?—Yes; I had great hopes that in the future, with my assistance, we could build up a large business in Montreal.

3058. Did that depend on your going down to Montreal?—I was then in hopes that I would go to Montreal and give my assistance in building up the business.

3059. Do I understand that the prospect of the success of the business depended upon your conducting it?—No.

3060. Did you not say that the hope of your life was to be able to go to Montreal and establish the business of your life there?—Yes.

3061. And that one feature in the building up of that business was, going there yourself?—Yes.

3062. How could you go to Montreal to take an active part in the business as a special partner?—If I went it would be as a general

## Steel Rails.

partner. If I had gone to Montreal it would have changed the partnership undoubtedly.

3063. Do you know whether it is necessary in a special partnership that time should be named—that it should be for a fixed period?—I could not say; probably it was in that document. Special partnership and time.

3064. If it were so how could it be possible that you could go at your own option, whenever you liked, and change the character of your partnership?—I supposed I could have gone and dissolved the partnership by mutual consent, or waited until the expiry of the partnership.

3065. Do you know if there was a time mentioned for its expiry?—I do not know. In all those partnerships there must be a time mentioned I suppose.

3066. Then at the time that you decided to take out your capital and end the partnership, you thought that it was not a good transaction for you, because you might afterwards decide to go to Montreal and become a general partner, and that then the business of the firm would improve; that that improvement would be better than to take out your capital at the time. Is that the substance of your theory?—You put the words into my mouth. Of course my idea was that when I withdrew I regretted it, because I believe, if I remained in that firm, I would have ultimately gone to Montreal, and with my assistance we would have built up a large and lucrative business.

3067. Then was the hope of this future what you lost?—Yes.

3068. At that time you thought that was more available than the \$15,000?—I certainly did.

3069. Are the notes that you hold the original notes?—Yes; they are the original notes. Notes held: original notes.

3070. Do you remember about their dates?—About the date of the dissolution—it must have been in 1875.

3071. I suppose that copies of these articles of dissolution can be furnished at some future time?—Yes.

3072. I think I understood you to say that you were not aware at the time that they were tendering for rails until after the matter was published?—No. Not aware of his firm tendering for rails until matter published.

3073. Was there any remark in the papers about the subject before you communicated to Mr. Cooper your intention to retire?—No. Communicated his intention to retire to Cooper before any remarks on the subject of contract appeared in newspapers.

3074. That was done before any publicity was given to it?—Yes: immediately after I became aware of the contract.

## WHITEHEAD.

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

Lives in Winnipeg since May, 1880.

Lived on contract 15, from June, 1877 to May, 1880.

CHARLES WHITEHEAD, sworn and examined:

*By the Chairman:—*

3075. Where do you live?—In Winnipeg.

3076. How long have you lived in Winnipeg?—I have been living in the city since last May.

3077. Where did you live before that?—On contract 15.

3078. How long did you live there?—From June, 1877.

**Railway Construction—  
Contract No. 15.**  
General charge of contract 15 for contractor.

3079. In what way were you connected with the contractors in business matters?—I had general charge of the work on contract 15.

3080. Do you remember about what time the contractor first went there?—I do not know; I did not go there until June.

3081. Had your father been there before that?—Yes.

3082. Had you been in any way connected with his business in previous contracts on the road?—No.

3083. You took no part in the management of them?—Previous to 1877?

3084. I mean previous to 1877?—No.

3085. Had he done any work on the road previous to that?—I believe he graded the Pembina Branch, south.

3086. You were not on that work?—No.

3087. Do you generally take any part in the management of your father's business affairs?—As a rule I do.

Was not in Canada when contract taken.

3088. Did you take any part in the obtaining of the contracts on his behalf?—No; I was not in Canada at the time the contract was taken?

3089. Then your first connection with any of the work of the Canadian Pacific Railway was about June, 1877?—Yes.

3090. And that was on the work where the line is being built?—No; I commenced first by taking a sub-contract from him here at St. Boniface for grading.

Ruttan employed by Whitehead before witness went on work.

3091. Had Mr. Ruttan been engaged by your father before you went on contract 15?—Yes; he was there some months previous to my going there.

3092. Who was taking charge of the Government interests on that section?—Mr. Carre was the Government engineer.

Difficulties between contractors and Government engineer.

3093. Were there any difficulties between you and the contractor on the one side, and any person on behalf of the Government, about the time that you went there?—There was some little difficulty with Mr. Carre and Mr. Ruttan when I went there.

3094. Do you know what it was about?—He (Mr. Ruttan) complained that he could not get the bench marks for the cross-sections, and plans and profiles of the work.

3095. Did you at any time hear any of the discussions between them upon the subject?—Yes; I have heard them discuss it.

Fellowes refused information, the want of which retarded Ruttan.

3096. What was Mr. Carre's position; I mean what position did he take about the matter of giving information?—He complained that Mr. Ruttan had no right to it. I heard Mr. Ruttan ask the assistants for information. There was one case in particular with Mr. Fellowes. He told Mr. Ruttan that he could have the information as Mr. Henry Ruttan, but not as the contractor's engineer.

3097. Did he get the information?—Mr. Ruttan told him that he did not want it in that way, that he wanted it officially, as the contractor's engineer, so he did not get it.

3098. Did the want of this information retard your work in any way?—It retarded Mr. Ruttan's work. It was the cause of his having to go



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struction—  
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to work and do the entire cross-sections himself and establish his bench marks.

3099. Had that the effect of delaying you and your father on the work?—It had, to a certain extent, because we did not go into any work until we had the cross-sections taken ourselves.

3100. Can you say about what time you were first made aware of any change in the character of the work from what had been intended by the tenders?—I think in September, 1877.

In September, 1877, first made aware of determination to have filling instead of trestle-work.

3101. What change was that?—Adopting filling in place of trestle work.

3102. Had there been any change of grade mentioned before that?—I do not remember.

3103. You think that the change to embankment instead of trestle was before the change of grade?—There may have been changes in grade, slight changes, in several places, but I do not recollect.

3104. I understood Mr. Carre to speak of a general change which amounted almost to an absolute change of all the grades?—I do not think that change was made until Mr. Smith came up in 1878, but I will not be positive on that point.

3105. How were you first made aware of this change in the filling?—I made the arrangement with Mr. Rowan. He came on to the work in September, 1877. It was the first time he was on the section after I took charge of it and walked over the work. When we came to one of these voids or depressions I asked Mr. Rowan what was going in there. He said trestle, or earth if it could be obtained. He said that the Chief, in all cases, would prefer earth embankment to trestle, if the earth could be got. After walking some distance over the line he went down west of Deception, and he wanted me to name the place. Mr. Ruttan and I were together when he wanted me to name the place that we would fill. I asked for time to think over it, until next morning, when I was to meet him at Mr. Carre's office. We met him there. I told him that we would fill all the fills that were there. He said that there would be an extra haul, and he asked where we would get the material. I told him we would bring it by locomotive and cars. He wanted to know where we would procure the material. I told him that Mr. Ruttan and I had been looking into the matter some time before that, and that we would fill all the fills without charging extra haul, but we would not fill any particular voids that they might choose to name, unless we were paid the extra haul. If we made all the fills we would do it without charging for extra haul.

Rowan (Sept., 1877) came on work, and told witness the Chief would prefer earth embankments to trestle if the earth could be got.

Prepared to fill all fills without extra haul, but this would not apply to particular fills.

3106. Was that the proposition on your part to Mr. Rowan?—Yes; a proposition on my part to Mr. Rowan, to be approved of by the contractor.

3107. The contractor was not there?—No; he was not there, but I made it subject to the contractor's approval.

3108. Then at that time it was not accepted?—It was accepted in this way: he was certain that he would recommend it, and that the Chief was in favour of earth banks, in all cases, and he gave us permission to go on and fill out Lake Deception in that way.

Manner in which proposal was accepted.

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struction—  
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Meanwhile to go  
on and fill Lake  
Deception.

3109. Then he did not accept it absolutely as to the whole line?—No; he did not accept it then. I could not make the arrangement final; I left it open for my father's approval. He said he would report in favour of it; it was certain to be done, and we could in the meantime go on and fill Lake Deception in that way.

Rowan said earth  
was to be put in  
each filling  
brought under  
this notice.

3110. But he did not order you to do it everywhere?—No; any more that we came along together over the work, when I asked what would go in there, his reply invariably was: "earth embankment if earth can be obtained."

3111. Do you mean to say that he said that invariably, in going over the line?—Yes.

3112. When was this?—The latter part of 1877 was the first time I saw him after I went on the line.

3113. Did you meet him on the line after that?—Yes.

Rowan on work  
two or three times  
a year in witness's  
time.

3114. Often?—I am not certain whether he was over it that year again or not. He was there every three or four months. He was there on an average two or three times a year when I was on the work.

3115. Upon that occasion did he go over the whole line?—No.

3116. How much of it?—From Darlington to Colmar—about eighteen or nineteen miles. The balance of it was not cleared, in fact a great portion of that was not cleared, as the timber was slashed down on the roadway.

Rowan's direc-  
tion: "Earth  
if it can be  
obtained."

3117. Do you say you asked him about every filling there, as you went along?—Yes; as we travelled over the line, I would say: "what will go in here, Mr. Rowan." His reply was invariably, "earth if it can be obtained."

3118. Am I to understand that at that visit of his he told you to fill every filling with earth, if it could be obtained, over the line he travelled?—Yes.

3119. Did he, before he left, give you any order upon that subject in writing?—No.

3120. Have you ever made any calculations about the quantities of rock or earth in these different fillings?—No; Mr. Ruttan did all the figures. My business was to do the work, and I never paid any attention to the figures.

3121. Mr. Carre spoke of some conversation between you and Mr. Rowan and himself, as to the nature of the work; do you remember that conversation?—Relative to what?

3122. Relative to some of the changes in the work. He speaks of a particular time when either Mr. Kirkpatrick, or Mr. Fellowes, and you, and he, and Mr. Rowan were present, and he told Mr. Carre?—When was it?

3123. Mr. Carre's recollection was that he told him to borrow all the earth he could on the line?—I said that.

3124. No; you said that he only spoke of particular places on a section covering eighteen miles?—He said that wherever earth could be borrowed, the Chief was in favour of the earth embankment, in preference to trestle. These were about the words he made use of as near as I can recollect.

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struction—  
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3125. That the Chief would prefer it?—Yes.

3126. Did that amount to an order, in your opinion?—It did not amount to an order.

3127. Then you did not act upon that conversation as an order to do the work in that way?—No, I made the offer afterwards; to do all the earth filling as I previously told you, and he gave us orders to make Lake Deception fill in that particular way at that time. Other matter was left over to be referred to the contractor.

Rowan's conver-  
sation regarding  
earth fills did not  
amount to an  
order.

3128. And also to the Government, I suppose?—I suppose he would have to communicate with the Government, or with his Chief.

3129. Then did you understand that to amount to an offer on your part on behalf of the contractor, subject afterwards to confirmation by the Government, or the Engineer-in-Chief?—Yes.

3130. Do you remember where that conversation took place, at which Mr. Carre was present?—It was in Mr. Carre's office.

3131. Is there any other matter connected with this contract that you wish to explain?—I do not know that there is.

3132. Did you take any part in the negotiations between Mr. Whitehead and the Government, at the time that he took in partners to finish the contract?—No.

3133. Were you present at any time when he negotiated with the Government as to the terms upon which he should hand over the work to the Department?—No.

