

Telegraph—
Maintenance.
Contract No. 1.

By Mr. Keefer :—

9469. Do you mean break them off or cut them off?—I mean I broke them off. When I would attempt to break one sometimes a dozen would fall.

By the Chairman :—

9470. How would the falling of one make the others fall?—Because they rot right at the ground, and when a pole would fall down it would drag the wire with it.

9471. Was that because they were tied together by the wire?—Yes.

9472. In what way were you interfered with?—I was putting up a line that was costing about \$3.30 a mile by putting in new poles, but the sub-contractor, William Sifton, came along and said we would have to do it quicker, and he used to break off the old poles, pull out the stump and put it back in again, which made the pole very much shorter and made a very bad job of it. The line I put up before I was interfered with was good, but they were poplar poles.

Old poles used
when new ones
were required.

9473. Do you mean absolutely a good line or only as good as you could make it with poplar?—As good as I could make it with poplar, thoroughly insulated and up in good shape.

9474. What do you say as to the other portions of the material; for instance, the wire and insulators?—The wire is good; some of the insulators were not good. They are what they call a bracket and insulator combined. They are not good; but the wire and insulator material are all right. There are a few brackets not of first-class quality, but it does not interfere with the line at all.

Wire used good;
not so some of the
insulators.

9475. Do you think that portion of the work is as good as it could be made?—Yes; No. 10 or 11 wire and glass insulator, with a few insulator and brackets combined—over half.

9476. From the nature of the country over which the line is made, is it possible to remove the wire or insulators, or any portion of the present line, to another locality?—Not without a greater cost than what new material would cost, because a new road would have to be cut.

Would cost more
to remove line to
another location
than to make a
new one.

9477. Why is that?—Because the second growth poplar is now as tall as the line, and it is impossible to get through without cutting a road for horse and cart.

9478. Then do I understand that it would cost more to remove this material to a different line than it would to obtain the same material for a new line from other sources?—I would sooner furnish new material than take up the old one, as a road has not to be cut before you can get it.

Railway Loca-
tion—
North of Lake
Manitoba.

9479. What is the nature of the country in the neighbourhood of the Narrows, supposing you were looking at it as a probable railway route?—I think, as a probable railway route, it is the easiest in this country that I know of. I am a railroad man. It is level. The muskegs, although they are wet, they are not difficult to get through. Six feet is the deepest I found, and that is the Crane River Muskeg. It is what they call the most difficult muskeg on the route. It has what they call a cobble-stone bottom, six feet from the surface, composed of

The Narrows a
good location for
a line.

Railway Location—North of Lake Manitoba.

Better to have run railway around south of Dog Lake than to have crossed it.

Crossing at the Narrows nineteen feet deep; solid bottom; 2,700 feet across.

Country on other side of Narrows good for railway construction.

Bay of Lake Manitoba 1,200 feet span but shallow.

Crossing at Mossy River good.

Good country between Selkirk and the Narrows.

Splendid grazing country.

small round stones. At Dog Lake they ran the line across the lake, but I think the best route would have been around to the south end of it. It would not have been much further, and it would have been dry ground. The map will show that. It is not far, only two or three miles; and then coming to the Narrows between Dog Lake and the Narrows, they ran it across little lakes. The best route was half a mile south of that—good dry land.

9480. What sort of crossing is there at the Narrows?—The water is nineteen feet deep and good solid bottom. It is 2,700 feet across.

9481. And the banks are of what kind of material?—Limestone. Fifty feet is the elevation.

9482. How is the country on the other side of the Narrows for railway construction?—It is good.

9483. Level?—Right next the Narrows there is fifty feet of elevation on both sides it seems to be a hill of limestone—and back of that is level. Take it on the east side the hill comes right up to the lake, and about fifty feet higher than the water. It is limestone. Then on the west side you go back eighteen stations—that is, 1,800 feet—and the hill rises again fifty-one or fifty-two feet solid limestone. The country is level from that right to Fort Pelly.