3134. Did he manage those transactions by himself?—I do not know how that was done. I do not think there was any managing. I think they just took it. I do not think there was any management about taking it.

Government took  
work out of  
Joseph White-  
head's hands  
without any  
negotiation.

3135. How about the partners?—That is another matter. I was not present when the arrangement was made; they objected to my being present.

3136. Then was that made by your own father on his own behalf, without your assistance?—Yes.

3137. Do you know about what time Mr. Marcus Smith first went there?—I think it was some time in December, 1878.

Marcus Smith on  
work, September,  
1878.

3138. That was about the time Mr. Rowan was there?—It was a year before that that Mr. Rowan was there; but Mr. Rowan came over the work perhaps a week before Mr. Smith came.

3139. Is there anything else connected with the transaction that you wish to give evidence on?—I do not know that I have got anything else to say. This loose rock question came up when Mr. Smith came over the line. We had some difficulty there and he settled it. We claimed loose rock outside of the slope stakes. We could claim, of course, solid rock, but Mr. Smith decided that we should be paid loose rock for it. Then we had another difficulty, that was loose rock in earth cuttings. We claimed a certain percentage. We made an arrangement between Mr. Carre, Mr. Ruttan and myself, that when a dispute came up as to what percentage occurred in an earth cutting, if he claimed more than what he thought he should give, we were to argue the point on the ground, and decide the percentage that should be

Smith's decision  
as to "loose  
rock."

Arrangement  
to loose rock in  
earth cuttings.

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Differences with Government engineer as to percentage of loose rock in earth cuttings.

allowed. We did it on several occasions, but I found on comparing Mr. Ruttan's figures, and the figures returned by Mr. Carre, that he did not get that percentage. This was previous to Mr. Smith coming over the work, but on asking Mr. Carre how much per cent. he allowed for station 50 or 100, as the case might be, although he allowed 40 or 50 per cent., or what we agreed upon, yet the quantity was not there. He explained then that he had allowed 30 per cent. of 59 per cent. He claimed that there could only be 59 per cent. in any loose cutting. For instance, in a cross-section of 100 yards, he claimed that there could only be fifty-nine yards of loose rock in it.

3140. What would the rest of the 100 yards be according to this contention?—Voids, spaces between the stones or sand.

Carre's system of measuring loose rock.

3141. Would it be allowed as earth, then?—This was the comparison which I made with him: I said, "If a cutting contains 100 yards, and it is all loose rock, and we take that cutting out, will you only allow fifty-nine yards for it?" He said: "Yes."

3142. If the space occupied by the loose rock was 100 cubic yards he would allow only about sixty yards, and nothing for the other forty yards?—Yes.

Smith's instructions regarding loose rock.

3143. Would he treat the rest as air?—Yes; as space. He brought this matter up before Mr. Smith, Mr. Ruttan and myself, and I went over it with Mr. Smith. Mr. Smith asked him: if you buy a bushel of potatoes, or a cord of wood, would you take the spaces out and tell the man that you had not got a cord or a bushel? He said he did not know. Mr. Smith endeavoured to explain to him that if he took those voids out he would make it a solid—that if he deducted the voids we should be paid for solid rock, and not for loose rock. Mr. Smith gave him instructions to measure loose rock in that way.

3144. Allowing nothing for the voids at all?—No.

In an earth cutting if there were 40 per cent. of boulders, Carre would only allow 40 per cent. of 60 per cent.

3145. Was there anything at all in what you call voids?—There was sand and earth. We had no cutting where it was all loose rock, but this was his basis for measuring the percentage in a cutting. Supposing we had an earth cutting and we found on opening it out that there was 40 per cent. of it boulders, Mr Carre would only allow us 40 per cent. of 60 per cent.

3146. Suppose there was 100 yards of measurement in a certain section, you certainly got paid for it one way or other, either as loose rock or earth; did you not between the two get the 100 yards?—Yes; but we wanted to be paid 40 per cent. of loose rock, and 60 per cent. of earth. Under Mr. Carre's basis we only got paid 20 per cent. of loose rock and 60 per cent. of earth. We got 20 per cent. of the 100, and 60 per cent. of 60.

3147. I do not understand this. The engineer's returns say 100 cubic yards of material of some sort?—Yes.

3148. He returns you 40 per cent. of that as loose stones, and the other 60 per cent. would naturally be returned as earth, or whatever it would be. Is not that the way you got it?—No; that is the way we wanted to get it. Say you are the engineer, and you go to an earth cutting and form an estimate of the percentage of stone—you would say: "I will allow you 30 per cent. of the 100 as loose stone." In

place of us getting that 30 per cent. we only get 30 per cent. of 60 as a whole instead of 30 per cent. of 100.

3149. And of a quantity of 100 cubic feet of excavation, assuming that there would be 70 per cent. of that earth and the rest of it filled with round stones, did you claim that you should have an allowance of 70 per cent. of earth?—Yes; and 30 per cent. of rock. That made the 100 feet.

3150. That was your contention?—Certainly.

3151. Did you not contend that the space of rock allowed you ought to be the space that would be filled by these stones with spaces between them as if they were put into a box by themselves?—I do not understand you.

3152. Did you claim for the rocks in the cutting the same space that they would have occupied if they had been piled up by themselves?—Yes; we claim that we should have what they would measure if they were all piled in a pile. Contractors claimed what outline of pile of loose rock would make.

3153. You claim the space that the outline of that pile would make? Yes.

3154. But if they had already allowed you, by way of earth, the amount of earth that was in the spaces amongst those rocks, you wish it to be allowed as if it were all rock. Although there might be, when the rock and earth were separated seventy feet of earth in it, you do not wish the seventy feet of earth to be allowed to you?—Certainly we do.

3155. And how much of rock?—Thirty feet.

3156. Perhaps you do not understand me. For example: take 100 feet of earth with round boulders in among it?—Yes.

3157. Take these boulders out and separate them, put the earth into one box, and all the stones into another; will not those two boxes occupy more than 100 cubic feet?—I do not see why they should.

3158. Do you not see that the stones have open spaces between them which are filled with air instead of earth as they were before?—The stones are laid loose in the box, and there is space between them which there was not when they were in the earth.

3159. Now what you want allowed to you as rock is the cubic contents of the box which would hold the rock, is it not?—Yes.

3160. You did not want the earth which had been put into a separate box calculated all as earth?—Certainly we did.

3161. Then if you did you must certainly want more than 100 cubic feet?—No.

3162. In 100 cubic feet of earth excavation, if there are a number of round stones, and after the excavation you separate the stones from the earth, putting the earth into one box and the stones into another box, will not these two boxes contain more than one hundred cubic feet of material?—Yes, they will, because you will have voids amongst the stones.

3163. And you want to be allowed as loose rock the whole of the space in the box which held the loose rock. Is that not your contention?—Certainly.

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

3164. What would be the entire contents of the heap of rock which had originally occupied one-half of the excavation. Have you any idea of the proportion?—No; I never tried that.

3165. Would it not be a good deal more than one-half?—I do not know as it would.

3166. Before the excavation the space around the stones would be filled with earth?—Yes.

3167. After the earth was taken out and put in a heap, then the stones would only have air between them?—Yes.

3168. Did you want the earth that was taken out to be measured to you, or not?—As earth, of course; anything between the rocks was earth.

3169. Then do you not see you would want part of the whole cubic contents to be measured to you twice—first of all as earth, and afterwards as air?—No; I do not see it in that way at all. When the cutting was opened you decide with the engineer what percentage is to be allowed, 20 or 30 per cent., as the case might be. There might be 40 per cent. The engineer might have the advantage in the estimate or the contractor might have it. It is a mere matter of opinion as the work progresses. In all cases where I have been on work it has been decided in that way. It is a matter of experience and judgment between the contractor and the engineer what percentage should be allowed.

3170. Does not that end the matter?—Yes.

3171. Were you not paid in that way?—No, that is the difficulty; that is why we want it ended. That is why we said to Mr. Carre: "we will meet you on the ground and decide what per cent. is to be paid in these cuttings."

3172. Do you mean to say that after you had met and decided the percentage that you were not allowed that percentage?—No; in place of his allowing that 40 per cent. that was agreed upon, he only allowed us 40 per cent. of 60, in place of 40 per cent. of the whole.

3173. Knowing that he applied this rule of six-tenths to the rock agreed upon between you, would you not contend for the larger proportion of the rock to which this rule should be applied?—No; we did not know that he was going to apply it in that way, and Mr. Smith told him not to do so.

3174. Did you not know, from time to time, from the progress estimates, that this was the rule that he adopted?—He did not adopt it for some time. We had several progress estimates before he got this idea into his head, and then we objected.

3175. Then this dispute about loose rock has never been finally settled between the Government and you?—No; not that I know of.

3176. Is there any other matter that you would like to explain?—We had a matter of counting ties that was not very satisfactory to the contractor.

3177. Do you mean the supply of ties on contract 15?—Yes.

3178. What was it?—I claimed that the ties on contract 15 were culled too closely, that they made a great many more culls than they should have made.

Dispute regarding loose rock not finally settled yet.

**Railway Ties,**

Witness claimed that ties on contract 15 were culled too closely.

**Railway Ties—  
Contract No. 15.**

3179. Did you agree in the contract that any particular person should have the decision of that question?—The contract for all these questions was to be settled by the Chief.

3180. Has this been settled?—I do not think so. It has not been settled satisfactorily to the contractor; it may be as far as the Chief is concerned. The contract for ties out on section 15 covers the laying of track on contract 14. The ties had been got out about two years, were inspected by the Government engineers, and the track had been laid for a year. Last September Mr. Rowan had the ties re-culled on the track, and notched those ties that he said were culled, with the axes, and said that they had to be taken out. My father was away at the time, but I called on Mr. Rowan and asked him what he was doing, and if he was re-culling those ties. He said he was. I asked him if he wanted them taken out. He said: "Yes, they would have to come out." I told him that if he could show any ties that were marked culls that had been put into the track I would take them out at our own expense, but if they were not marked culls I would not take them out, and asked him if he was going to stop the culls he had made in this estimate. He said: "No." I asked him if he was going to stop them off the next estimate. He said it would be time enough to know it when it was done. Since then the reduction has been made.

Rowan had ties re-culled and ordered some out.

3181. What does it amount to altogether?—I do not know. Perhaps 10,000 or 12,000 ties altogether.

Loss of 12,000 ties in consequence of Rowan's action at 40 cts. a tie, and cost of taking them out.

3182. What loss would that be, per tie, to you?—Forty cents; and the taking of them out, which would be quite an item. They have not been taken out yet.

3183. Is there anything else that you would like to explain?—There are some other little difficulties that I do not know it is necessary to bring up here.

3184. Do you know whether Mr. Carre, the engineer in charge, was threatened at any time by you or your father that you would attempt to have him dismissed if he did not accede to your contention as to measurements?—He never was by me. I told him that we would have practical men brought on to the work to decide whether he was right or wrong. We have had those contentions rectified.

**JOSEPH  
WHITEHEAD.****Railway Con-  
structi n.**

Has lived at  
Winnipeg off and  
on since 1874.

JOSEPH WHITEHEAD, sworn and examined:

*By the Chairman:—*

3185. Where do you live?—In Winnipeg.

3186. How long have you lived in Winnipeg?—I am on the line part of the time, and when I come into the city I stop with my son. I have been in Winnipeg off and on since 1874.

3187. Where did you live before that?—In Clinton, county of Huron, Ontario.

3188. What is your business generally?—I have followed railroading since I was eleven or twelve years old. I commenced driving horses in the first instance on a railroad in England, and have followed railroading in all its branches, ever since, pretty nearly.

A railroad man.

**Railway Construction—  
Pemb. Branch—  
Contract No. 5.**

Witness's first transaction in connection with Pacific Railway.

3189. What was your first connection with any transaction connected with the Pacific Railway?—I graded from the south side of the Bishop's Landing up to the national boundary at Emerson, on the Pembina Branch.

3190. Was that work let by public competition?—Yes.

**Tendering.**

3191. Were you the lowest tenderer?—Well, I believe there were two others of the same figure, but Mackenzie gave me the preference. There were three of us at the same figures, and he gave me the preference.

One of the three lowest tenderers.

3192. Were you one of the lowest?—Yes; I was one of the three tenderers that were the lowest.

3193. Was there not one person who tendered lower than you—Peach of Toronto?—Not that I am aware of. Twenty-two cents was my price, and there were two others at the same figure.

Peach tendered for 21 cts., but did not put up security.

3194. I see in the return a tender by C. Peach of Toronto, at 21 cts. Were you not aware that he had tendered below you?—Yes, I think I do remember now; but I think he backed out.

3195. Did you have any conversation with him on the subject?—Yes; it was after he had tendered. I did not know that he had tendered until he had told me.

3196. Where was he when he tendered?—In Toronto. He had just arrived from England, and had no security to offer and could not get security from England in time, and I suppose the Government would not wait.

3197. Did he tell you after he had been notified that his tender was the lowest?—I think he did.

Peach afterwards sued witness, claiming a share in the contract.

3198. Did he tell you anything about what he had said to the Department upon the subject?—I think they wrote to him, and he replied that he had just arrived from England only a short time, and could not find security.

3199. What makes you think he wrote to the Department to that effect?—I think he told me. I had forgotten him altogether.

Peach went up as Whitehead's foreman.

3200. Did you at any time have any money transaction with Peach?—He came up as foreman for me, and was with me after I came up. I gave him \$100 a month and his board, I think it was.

3201. Had you no other transaction with him?—I think he sued me for some amount after that.

3202. What for?—He hatched up an account, I could hardly tell you what it was for. He wanted to have an interest in the contract, and I do not know what.

3203. What was his contention about having an interest in the contract?—Really I have almost forgotten what the account was hatched up about. The Chief Justice could tell better than I could what it amounted to. He had neither part nor lot in the matter, but I paid his expenses up from Toronto to here, he and his son, and he came on as foreman for me.

3204. Had he been a railway man?—Yes; I think so, the way he expressed himself to me. He told me he was a man of large experience



Tendering—  
Peach, Branch—  
Contract No. 5.

in England, and he wanted to come with me. I was a cripple at the time and came up here on crutches. So I gave him charge of the work, and finally when I dismissed him he wanted to claim a partnership in the contract.

3205. Do you know what he contended to be his arrangement?—  
There was no arrangement. No partnership between Peach and witness.

3206. Do you remember making an arrangement in Toronto?—Yes; I remember making an arrangement with him to come up here as foreman.

3207. Did you not discuss with him before that the probability of bringing him up on the work?—No; we were lodging in the same place in Toronto.

3208. That was before you got the contract?—Yes, we were lodging together at the time; and he was foreman for some man who was building drains and culverts in Toronto. He had tendered, but I did not know it until after he had sent the tender off. After he got notified he told me that he was not able to find the security in time, and so I got the notice.

3209. Were you aware at the time that if he failed to get the security, the contract would come to you?—I did not know that I was the next lowest, and then I found out there were two others of the same figure.

3210. Did you not know at the time, that if he failed to give security you would have the lowest tender?—I did not know that I was the lowest. There might have been others lower than me.

3211. When he was writing to the Government that he could not give security, were you aware that he was so writing?—No; I could not tell his means.

3212. Did he not tell you that he was going to write in that way?—He told me that he had sent off the tender, and then he told me, when he got notice from the Government, that the Government had accepted his tender, but that he could not get security in time, and had written to them to that effect. Then I got a letter from the Department, that the contract was given to me.

3213. How long after he wrote did you get the notice?—Two or three days to the best of my recollection.

3214. Did he claim, in his suit against you, that you had promised at Toronto a share in the contract if he would throw up his tender?—I do not recollect now, but he claimed to have an interest in the contract when he sued me here. But there was no understanding, and no talk about it in one way or another.

3215. It was an object to you to get him to withdraw, I suppose?—No; the price was not so lucrative at any rate.

3216. But did you not think then that it was lucrative?—I had nothing else to do. When I signed the contract Mackenzie told me it was very low. I said: "I know it is low." "Yes," said he, "but I know you can knock as much out of it as anybody else can." I said: "Yes, but the figures are very low." Price low. Conversation with: Hon. Alexander Mackenzie.

**Tendering—  
Pemb. Branch—  
Contract No. 5.**

3217. You say you had a conversation with Mr. Mackenzie before you got the contract?—No; it was when I signed the contract. He said: "The price is very low." I said: "It is low." Said he: "You can knock as much out of it as anybody else, but the figures are very low."

3218. Were you at Ottawa then?—Yes; when I signed the contract.

3219. Were you at Ottawa before you signed the contract?—No.

3220. Where were you before that?—I was living at Toronto. I was building a mill in Frederic Street and I was lodging in the same place where Peach was lodging.

At one time  
thought of  
tendering at  
28 cts.

3221. At one time you thought of tendering at the rate of 28 cts. for this earth?—I did, and I altered the figure eight to two. So as to make it 22 cts. instead of 28 cts.

3222. Where were you when that alteration was made?—It was made before I sent in the tender, at Toronto. I tendered from Toronto.

3223. How was it that you made such a great change in the tender?—I worked it as close as it was possible, to save myself, and save a little. I had nothing to do at the time, and I thought if I got it it might be a step to something else. I knew if I got it I would give satisfaction with the work, and it was necessary to make a start.

3224. Did you think it was necessary to name 28 cts. so as to accomplish what you have said?—I did it on this consideration; that I had to make a commencement, as I was a stranger, and I knew if I did work I could give satisfaction, and I put it down as low as it could be well done for.

3225. Was any person else assisting you in this matter, in getting the contract, or making this tender?—No; I made the tender myself.

Assisted financially  
by Hon.  
Donald McDonald

3226. On your own behalf alone?—Yes; but my brother-in-law, Hon. Donald McDonald, assisted me financially. But I made the tender myself, in my own name—at least, I think I did.

3227. Entirely on your own behalf?—Yes; except that I had to depend on him for financial assistance.

3228. But was it for your own account and benefit alone?—Yes.

3229. Is this tender (Exhibit No. 15) in your hand-writing?—Yes.

3230. Do you remember whether any person suggested to you this alteration to 22 cents?—No; I did it myself.

Made alteration  
in price on his  
own information.

**Railway Con-  
struction.**

Reasons for  
building the  
Pembina Branch.

3231. On your own information?—On my own information altogether.

3232. Had you been up there to see the country and the nature of the work before that?—I had not; but I think there were some political matters in the question. There was a change of Government, I think, and it was the present Government, I think, that first projected this Pembina Branch. Then Mackenzie came into power, and I think it was thought that he would have to carry that Pembina Branch into execution. The rails were piled up, and in Ottawa it was thought that there was a large emigration that was coming in here; that they had nothing to do and nothing to get—meat or lodging or anything else, and there were only some ten or fifteen days notice given. That was the object for letting it in such a hurry. When I came up here there was not half-

Railway Construction—  
Pemb. Branch—  
Contract No. 5.

a-dozen men to be had, and then I had to give them \$2 a day and board.

3233. Do you mean to say that you put in 22 cts. for that work without knowing the country?—I knew the work was only digging from the sides, and I could make 3 cts. or 4 cts. a yard clear from it. But when the plant and stuff were paid for, there was no money left after it.

3234. Do you remember the mileage of that contract?—It was something over sixty miles, I think.

Extent of contract, over sixty miles.

3235. But your contract did not cover the north and south extremities of the Pembina Branch?—It started at the south side of Bishop Taché's estate. The engineers were locating the line, and I think they had crossed the Seine River two or three times. They had not the location decided and they started me at station No. 50.

3236. Did you go down as far as the boundary line of the Province?  
—Yes.

Graded as far as boundary of Province.

3237. I thought there were some miles at the other end that were not in your first contract?—Yes; I had it all the way up there. I was on the whole ground up to the boundary, and I graded the station ground.

3238. Did you work all the way to the boundary line?—Yes; I worked to the station ground, and the station ground is up to the boundary line.

3239. The specification describes two sections of railway, the southern section, going through townships 2, 3, 4 and 5, in length about twenty-four miles; that does not embrace township No. 1, on the boundary?—I do not know, but I did it away from here up to the station ground at Emerson.

3240. Do you mean that you were ordered, under your contract, to work down to the southern limit of the Province?—Yes; the engineers were there and staked it out for me.

3241. Do you mean that you never understood that there was any reason why you should not go all the way to the boundary?—No.

3242. And did you work all the way to the boundary?—Yes; I did work all the way to the station ground, and it came on a hard frosty night with snow, and I did not quite finish it.

3243. Is there any dispute between you and the Government respecting that first contract of yours?—No.

No existing dispute between Government and contractor with respect to this contract 5.

3244. Has it been fulfilled, and settled for?—Yes; there was a dispute in the measurement. I calculated that I worked 85,000 yards more than I got from Mr. Rowan. Finally I went to Ottawa and arranged to have it measured over again. They appointed fresh engineers and brought me out 65,000 yards more than Mr. Rowan wanted to give me.

3245. What was the next transaction connected with the Pacific Railway in which you were interested?—This was in 1875, I think. I did nothing in 1876, and in 1877 was the next contract—contract 15—with Sutton & Thompson.

Contract No. 15.

3246. Was that before the work on the north part of the Pembina Branch?—No; I held the contract for 14.

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

3247. I am asking whether the contract with Sutton & Thompson was before the finishing of the north part of the Pembina Branch?—I took 15, and then they had the iron to get down to Selkirk, and I thought it better to make the road and run the iron down the track. Section 15 was the first.

3248. Was that work let by public competition?—Yes.

**Tendering.**

Twenty-six tenders. Witness's the thirteenth. Did not get contract on his tender.

3249. Were you one of the persons who tendered?—Yes, I tendered; but there were twenty-six tenders, and my tender was just the middle—the thirteenth. I did not get this contract on my tender.

3250. Was it let by quantities and a schedule of prices applied to those quantities?—It was let by a schedule of prices.

3251. And the moneying out of those prices attached to these different quantities showed the whole sums, and the comparison of those whole sums showed which tender was the lowest?—Yes.

3252. That was what you understood to be the way of arriving at the lowest tender?—Yes.

3253. You say your own tender was about half-way?—Yes; it was the thirteenth, I think; and there were twenty-six in all, to the best of my recollection.

3254. This work was advertised several different times?—Yes; three times, I think.

3255. Did you tender each time?—Yes.

Sutton & Thompson successful tenderers. Whitehead goes into partnership with them and buys them out.

3256. Did you understand that your tender was not likely to be accepted, but that the tender of somebody else was, before you made any offer to Sutton & Thompson?—No; I found I was a good way up, and they were not able to take it if it came to them. They fully expected that it was going to come to them, but they were not able to put up the security, and they wanted me to go in partners with them. I spoke to Mackenzie to see if he would have me put on as partner with them under an Order-in-Council, and he agreed to do so, and by that means the contract was given in that way to Sutton, Thompson & Whitehead. I got the \$80,000 put up for security, and I bought them out.

3257. You say that Sutton & Thompson thought it was likely to come to them?—Yes; they were second or third.

3258. At the time that they were under the opinion that it was likely to come to them, were you of the opinion that you were a long way off?—I got to know their figures, and I knew those prices for the largest bulk of the work were pretty good, and the thing could be worked through.

3259. You say you got to know their figures?—They told me their figures.

3260. Who told you?—Sutton & Thompson.

3261. Speaking of your figures in tender No. 13 on the list: how did you know that you were not next to Sutton & Thompson?—We talked one amongst another and I found I was about thirteenth.

3262. Talked with whom?—The different tenderers that were there.

3263. That was after they were all opened?—Yes; after they were all in and opened, and I found that Sutton & Thompson's figures were

Tendering—  
Contract No. 18.

pretty good for rock and earthwork, and off-takes, but for the tunnels I knew there would be money lost in them. I calculated there would be \$50,000 or \$60,000 lost in the tunnels.

3264. Did you know anything about the affairs of Sutton & Thompson, whether they were wealthy men or not?—I know that they could not put up the money.

Sutton & Thompson said they could not put up security, and wanted to sell out or have Whitehead go in as partners.

3265. Did they say that before they got the contract?—Yes; they wanted to sell out.

3266. Did they say that?—Yes. They wanted me to go partner with them. They knew my brother-in-law could put up the money, and I went in with them, and Mackenzie admitted me as a partner by Order-in-Council.

Hon. Alexander Mackenzie admitted Whitehead as partner by Order-in-Council.

3267. Had you arranged with Sutton & Thompson, before it was known that the contract had come to them, that you would go in with them?—Yes.

3268. Did you tell Mr. Mackenzie that?—I do not know what I told him; but I told him Sutton & Thompson wanted me to go in partners, and he cautioned me about them, and said I should take care of them. I dare say he knew them better than I did.

3269. Before it was known that Sutton & Thompson were to get the contract, you knew that if they did get it you were to be a partner?—Yes.

3270. Did you communicate that to Mr. Mackenzie?—I met Mr. Mackenzie between the two buildings, and I told him that they wanted me to go in partners with them. I asked him if I could be admitted through an Order-in-Council to become a partner with them, and he said he would do what he could.

3271. Do you remember writing Mr. Mackenzie a letter on the subject?—Very likely I did; I do not distinctly recollect it.

3272. Did you have any communication with Mr. Mackenzie, or any one else connected with the Government, before it was decided that Sutton & Thompson were to get the contract?—Not to my recollection.

3273. Do you not remember writing to him about letting the contract to a lower tenderer, Charlton?—I think I did write a letter to that effect. He was wanting to sell out too.

Remembers writing a letter to Hon. Alexander Mackenzie, about a lower tenderer, Charlton.

3274. Did he try to sell to you?—I do not distinctly recollect whether he did or not. He was trying anybody that he could get the chance to sell out to. I was about the Russell House at the same time that he was there talking about it. I heard him talk about it, and offer to sell.

Charlton trying to sell out to somebody.

3275. To whom did you hear him offer it?—I do not remember. There were a dozen of us there.

3276. Can you name any person he offered to sell out to?—The first I heard of it was from Mr. Cauchon, the Governor here. He thought Mackintosh was a partner with Sutton & Thompson, and he sent Charlton to sell out to Mackintosh. That was the first I heard about the selling.

Mr. Cauchon sent Charlton to Mackintosh to sell out to him.

3277. Who did you hear that from?—Mackintosh told me himself. That was the first I heard about selling.

**Tendering -  
Contract No. 15.**

3278. What was the next?—It is so long since that I cannot remember. He would sell to Sutton & Thompson, or to anybody that would buy him out.

3279. What makes you think he wanted to sell to Sutton & Thompson?—Because I heard him say if he got it he would sell out to them.

3280. What did he want from them?—I do not know.

3281. Do you know of any others he offered it to?—I do not remember.

3282. When he proposed to sell out to Sutton & Thompson, and you knew that you were going to be a partner, what did you say about it?—I do not know that it was before I knew I was going to be a partner.

3283. What did Charlton say? Did you and he talk about selling it out, or did you talk about buying a share if he did sell out?—He was talking to Sutton & Thompson, and offering to sell out if he got it; but I do not remember any price he asked.

First awarded to  
A. P. Macdonald.

3284. Was that before it was decided that he was the lowest tenderer?—I think so. I think it was awarded to A. P. Macdonald, in the first instance.

3285. Then this talk was before it was known who was to get it?—Yes.

3286. Was there any amount mentioned?—No; I do not think it.

3287. As a matter of fact, what was the arrangement between Charlton and Sutton & Thompson, or between you and Sutton & Thompson and Charlton?—There was no arrangement with Charlton at all.

3288. Do you know anything about any arrangement between Sutton, or Sutton & Thompson and Charlton?—No.

3289. You know there was a general talk?—Yes; it was about three months before the first letting to A. P. Macdonald when Sutton and I finally got it.

Bought out  
Sutton & Thomp-  
son.

3290. You finally bought out Sutton & Thompson?—Yes.

3291. In paying them their price was there anything said about the amount, or whether any amount had gone to Charlton?—No.

3292. That was not taken into account?—No.

Does not recollect  
his object in  
writing letter  
respecting  
Charlton to Hon.  
Alex. Mackenzie.

3293. Now when you wrote that letter to Mr. Mackenzie, what was your object?—I really cannot tell my object now. We had been there two or three months and I was tired of stopping there, as I wished to have it decided in some shape, it was such a long-winded thing. I do not recollect, it is so long since.

Made bargain  
with Sutton &  
Thompson to  
give them, if they  
got contract,  
\$10,000, and  
security and  
become sole  
contractor.

3294. It was before Sutton & Thompson were informed that they were going to have the contract, that you made the bargain with them, that if they did get it you should be a partner?—Yes.

3295. On what terms were you to be a partner?—I arranged to give them so much if they got it and I would find the security.

3296. How much were you to give them?—Ten thousand dollars.

**Tendering—  
Contract No. 15.**

**Made sole contractor by Order-in-Council.**

3297. Then you were to find the security and become the sole proprietor?—Yes; and I was admitted by Order-in-Council as the sole contractor.

3298. Was that arrangement made before they knew they had got the contract?—Yes.

3299. Was it understood, before it was known that they were to get the contract, that if they did get it then you were to become the sole owner of it, and you were to give them \$10,000?—Yes.

3300. Before it was known that they had got the contract did you write to Mr. Mackenzie on the subject?—I do not recollect. I think I must have written him before they got it, but I am not sure.

3301. Do you not remember writing to him for the purpose of influencing his mind against Charlton & Co.?—I did write him a letter. I told him the facts whatever they were.

**Object of letter to Hon. Alex. Mackenzie.**

3302. Do you not remember the object?—As I said before, I was for going home, and not staying to see it settled.

3303. Do you not remember that your object in writing this letter was to influence his mind against Charlton, who had a lower tender for this contract?—I do not remember the contents of the letter.

3304. Without remembering exactly the contents, do you not remember the main object of the letter?—I really could not say what was in the letter. I do not recollect it.

3305. Do you not recollect that your object was to influence Mr. Mackenzie against Charlton?—I know that I was there so long, that I was tired of it and wanted to go home.

3306. What did you write to him about?—I do not remember what I did write to him.

3307. Did you write him this letter in the Blue Book report of Committee on Public Accounts, page 7? (Handing the book to the witness.) After reading it will you tell me what was your object?—It appears that the contract was going into the hands of some Americans, and I wrote to him to influence him against letting it to Americans.

**Wrote to prevent Hon. Alexander Mackenzie letting contract pass into hands of Yankees**

3308. And these Americans were represented by Charlton & Co.?—Yes.

3309. But you knew that Charlton was willing to sell out?—Yes; they were going to sell out to some Yankees.

3310. And you did not want them to have that chance?—No.

3311. Why not?—Because I think there are plenty of men in our own country to do the work without getting the Yankees to come and do it.

3312. At the same time that you wrote this letter, you suggested to him to give the contract to Sutton & Thompson?—Yes; because they were the next tenderers.

**Suggested that Hon. Alexander Mackenzie should give contract to Sutton & Thompson.**

3313. Did you know then that theirs was the next tender?—It is likely I did.

3314. How could you know that?—It was very likely we told one another's tenders after they had been opened for two or three months. It is often enough known after the tenders are all in.

Tendering—  
Contract No. 15.

Generally some-  
body at Ottawa  
who gets to know  
the character of  
all the tenders as  
soon as they are  
in.

Witness knows  
that things have  
not been in the  
Department two  
hours when they  
have been known  
in the streets.

Explains object of  
letter.

Hon. Donald  
McDonald gave  
Sutton & Thomp-  
son \$10,000 in  
presence of  
witness.

In Ottawa.

Sutton, who was  
present, had  
power of attorney  
from Thompson.

3315. But if some man does not tell?—There was no one between us, it appears.

3316. You mean only those who were present to tell?—There is generally somebody who gets to know the whole thing in Ottawa.

3317. How do they get to know it?—I cannot tell; it is more than I can do, but some of them do. By the time the tenders are in they know the whole of them.

3318. You must be wrong about that?—I know it for a fact. I know things that have not been in that Department more than a couple of hours before they are known on the street.

3319. Which Department?—The Public Works Department.

3320. You must be mistaken about that?—I am not, and I know the party to blame for it too.

3321. In this letter you advocate the letting of the contract to Sutton & Thompson, and you say you have no other object than to let him know the feeling outside?—That is all.

3322. But had you not another object?—If Sutton & Thompson got it I had.

3323. What was the object?—The feeling outside was very much against the Americans getting it.

3324. And what was the feeling inside?—That Sutton & Thompson and I wanted to get the contract.

3325. And you got it?—Yes.

3326. And that was the real intention?—Yes.

3327. You say that the bargain was to give Sutton & Thompson \$10,000?—Yes.

3328. How much was given to them, as a fact?—I gave them \$10,000.

3329. Who gave them that?—Mr. McDonald paid it to them in my presence.

3330. Where?—In Ottawa when we signed the contract.

3331. The contract did not show that you were the sole owner at the time it was signed?—No; the whole three of us had to sign the contract, and I had powers of attorney as soon as we signed the contract to give up their whole right and title to me.

3332. Were they present at the time of signing the contract?—I do not think Thompson was, but Sutton had power of attorney to sign for him.

3333. Where was it signed?—In Mr. Mackenzie's office.

3334. Who were there?—There were Sutton and myself, and Mr. McDonald and Mr. Braun, and I think they took the contract into the room to Mr. Mackenzie to sign it.

3335. He was in the other room?—Yes.

3336. You did not inform the Department of the real bargain between you and Sutton & Thompson, before the contract was signed?—No.



Tendering—  
Contract No. 15.

3337. You wished them to believe that Sutton & Thompson were still interested?—I do not know that I had any object in that. There was nothing of importance in it in any way, and I could not say what I thought at that time.

3338. Did you not represent to the Department that you were only going in as a third partner?—Yes; that was the time that Mr. Mackenzie admitted me by Order-in-Council. Did not let Department know all the facts.

3339. But before that time you had arranged to be the absolute owner?—Yes; I had agreed to buy them out.

3340. Then you did not let the Department know the real state of the affair?—No; I did not at that time, but I did after they passed the Order-in-Council, making me the whole contractor.

3341. Why did you think at that time that it was advisable to keep from the Department the fact that you were the sole owner?—I could not say that I had any particular object at all. That was the arrangement, and I knew very well that I could carry it on as well as they could. I did not tell them at the time. I told them afterwards, and they admitted me by Order-in-Council as the whole contractor, excluding Sutton & Thompson and their sureties.

3342. Now, at the time of Sutton & Thompson getting the contract and when, in fact, you were the owner of it, did you put up the security yourself?—Hon. Mr. McDonald, my brother-in-law, put it up for me. Hon. Donald McDonald put up security.

3343. What was the arrangement between you and Mr. McDonald at that time?—He was to find finances for me, if it were required, and I was to pay him 10 per cent; and there is \$80,000 of it up in the Department yet as security. Hon. Donald McDonald to get 10 per cent. per annum, and his son was to have half the profits of the contract.

3344. What else?—That was all I had to do with him.

3345. Do you mean that you were to pay him interest at the rate of 10 per cent. a year?—Yes; and his son was to have half the profits of the contract.

3346. And suppose the contract was a loss?—Then he would get no profits.

3347. Were you to bear all the losses if there were losses?—I suppose I was. Witness to bear all the losses, if any.

3348. Was that the understanding between you and Mr. McDonald?—I suppose he would have made loss too, as I could not make it up. But he had every confidence in me as a railroad man, and that is the way we did it. We did not anticipate a loss.

3349. Was it arranged between you and Senator McDonald that his son was to have half the profits of the contract?—It was the arrangement. His son was present at the time. The arrangement made in Mitchell McDonald's office

3350. What is his son's name?—Mitchell McDonald.

3351. Where were you then?—In Toronto, in his son's office. His son is a lawyer.

3352. Besides advancing the security did Senator McDonald advance this money for Sutton?—Yes.

3353. Did that carry interest too against you?—Yes. The \$10,000 to Sutton also carried interest.

**Tendering—  
Contract no. 15.**

Mitchell McDonald not a railroad man, nor wealthy.

Senator McDonald could not take partnership being in Senate, and therefore secured it through his son.

3354. Was his son a railroad man?—No.

3355. Was Mitchell McDonald a wealthy man?—No; he was not wealthy.

3356. What was the object of associating him as a partner with you?—I suppose he could not take the partnership himself being in the Senate, and I suppose that is the way he took to secure the benefit of it, by giving his son the partnership.

3357. Why do you think that was the object of it?—I do not see any other way it could be; he could not be a partner himself.

3358. How do you know that? Did he say so?—Of course he knew it, and everybody knew it.

3359. Did he say so?—I could not recollect distinctly whether he said so or not. I do not remember, but I know that was the object.

3360. Do I understand you to say that the substance of the arrangement was, that Senator McDonald was to get half the profits, through the name of his son as a partner, because he could not be partner himself?—The arrangement was made in the son's name that he was to have half the profits.

3361. Do you know why it was made in the son's name instead of the name of the Senator himself?—I do not know anything except the reason I gave you. I know he could not have it himself.

3362. When he first arranged with you for the money, was it part of the understanding that you were to give up half the profits to somebody?—Yes; it was arranged that Mitchell was to have half the profits.

Mitchell McDonald insolvent at the time.

3363. Do you know whether Mitchell McDonald was worth anything, or had he become insolvent?—He was insolvent, and went through the Bankrupt Court since that.

Paid him \$20,000 on account.

3364. Did you actually pay any money on account of that partnership to anybody?—I paid Mitchell McDonald \$20,000.

3365. How did you pay him?—I gave him a cheque.

3366. Payable to himself?—It was a warrant from the Department.

3367. To whom was the warrant payable?—The warrant was made payable to me, and I endorsed it over to him.

3368. Did you put your name on the back?—Yes; I must have done so.

3369. Do you remember whether you put your name on the back?—I do not; but he got the money at any rate—\$20,000. I think I would put my name on the back.

3370. Do you remember to whom you handed that piece of paper?—I handed it to him.

3371. To whom?—To Mitchell.

Mitchell McDonald having got the warrant for \$20,000, gave it to his father.

3372. Where was he?—I do not know, but I know he handed it to his father afterwards. His father was sick at the time, but I saw it afterwards in his father's own hand in his house.

3373. Did you pay any more on account of that division of profits?—No; I have not yet.

Tendering—  
Contract No. 15.

3374. Twenty thousand dollars is the extent of the money that you have given, is it?—Yes.

3375. Did you ever arrange with them that you would give a larger sum in satisfaction of their claim for their part of the profits?—Yes; I was to give him \$112,000, and that \$20,000 was a part of it. Witness was to give \$112,000 of which the \$20,000 was part.

3376. How did you arrange the balance then?—I gave him notes.

3377. Your own note?—Yes.

3378. How much was that for?—About \$90,000. Gave him note for balance \$90,000.

3379. Were you the maker of that note?—Yes.

3380. Have you paid it?—No; I have never been able to pay it yet. Not able to pay this note yet.

3381. How long had it to run?—I think it was twelve months. I forget now.

3382. When you say that Mitchell McDonald went into the Insolvent Court, do you remember whether the assignee, or the person representing his estate, came to you for that note?—Nobody made a claim on me. The assignee in Mitchell McDonald's insolvency made no claim on witness.

3383. Has any one made a claim on you?—No; I think he has the note himself.

3384. What makes you think he has the note himself?—I have never seen it since.

3385. Do you remember to whom that note was made payable?—I think it was to Mitchell McDonald. I think it was in two notes, if I remember rightly. Thinks the \$90,000 was in two notes.

3386. Do you remember whether it was one or two?—I could not swear, but I think it is in two.

3387. Do you remember how long they had to run?—I think one was for twelve months, and the other was for eighteen. I am not sure.

3388. How was the amount of \$112,000 arrived at as being full satisfaction for their claim of the profits?—They wanted more, and that was the bargain we struck. Mitchell McDonald wanted more than \$112,000. That sum the result of a compromise.

3389. Who wanted more?—Mitchell McDonald.

3390. Was any person else present when you struck the bargain?—I do not think there was.

3391. Where was it?—It was in his office.

3392. Mitchell's?—Yes.

3393. Was there any person else present?—I do not think there was.

3394. Do you think that Mitchell and you alone took part in that arrangement?—I think so.

3395. Did you never speak to his father about it?—His father was in Ottawa at that time. I never spoke to him about it; but I know his father was not satisfied about it. Senator McDonald not satisfied. Wanted his son to make a deed, and place arrangement in the original form.

3396. Why do you know he was not satisfied about it?—Because he wanted Mitchell to make a deed and put it back where it was before.

3397. How do you know he did that?—Because Mitchell wrote a deed and put things back where they were before.

**Tendering—  
Contract No. 15.**

3398. Did the father ever speak to you on that subject, as to whether he was satisfied or not?—I do not think he did, but Mitchell told me he was not satisfied and had made him make this deed to put it back where it was before we made this arrangement.

3399. Did you see the father after that?—Yes; many a time, but I do not think he ever mentioned it to me; but Mitchell wrote me a note and sent me this deed to sign, and told me that his father was very much displeased at what he had done.

3400. Where did he send it to?—I think it was to here. I came home to Winnipeg from his office.

Mitchell  
McDonald has  
tried to get from  
witness the  
amount of these  
notes.

3401. Has any person made any claim against you in respect to that \$92,000 since the time you gave that note?—No one but himself. He has tried to get it himself.

3402. Do you mean Mitchell?—Yes.

3403. Did you know Martin, who was Charlton's partner on the tender?—He was working on the railway here with me since I got the contract.

Before tendering,  
sent a man over  
the road to learn  
its character.

3404. Had you been over this country before you made that tender for section 15?—No; but I sent a man. I was a cripple, on crutches, and could not go myself; but I sent a man with hammers and drills to bring me specimens of the rock, and to find out wherever variations took place.

3405. Did you have any conversation with any of the engineers as to the kind of work that was to be done?—No; I had a profile to go by, that was all. I saw the profile.

3406. Is it not usual before making tenders, besides seeing the plans and specifications, to discuss with the engineers the probable nature of the work?—Very seldom. Mr. Carre was there, and gave any explanation he could, how access was to be got to the line with provisions and supplies. I was the only one who had a sample of the rock there. The engineers had not it themselves, nor had Mr. Fleming.

Railway Con-  
struction—  
300,000 yards of  
rock; 80,000 yards  
of earth; eight  
miles of trestle  
work.

3407. Had there been any discussion as to whether the bridges should be built, or whether the fillings would be of earth?—There were 300,000 yards of rock to excavate, 80,000 of earth, and there was eight miles altogether, I think, of trestle work.

3408. Before the tenders were made, was there any discussion between you and any person at all on the part of the Government as to the probability of how the work would be completed eventually?—No; nothing except what the specification said, rock work and trestle work and this 80,000 yards of earth. No one ever said anything different from that.

3409. You know there were three sets of tenders. First of all they were going to make solid embankments. That was found to be so expensive that for the time the Government abandoned it and asked for other tenders. Then there was a second set of tenders leaving gaps unfinished, was it not?—I do not remember.

3410. Then there was a third set that you became interested in; I wish to know whether about that time there was any discussion as to whether the final construction of that line would be according to the first set of tenders—solid embankments?—That was all the understanding

**Railway Construction—  
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that was held out at the time the tender was let, that the rock was to be 300,000 yards, earth 80,000, with this amount of trestle work.

3411. When you bought that contract from Sutton & Thompson did you think it probable that the trestle work would be adhered to?—Yes; of course I did.

Went into work expecting trestle work would be adhered to.

3412. Did you go into that work with that expectation?—Yes; I had no other motive or understanding with any one.

3413. The change is, of course, beneficial to you?—Yes.

Change beneficial to contractor.

3414. You would have lost more money if they had adhered to the trestle work system?—The trestle work would have worked itself. I would have made money, but not so much as I have made out of the earth work. In fact the trestle work was the plan that they had adopted, but it would not have been finished in twenty years if they had carried it out.

Trestle work would not have been finished in twenty years.

3415. Is not that a new idea. You did not have that idea when you commenced?—Yes; I did.

3416. Did you expect when you took the contract that it was to be finished with trestle work?—Yes.

3417. Although you knew it could not be done with trestle work in twenty years?—I do not know that I thought so when I took the contract. I did not see so far into it at the time as I did after.

3418. That, then, is a late idea since the contract was taken?—Yes; since I got started into it, and since the engineers told me the way it had to be done.

3419. How long after you started on your work was it before you came to the conclusion that the trestles should be abandoned?—I did not propose to abandon them at all.

3420. Did you come to such a conclusion in your own mind?—I saw in my own mind that it was going to be a long job, as we could not put on many men if they adhered to it, and the work could not be put through in twenty years. They were either bound to go back on earth work or else borrow rock to fill up the embankment.

3421. What was the difficulty?—You see, in the first instance, all the rock was to go into the water stretches to make a rock base the whole width of the embankment, and three feet above high water mark. The next cut was to go into the lake, and then a trestle had to be put up next the embankment, and then to get the next cut you had to build a trestle to get the stuff over it, and the same way with the next one, and fetch the stuff in that way five or ten miles. You could only work twenty or thirty men at each end next to the lake.

Reasons why trestle work would have taken so long a time.

3422. Would it have been necessary from each end of the contract to put up the trestle work before you could go on to the cut beyond it?—Yes; and the rock would have to go to fill up the water stretches.

3423. Did you communicate that idea to any person on behalf of the Government—to Mr. Carre or anybody else—soon after you went on the work?—I think they began to see it themselves when Mr. Rowan went down the line, because he told my son wherever there was any deposit of earth, the Chief wanted the voids filled in with earth instead of trestle work.

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Had line been built with trestles not more than twenty-five men could have been got into each cutting.

3424. Do you mean to say that the trestle and other works contemplated at the time of the advertisement could not have been accomplished under twenty years?—That is my impression, because you could not put on men to work.

3425. Was that because you had 16 work from each end with a very small body of labourers?—Yes; you could not get more than twenty or twenty-five men into each cutting, and they might be five or ten miles apart, and the stuff had to be put into the lake. I did not see it myself until after I got on the work.

3426. You do not think you saw that before your bargain with Sutton & Thompson to buy them out?—No; I did not see it until after I got on the work. I did not understand at that time that all the stuff had to go into each lake.

3427. Was this talked over with Mr. McDonald?—No; he did not know anything about railroads, and they left everything to me.

3428. Do you mean Senator McDonald?—Yes; he left everything to me.

3429. When you and he made the arrangement about half the profits going to Mitchell, was there any limit to those profits? For instance, were they to go to the full extent of one-half?—They were to go to the extent of one-half, and then I made an arrangement with Mitchell afterwards and agreed to give him \$92,000 to give up that chance.

3430. Did you communicate the idea that you speak of about the difficulty of finishing the contract to Mr. Marcus Smith or Mr. Rowan?—I am sure I do not know.

WINNIPEG, Tuesday, 14th September, 1880.

JOSEPH WHITEHEAD'S examination continued:

**Tendering.**

*By the Chairman:—*

Witness's tender for section 15, higher than Sutton & Thompson's.

3431. Your tender for the work on section 15 was much higher than the tender of Messrs. Sutton & Thompson, was it not?—Yes.

3432. Do you know about how much higher?—I do not recollect at present.

3433. The quantities published in the Blue Book and the prices attached to your tender after Sutton & Thompson's, make it appear that on timber your tender was about \$188,000 more than Sutton's?—Perhaps so. I could not say what my figures were. At present, I do not remember.

3434. Do you think that is about the difference?—I really could not say; I do not remember what mine were now.

Sutton's price for tunnelling too low.

3435. The same statements make it appear that your price for tunnelling was about \$128,000 more than his?—His price was no price at all for tunnelling, whereas mine is \$2.75 for open cuttings. The tunnelling ought to be at least three times as much as open cuttings.

3436. When you made your tender upon the examination of the country which you say was made by your agent, did you consider you would have a large profit on the transaction if you got it at your

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price?—I considered I would have a good thing in it. It was a large operation to go into.

3437. Had you made any estimate of the probable profit?—I thought I would make \$150,000 or \$200,000 on my own tender.

Thought he would make \$150,000 or \$200,000 on his own tender.

3438. If you thought you would make \$150,000 or \$200,000 on your own tender, what profit was there in taking the contract \$300,000 less than your own contract?—I found that his price was better for rock. I do not remember exactly what mine was. I think mine was only \$1.25, and his was \$2.75. His prices were good for ties, and for earth work, but I knew there would be a loss in the tunnelling. Still I thought the thing could be worked out to advantage.

Why he was ready to take a contract \$300,000 less than he tendered for. Prices good for ties and earth work.

3439. How did you think it could be worked out to advantage if the quantities which were offered to you, and which you were led to suppose would probably be executed, made a difference of \$300,000 against the Sutton tender, if you thought you could only clear \$150,000 on your own?—I could not say how much I would clear on my own. I was going into it to clear as much as I could.

3440. Can you not explain what induced you to take a tender of Sutton's at \$300,000 less than your own?—I thought his prices were good for rock and earth, and something could be made out of it.

Thought Sutton's price was good for rock and earth, and that something could be made.

3441. But the quantities of rock and earth would not at all make up for the deficiency of \$300,000?—It would come out all right enough now with the prices I have.

3442. But you could not tell then that it was going to happen afterwards, that the timber would be abandoned, for instance?—No; I did not know anything about it.

3443. Then you cannot explain beyond that the reason for supposing that the Sutton & Thompson tender would be a desirable one to have?—I thought there was money to be made out of it. I was perfectly certain I would not get my own figures, because I was told there were so many below me.

3444. Do you remember a talk at Ottawa about Sutton & Thompson having left out of their tender one of the items—rip-rap?—Yes.

Rip-rap not in Sutton & Thompson's tender.

3445. How was it known that Sutton had left that out of his tender?—I am sure I cannot tell. I heard that he had left rip-rap out; and I think it was left to the Department, and they took an average from the other tenders for it and put it in at \$2 a yard.

3446. At the time his tender went into the Department, there was no price in it for rip-rap?—No; he had left it out.

3447. Was it after that correction was made by the Department that you agreed with him to become a partner?—No; I think it was before that was known.

3448. Was it arranged between you and Sutton that you would become his partner if he got the contract before that correction was made?—I do not think it was known at that time.

3449. You heard of it afterwards?—Yes; I took Sutton & Thompson's note to the Department, and the Department made an average from the other tenders, and put it in.

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Some  
departmental  
matters become  
known outside.

3450. You made a remark yesterday that matters known in the Department were sometimes known outside very quickly?—Yes.

3451. And I understood you to say that you knew the parties through whom such matters came out?—I say that it is generally known a very short time after the tenders are in. There is somebody gets to know what they are.

3452. What parties do you allude to?—I have known parties that have got to know the tenders.

3453. What parties?—I do not know the party's name. I know him by sight, in Ottawa. I do not know what his name is, but I know that he knew about the prices of those tenders before anybody I know of.

3454. Was he one of the tenderers?—Yes.

3455. I thought you knew all the tenderers?—No; there were twenty-six of them.

3456. Do you mean that you knew any person in the Department through whom the information came out?—I do not know that particularly. I do not know it for certain.

3457. What do you know about that?—Well, I do not know anything of myself that I can bring proof on, so I will not say anything further about it.

3458. Did you never talk to any person in the Department about matters in the Department?—I do not know that I did. About prices or anything?

Witness never  
could find out  
anything directly

3459. About prices or the contents of documents?—I never could find out anything. There was somebody had a better way of knowing it than I had.

3460. You tried, did you?—I do not know that I did. I knew that I could not get any information, and I did not bother myself about it. If I could have got information I would have had it.

3461. Did you try?—I do not know that I did.

3462. Did any one else try for you?—No; not that I know of.

Charlton's  
interest.

3463. Do you know if Charlton sold out his interest in the tender, or took any money for not completing it?—I do not know that he took any money. I never saw him take any money.

3464. You might know without seeing?—I do not know. I did not see him take any money, and I did not give him any money, and I could not tell anything further about it.

3465. Could you not tell without giving him money or seeing him take it?—I do not know; I never gave him any and I never saw him take any.

3466. Have you any reason to know whether he got anything for not completing his tender?—I think he did, but I did not give him any.

Knows Daniel  
Hayes.

3467. Do you know a man named Daniel Hayes?—Yes; from Toronto.

3468. Do you think he gave him any?—I do not know; I have no means of knowing that he did.



Tendering—  
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3469. Did you never hear that he gave him anything on account of anybody else?—No.

3470. Do you know where Charlton was?—He was at Ottawa all the time.

3471. But there was a time that he was away from Ottawa—just about the date that Sutton & Thompson got the contract?—He was in Montreal.

3472. Did you hear he was anywhere else—at Cornwall, for instance?—Yes; I heard he was there.

Heard Charlton was at Cornwall, and that Senator McDonald was with him.

3473. Who was up with him?—Mr. McDonald.

3474. Your partner?—He was not my partner.

3475. Well, he was your financial assistant?—Yes.

3476. What did Mr. McDonald say to you about giving money?—I do not know.

3477. Do you not know that you were to make good any money advances?—Yes.

3478. What did he say about that?—I do not know any particular sum that he charged me with in the books, for Charlton, that I can refer to.

McDonald charged witness with \$20,000 given to Charlton.

3479. Can you remember the sum now?—I expect it was \$20,000.

3480. What makes you expect it?—Because it was talked of between me and McDonald.

3481. Was it not more than \$20,000?—No; it was not.

3482. Was that the amount put down in the account between you and McDonald?—There is no separate account, but it is amongst the other items of a larger sum. That was the amount.

3483. Are you sure it was not a great deal more than that?—I am certain it was not.

3484. Was that part of the money on which you paid interest to McDonald?—Yes.

This part of the money on which witness paid interest at 10 per cent. per annum to McDonald.

3485. At what rate?—Ten per cent.

3486. Have you those accounts now that were rendered by Mr. McDonald to you, showing the disbursements that he had made on your account?—I think we have.

3487. Can you produce them, to show whether your statement is correct or not?—Yes; I can.

3488. Are they here in Winnipeg?—Yes.

3489. Was Hayes up there with Mr. McDonald at the time?—No.

3490. Where was Hayes?—I do not know; he was not there.

3491. What makes you think that Mr. McDonald was up there with Charlton?—I was there too. It was at the station, going to Ottawa.

Witness in Cornwall with McDonald.

3492. Were you there with them?—Yes.

3493. What building were they in?—It was the front room of a hotel just opposite the station.

**Tendering—  
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Not present when the money was paid.

3494. You were interested in this transaction, why were you not present?—I was out at the time. When he paid him the money I was not in the place, I was out at the station.

3495. Who else was there?—I do not know who else was there. There was McDonald, and Charlton, and another man who came from Montreal, a partner of Charlton's. He is peddling coal, or wood, or something, in Montreal. I do not know his name.

3496. How did it happen that you were not present when this transaction in which you were interested was going on?—I was in the station.

Said he would go \$20,000, and left McDonald to do the rest.

3497. But the terms were all arranged in your presence?—I said I would go \$20,000, and McDonald made the rest of the arrangement.

3498. You had not the means of your own to do the rest of it?—No.

3499. It was done with Mr. McDonald's means?—Yes.

3500. Did you forget about this part of the transaction, yesterday, when you were giving your evidence?—No; you asked me whether Sutton & Thompson gave Charlton anything, and I said no, I did not know anything about it.

3501. Were you watching the words I used?—Of course, I have got to do that, or else you would soon trap me.

3502. Do you not want to be trapped?—No; but I will tell you what you ask me.

**Railway Con-  
struction.**

3503. How long was it after you went upon this work on section 15, when you came to the conclusion that it could not be finished with trestle work, as was first intended by the Government?—It was the way that the engineers instructed us to go on with the work, and instructed us that the work was to be done. We had to take all the rock work each way between two lakes; there was only one set of men could work; and when we got trestle work to put in on one side we would have to wait until the men could work on the other side of it.

In February, 1877, learned that trestle work would not be used.

3504. About what time of the year did you become aware that the trestle work would not be used?—It was in February, I think, in 1877. I signed the contract on the 9th of January and then came up here from Ontario.

3505. Were you down at Ottawa that season?—I was at the signing of the contract.

3506. I mean after you had become aware that the contract was not likely to be finished with trestle work?—I could not tell you when I was in Ottawa after that. I have been to Ottawa a good many times, and I do not remember. I did not keep track of it.

Does not remember discussing expediency of changing character of road, with any officer of the department.

3507. Did you discuss the expediency of changing the character of this work with any person connected with the Department of Public Works?—Not that I remember of.

3508. Not with Mr. Trudeau?—I do not remember; I could not say.

3509. Was not Mr. Trudeau present when you and some other persons were talking about the necessity of changing the character of the work?—Not to my recollection.

**Railway Con-  
struction—  
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3510. Do you remember talking of it in the Department of Public Works?—No; I do not. It was with Mr. Rowan the thing first commenced.

3511. I am speaking of a later time, after Mr. Rowan told you—about September, when he was down on the works?—I do not recollect.

3512. When did you first go to Ottawa after that?—I could not tell that either. I do not recollect.

3513. Have you ever been examined as a witness before any of the Committees of Parliament?—No.

3514. Were you down at Ottawa at the time of any of the committees taking evidence?—Yes; I was there the Session before last when Mr. Rowan was examined, and Mr. Carre.

3515. You were not asked to give evidence?—No.

Does not know any reason why he was not examined before Parliamentary Committee.

3516. Do you know why you were not asked to give evidence?—No; I do not know anything about it.

3517. Was there any arrangement by which you were not to give evidence?—No, I never heard of it; I did not know that they wanted me at all.

3518. Had you been down to Ottawa before that, the season before, after Mr. Rowan had led you to understand that the character of the works was to be changed?—I really could not say; I did not keep any memorandum about going to Ottawa. I have been to Ottawa many different times, and I do not know any particular date.

3519. Have you let much of the work on contract 15 to sub-contractors?—Very little, except the earth work. I kept all the rock work in my own hands.

Let little of work excepting earth to sub-contractors.

3520. How much of the earth work did you sub-let?—I could not say; where there was any barrow work or grading work that was to be done beside the trestle work.

3521. Was that a small proportion of the whole?—Yes; I do not suppose that out of 1,000,000 yards I have let more than 20,000.

Out of a 1,000,000 yards of earth, let only 20,000 yards.

3522. So that the bulk of the work you have done without sub-contract?—Yes; all by days' labour.

3523. Did you ever have any conversation with Mr. Fleming upon the subject of changing the work from trestle to embankment?—I do not recollect that I ever had.

3524. Or with Mr. Smellie?—I could not say; I do not remember about it.

**Tendering.**

3525. Could you fix the date at which that conversation took place at Cornwall between you and Mr. McDonald and Charlton?—It was just a few days before the contract was let.

Meeting at Cornwall between McDonald, Charlton and witness took place a few days before contract was let.

3526. You mean a few days before it was awarded to Sutton & Thompson?—Yes; three or four or five days—perhaps a week before that.

3527. Do you think the account that Mr. McDonald rendered to you would show the date?—I do not think it would.

3528. Has there been any complaint on your part as to the quantities of the estimates of the Government engineers at different times?—Yes.

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

Dispute with Government engineer regarding loose rock, ties, &c.

27,000 ties kept from him.

About \$96,000 he thinks kept from him.

Got \$45,000 on plant.

S. Fleming and Sir Chas. Tupper said he could have \$60,000.

\$100,000 value of security.]

Sir Chas. Tupper informs him that the Government cannot be his bankers.

3529. What was the principal dispute about?—Well, the loose rock was a large item; and then there were other things—there were the ties. For instance, Mr. Rowan makes me find all the ties to lay to the ballast pits, and I have no right to do it, according to contract. I do the labour for nothing just to put the roads in; but the Government find the materials: sleepers, ties and rails. I spoke to Mr. Schreiber about it (I think he has kept some 27,000 ties off me, as near as I can guess) after he came over the work, and he said it was absurd to keep the ties off me without paying for them. They might as well make me find the iron too. Then there is some of the track laying not paid for yet, and some of the days' work not paid for. I calculated it as near as I can figure it up, and Mr. Schreiber has promised to give me a final statement in November. Everything all told, I think there was \$96,000 kept off me.

3530. Has the withholding of this money, to which you think you are entitled, prevented you from successfully carrying on the works?—Yes; the works would not have been in the hands of the Government to-day if I had got my estimates as I should have got them.

3531. Did you make any application to the Government for assistance?—Yes, I did.

3532. When did you first make it?—I could not say when I first made it, but I think it was some time about the month that Mr. McDonald died. That is about a year ago in January. I do not remember the date. They gave me \$45,000 on my plant, and that, I think, is all paid back again. Then I wanted to get some more, just before the Government took possession of it, but I did not succeed, although I was promised it.

3533. Do you say you had the promise of it?—Yes; I had the promise of it but I did not get it, and I took in some other partners.

3534. Who made you the promise?—Some members of the Government—Mr. Fleming and Mr. Tupper. On a Saturday morning Mr. Fleming said it would be sent up here from Ottawa, \$60,000, on Monday.

3535. Was it only Mr. Fleming who said you could get it?—The two said it.

3536. What security were you to give them?—Rolling stock, engines and cars, and such as that.

3537. What was the value of the property which you offered as security?—Something over \$100,000. There were six locomotives; there were 168 flat cars, and then, of course, they have possession of everything else besides, as nothing can be taken off the work until the contract is finished. Everything belongs to Her Majesty until the contract is finished.

3538. Was there any objection on the part of the Government to the value of the security which was offered?—No.

3539. Then why did they not make the loan to you?—Dr. Tupper said that the Government were anxious to do all that lay in their power for me, but they could not be my banker; and he said he thought it would be better if I were to take in partners. This was on the Tuesday following. Mr. Grant came down to Ottawa, and Tuttle, the newspaper man, was with him. Mr. Grant was of the firm of Fraser,

Fraser & Grant-  
Whitehead  
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Grant & Pitblado. He was along with Mr. Macdonald, the Minister of Justice, that afternoon.

3540. Who was?—Grant was; and next day I saw Tupper, and he said he thought I had better take in a partner as the Government were anxious to do all they could for me. He said he did not think I had an enemy in the Cabinet, but that they could not be my bankers. Finally, I agreed to take in a partner, and they were to find all the money that was necessary to carry on the works, but they failed to do it, and so I went right into the hands of the Government.

Money not forthcoming the work passed into the hands of the Government.

3541. When it was suggested that you had better take a partner, was any name mentioned to you?—No; there was not. By Sir Charles Tupper you mean?

When partner was suggested Sir Chas. Tupper mentioned no name.

3542. When it was suggested that you should take a partner, was it also suggested what partner you should take?—No.

3543. Was there any allusion made to any of those persons who did become partners, by any person connected with the Government?—No.

3544. Are you sure of that now?—Not to me; there was not.

3545. Was there any suggestion made by any member of the Government which led to your taking in these individuals?—I do not know that there was.

Nor did any member of the Government suggest any one.

3546. This proposed partnership was no advantage to you, as I understood you to say?—No; it was a disadvantage.

3547. Do you mean to suggest that this proposed partnership was brought about by any action of any person connected with the Government?—No, I do not say that, because I do not know; but Sir Charles Tupper told me that he thought it would be better to take in a partner. That is all I can tell you about it.

Does not suggest that partnership was brought about by the action of any person connected with Department.

3548. Did any other person than Sir Charles Tupper, connected with the Government, mention any names to you as proper persons, or desirable persons, to form a partnership with?—No.

3549. Are you sure of that?—Yes; I do not remember anybody.

3550. Those persons who proposed to be partners, as I understand you, failed to furnish the capital which you expected?—Yes.

3551. And that has led to the trouble about your completing the works?—Yes.

3552. And that trouble has led to the Government taking the work out of your hands?—Yes.

3553. Now, we wish to understand all the particulars about this transaction by which you took partners who were supposed to have capital, instead of borrowing money from the Government. I wish you to explain any matter which I have failed to ask you about, that will give us a correct idea of how the thing was arranged?—Well, Grant came down to Ottawa, and when Sir Charles proposed the partnership to me, I told him that I did not require any partner; that I could do without a partner; that I had spent a large amount of money in taking plant and provisions down to North-West Angle 110 miles, and that I had to team it from here. Sifton Ward & Co. were behind time in finishing their contract on section 14, and that is the way I should have got my provisions, plant, and material down; but they were so far behind with

How he came to take in partners.

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

Had either to wait twelve months or else haul stuff down by Dawson route.

the grading that I had either to wait for twelve months before starting contract 15, or I had got to haul the stuff down by the Dawson route to North-West Angle. Then I had to take it by steamboat to Rat Portage. I had then, in the summer of 1877, to pack the stuff on men's backs to start on the east end of the contract instead of the west end. I told him I had spent a large amount of money in this, and I was getting the work into shape, and could work it by steam; that I had five steam shovels and six locomotives, and I had every preparation to work the things on a very economical base, and I did not wish a partner at all. He told me—

Sir Chas. Tupper having told him that the Government could not be his bankers, witness went back to Winnipeg where his creditors pressed him.

Cooper, Fairman & Co. wanted their account of \$9,000 for glycerine, and Cooper threatened to make him an insolvent.

Cooper said he could get parties to go into partnership with him.

At Young's office Cooper suggested, Fraser & Grant.

3554. Who told you?—Sir Charles Tupper told me that the Government was inclined to do everything that lay in their power for me, but that they could not be my bankers, and that I had better get in a partner. Then I came home, and I did not come to any decision in Ottawa about taking in a partner. I came home and there seemed to be a ring formed against me when I got here to Winnipeg. Cooper, Fairman & Co., who made glycerine for me, wanted to have their account for the glycerine. I think it was about \$9,000; I do not exactly remember the amount. I failed to get the money in Ottawa that I expected when I went down, and when I had failed to get it Cooper came in and said that unless he could get the money that day I should be an insolvent before the sun set that night. Well, there were two or three parties who were my friends, or pretended to be my friends, took the thing up and got hold of Grant. This Cooper told them that he could get some parties who would go in partners with me.

3555. Whom did Cooper tell?—He told Dr. Schultz and Young, a merchant here, and some other parties, that he could get some parties who would go in with me if necessary. So they asked me to come down to Young's office, and when I went down Cooper was there, and they asked him who this party was that he could produce who would find the means necessary to go in with me.

3556. Who asked him that?—Dr. Schultz.

Partnership arrangement.

3557. Was he with you?—Yes; Cooper said it was Fraser & Grant. So he went and fetched Grant up, and he proposed to find all the money necessary. Money was the least object in the whole transaction according to his statement. So the arrangement was made that they were to go in partners, that they were to have half of the contract; that the rolling stock and plant that I had were to be valued, and that they were to pay cash for one-half of the plant when it was valued. It was to be done by arbitrators. I was to have one, and they were to have one, and C. J. Brydges was to be umpire.

3558. Was that part of the agreement upon which the partnership was to be arranged?—Yes. Well, we got the plant valued after some time, but there was a great deal of delay. We were to go on with valuation right away, but instead of that Fraser went down to Ottawa next morning and did not appoint an arbitrator.

3559. Was the agreement for the partnership completed at that time?—Yes; I think the documents were all drawn up.

3560. Have you the documents?—Yes; I think Mr. Ruttan has them in the office.

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

Terms of partnership arranged at Winnipeg.

3561. Do I understand you to say that the terms of the partnership were arranged up here at Winnipeg?—Yes.

3562. At the instance of Cooper?—Yes; he was the party who brought it about.

3563. Was he the first party that suggested the names?—Yes; he said Fraser & Grant would go in and find all the means necessary.

3564. What Cooper is that?—Cooper, Fairman & Co., of Montreal. I had had Grant at me at different times before about coming in as a partner, but I told him I did not wish a partner.

Cooper, of Cooper, Fairman & Co., suggested Fraser & Grant as partners.

3565. Is this the Cooper of the firm who had the contract for steel rails?—Yes; the same man.

3566. Had he been connected with you in business in any way before?—Yes; I had bought a good many things from him before. I had bought steam-shovels from him; and he had a commission for doing it. I bought some seventy-five tons of old railroad iron that he had got from the Grand Trunk Railway.

3567. How much altogether do you think would be the amount of your transactions with him?—I could hardly tell you; it was pretty large.

Had large transactions with Cooper.

3568. As much as \$100,000?—It would be pretty close to it.

3569. Have you and he been always friendly?—Yes.

3570. Did you consider he was acting in your interest at this time?—It came upon me like a clap of thunder, and I did not know what to think of it. That was the proposition he made to Dr. Schultz and Young, and unless I did it I would have to go into bankruptcy.

3571. Do I understand you to say that it was this pressure exercised by Cooper for his debt, at that time, which induced you take a partner, although you had been previously disinclined to take one?—Yes.

Cooper's pressure induced him against his will to take a partner.

3572. Had you been in the habit of dealing with Cooper before you took this contract?—Before I took section 15?

3573. Yes?—No; I do not think so. Whatever plant I had bought for work here I bought in Minneapolis. I do not think I did any business with him before I got contract 15.

3574. How did you become acquainted with Cooper?—He came to me to see if he could sell me steam-drills.

3575. Where did he come to see you?—In Toronto. I had met him at Ottawa different times before I got arrangements fairly made. He met me in Ottawa and Toronto, and wanted to supply me with different things in another line.

3576. Did you know anything about his standing, or his ability to furnish?—No; I did not know anything about it, only he had these things—iron and chains, and such things as I was likely to use on the line, such as steam drills and shovels, and such as that.

3577. Had you ever required such things on any other contract before that?—No.

3578. Did you commence to deal with him upon his own representations?—Yes.

**Fraser & Grant-  
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3579. No person introduced him to you, or recommended him?—Not that I recollect of.

3580. Do you know whether Mr. Senator McDonald had anything to do with it?—No; he left all these things to me to get them wherever I liked.

**Tendering.**

At the time money was paid to Charlton, witness expected that Charlton, out of the way, contract would be given to Sutton & Thompson, whom he had arranged to buy out.

3581. At the time that this money was paid at Cornwall to Charlton, were you aware that Sutton & Thompson would get the contract if Charlton backed out?—I expected so; they were the next tender.

3582. Were you aware of that then?—I could not be certain, but I expected it, because they were the next tender.

3583. How were you aware that theirs was the next tender?—It was pretty well known what every man's tender was at this time; it had been three months before the Cabinet. It was three months between the time the tenders went in and the time the contract was let.

3584. Did you pay that at the time, because you understood that if Charlton backed out Sutton & Thompson would get the contract?—Yes.

3585. And you had made arrangements with Sutton & Thompson to buy them out?—Yes.

3586. And you expected that the effect of that would be, you would be the sole contractor?—Yes.

Government knew nothing about money paid to Charlton.

3587. Are you aware whether at the time you speak of, when the money was paid to Charlton, any understanding had been arrived at either between you and Macdonald or any one connected with the Department about it?—No; the Government knew nothing at all about it.

Relative position of tenders well known.

3588. I mean about Sutton & Thompson's tender being the next?—No; we all knew whose the tenders were, one above the other. There was an American next above Thompson, named Gray, of New York. The tenders were all well known as they were in three months.

3589. Yes; but they might be in thirty months and the public would not know, unless somebody from the Department told, for some one person might possibly keep his own secret, and not inform the public that he was a tenderer?—He might; but I did not hear of anything of that kind.

3590. Of course not. You would not hear anything about it from him if he kept his secret?—No.

**Railway Con-  
struction.**

Government carrying on work on the understanding that witness is to get all that comes out of work after cost has been defrayed.

**Tendering.**

3591. Are you carrying on these works now, on section 15, on your own account?—No, the Government has taken the carrying of them on; and the understanding is, that they have possession of all my rolling stock and everything else, and whatever proceeds come out of it, after the contract is finished and after all debts and liabilities are paid, the balance left comes to me.

3592. At the time that you were dealing with Charlton, at Cornwall, were you not aware that he had a partner named Martin?—I did not know. Martin was not there.

3593. But you say you knew all about everybody's tender?—Yes; he was in the tender.



**Tendering—  
Contract No. 15.**

3594. Did you understand whether Martin was willing to sell his right in the tender as well as Charlton?—I do not know. Charlton seemed to be the managing man in the whole thing, and he said he had a power of attorney from his partner to act as he liked; but of course I never saw the other man. He was not there.

Charlton said he had a power of attorney from his partner.

3595. You say that Charlton had authority from Martin to do this?—Yes.

3596. Do you know whether he showed his authority?—I do not know whether he did. If he did, it was to McDonald, and not to me.

3597. But you understood that he did it on behalf of Martin as well as himself, by authority from Martin?—Yes.

3598. Did you ever speak to Martin himself on that subject before that payment?—I do not know that I did. I do not remember that I had any conversation with him at all on the subject.

**Railway Con-  
struction.**

3599. You say there is an understanding now between you and the Government that you are to get all that the work amounts to at the price of your tender, beyond what it costs the Government?—Yes.

Agreement that he is to get all the contract price minus what work costs, agreement made with Sir Chas. Tupper.

3600. With whom is that agreement made?—With Sir Charles Tupper.

3601. He told you himself?—Yes.

3602. Where were you at the time?—In his own office in Ottawa.

3603. Then you are still interested in the result of the transaction, although you were not in charge of it?—Yes; I expect so. I have all my horses, and all my engines, and everything I have got, in the completion of it.

3604. Was there any difference between you and the Government at the time the work was taken out of your hands?—There was not a word about it. I could not supply the provisions on the line—at least the partners I took in were to supply provisions for the men, but there were no provisions provided. Then Mr. Schreiber went on the work and said that the contract had to be pushed through, as the Government were determined to have the engine through to Rat Portage by the middle of next month. So he bought provisions himself—at least he told me to buy them and get paid for them.

No difference between Government and contractor, when taken out of his hands.

3605. I understand you to say that the Government took possession of your plant?—Yes.

3606. And are they using it now in the completion of the work?—Yes.

3607. Have you discussed with your engineer, Mr. Ruttan, this difficulty that you speak of about completing the work as originally intended, viz: by trestle work?—How do you mean?

Trestle work.

3608. I mean have you discussed with him whether it could have been done in the beginning in the way the Government intended?—Yes.

3609. Then it is understood between you both that it was impracticable?—Of course, any person can see that it can be done, but it will take a long time to do it because you cannot work more than eighteen or twenty men between five or six miles of each other.

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

3610. Considering the state of the country, and the difficulty of getting in supplies at that time, how long do you think it would have taken to complete the work according to the Government plan?—With the trestle-work?

Trestle work would have taken twenty years.

3611. Yes?—I do not think it would have been done in twenty years.

3612. Do you mean actually twenty years?—Yes; you could not put men on to do it in less time.

3613. Do you say “twenty years” by way of illustration, or do you think it would actually take that time?—I think it would take very near it, as you could not put on men to do it. Some of the water stretches are forty, fifty or sixty feet deep, and they had to put the whole base of the embankment three feet above high-water mark.

3614. Might not the earth cuttings be proceeded with in the meantime?—There were only 80,000 yards of earth to be done altogether on the contract.

3615. That might have been disposed of?—Yes; that might have been disposed of, but 80,000 yards did not amount to much. It was merely the stripping of the rock at the time they calculated it.

Never threatened Carre to have him dismissed.

3616. Did you use any threat towards Mr. Carre about getting him dismissed if he did not accede to your demands?—No; I did not. I told him I would have to bring him to Ottawa; and he told me then he was acting under the instructions of Mr. Rowan. I never threatened him with anything.

**Contract No. 14.**

3617. Besides section 15, you undertook some work on the adjoining section, No. 14, did you not?—Yes.

Sifton, Ward & Co., the contractors, had no plant to deal with a heavy fill joining Cross Lake, and therefore proposed that witness should do it.

3618. Who had taken that contract from the Government?—Sifton, Ward & Co.

3619. How did it happen that you took that work?—Because they were two years behind their time, or somewhat thereabout; and this was a very heavy ravine that had to be filled—a bay joining Cross Lake.

Government took contract out of Sifton, Ward & Co.'s hands.

3620. Is that joining your section?—Yes; it is next to it. It was a very heavy fill and they had no plant to do it with. Mr. Smith threatened to take the contract out of their hands, so they came to me and asked me if I would do it for them. I took it at a certain price to finish it; and the Government relieved them of the contract, and took me to finish it. It was a place almost without a bottom when we got into it.

3621. Between what parties was this arrangement made, that you should do the work instead of Sifton & Ward?—Between John Farwell and me. Farwell represented Sifton.

3622. Were they both present?—Yes.

3623. Where was it?—Down at Farwell & Sifton's office.

Agreement with Sifton, Ward & Co., made with consent of Hon. A. Mackenzie.

3624. Will you tell me the nature of the agreement between you and them. Of course you could not make a final agreement without the approval of the Government?—No; it was with the consent of Mr. Mackenzie, with the approval of Mr. Marcus Smith. I wanted, in the first instance, to buy them out on contract 14 altogether for \$50,000 cash—they were so long behind time—but they wanted \$70,000. I knew

Railway Construction—  
Contract No. 14.

that they would never make it; but, however, if they would I did not give it, and I started to haul my supplies down by the Dawson route to North-West Angle. Then when the Government were going to take the contract out of their hands altogether they wanted me to take this bay that joined my contract to fill, which I did, with the approval of Mr. Mackenzie. I set three engines and two steam shovels at work, and worked night and day all last summer, but the bank kept sliding away until it went 500 feet up the lake.

Character of fill  
at Cross Lake.

3625. Was it your understanding when they gave up the work to you that they had no further interest in the cost of it, or that the Government were still answerable to them if the Department got it done cheaper than their own price?—I do not know anything about that. Sifton & Farwell agreed to give me 40 cts. a yard for it.

To get 40 cts.  
a yard.

3626. Do you know whether you made any agreement in which that question was considered, or whether they gave it up to the Government?—I do not know. They got the consent of the Government to give it to me, and that is all I know about it. I agreed to finish it for 40 cts. a yard, and as soon as I got the agreement I set three steam shovels to work at it.

3627. Is part of Cross Lake on section 15?—No; it joins upon a little island between this bay and Cross Lake.

3628. What was the principal filling on 14, near your contract?—It was all earth work.

3629. Was there any water filling?—That is a water filling where I spoke of.

3630. What do you call that water stretch?—It is a bay that comes in from Cross Lake. It just goes in back of the island, and we have crossed it.

3631. How long have you been engaged in filling Cross Lake, including this bay?—We started last spring, a year ago.

Time Cross Lake  
fill has taken.

3632. When was it completely filled?—We went on to Cross Lake after it. Cross Lake has been finished about a month. It goes down a little every month, but I think it has now found a resting place, and it sinks bodily.

3633. When did you commence this water filling on section 14?—About a year ago last spring.

Commenced at  
filling on section  
14 in the spring of  
1879

3634. How long was that after you made the bargain with Sifton, Ward & Co.?—I started at it right away.

3635. But you say that when you made the agreement with Sifton & Ward, Mr. Mackenzie had to approve of it?—Yes.

3636. Would it be Mr. Mackenzie who approved of it a year ago last spring?—I think it was in Mackenzie's time. I have the agreement somewhere.

3637. What force have you had at work upon this water filling near Cross Lake?—I have had two steam shovels, three locomotives, and perhaps 100 men.

Force employed  
on this fill.

3638. Working night and day?—Working night and day.