9484. Are there any water stretches between there and Fort Pelly, which must be crossed?—Yes; there is a bay.

9485. What bay?—The bay of Lake Manitoba, but it is shallow. There is, perhaps, 1,200 feet of water there to cross, but it is shallow and well protected.

9486. Are there any other difficulties on the line there?—I never saw any.

9487. How does Dauphin Lake empty into Lake Winnipegosis?—Through Mossy River.

9488. And the crossing at Mossy River?—That is good. It has high banks on both sides, limestone.

9489. That is near Winnipegosis Lake?—Yes; half a mile back from it.

9490. Do you say the crossing there is good for railway purposes?—Yes; high banks of limestone formation.

9491. How wide would it be?—350 or 400 feet; about 400 feet, I should judge.

9492. How is the line of country between Selkirk and the Narrows of Lake Manitoba?—Good grazing and agricultural country and good timber.

9493. Is it level?—Yes; very level. There would be no cuts or fills on it for a railway.

9494. Is it settled at all?—Twenty miles out there are some settlers.

9495. Is it settled at all up at the Narrows, on the east side?—No; but there is an Indian village there.

9496. From the Narrows out towards Fort Pelly are there any settlers?—There are no settlers. For sixty miles out there is a splendid grazing country—it would be a good country after it is cleared for

agricultural purposes, but it is timbered—that is, sixty-three miles west. Then Mossy River comes in, and about four miles west of that is good; and from that to the Apex—fifty miles—about Northcote, is a timbered country—first-class timber for railway purposes—pine and tamarack; it is fit for nothing but timber; it is all muskegs; but from the Apex to Fort Pelly, is a first-class agricultural country. The Swan River Valley is the best valley I ever saw.

**Railway Location—
North of Lake
Manitoba.**
First class agricultural country.

9497. What kind of land?—I do not know what name you call it, but I suppose it is rich alluvial soil, timbered in spots.

9498. Have you any knowledge of the way in which the line of telegraph east of Selkirk has been constructed?—Yes.

**Telegraph—
Construction.
Contract No. 4.**

9499. Have you been connected with that?—I am on that now.

9500. How far east comes under your immediate notice?—I have been to Lake Deception; I have charge of the line to Selkirk.

9501. But you have travelled further?—I have travelled east of Lake Deception about ten miles.

9502. How has the line been constructed there?—To Whitemouth it is put up in good shape; from Whitemouth to Cross Lake it was put up more carelessly; it was put up more on the cheap plan from Cross Lake over section 15. It is a very difficult country to put up a line on, unless it is put up in good shape. It has been put on trees and the tops of the trees sawed off; it makes a horrid looking line of it. I think that, over the whole contract, they were rather too penurious about the way they put up the line—they put it up too cheaply. From Selkirk to Whitemouth it has been put up first-class, but from Whitemouth through to two miles east of Lake Deception, it has not been put up right.

Line in good shape to Whitemouth; not so well from Whitemouth to Cross Lake; on cheap plan from Cross Lake over contract 15.

9503. What is the defect over that last-mentioned portion?—It must have been put up too cheaply; they did not expend enough money on it. They did not put up poles—the right kind of poles, or the right kind of insulators. Everything has been done by men who did not know anything about the work.

East of Lake Deception line put up too cheaply.

9504. What sort of poles have they used there generally?—Tamarack and spruce.

9505. Is the fault in the wood?—A great many of the poles are trees sawed off at the top. They lay on the insulator and saw the top of the tree off; that makes an inferior pole, because the roots rot and they tumble down.

9506. Do they kill the tree by that operation?—Certainly. The line to Cross Lake is run in good shape. Every pole is good from Selkirk to Cross Lake. I renewed the line last summer—all that wanted renewal.

Line from Selkirk to Cross Lake good.

9507. Is that renewed at the expense of the Government, or of the contractor's?—At the contractor's expense.

Maintenance.

9508. Who is that?—P. J. Brown.

P. J. Brown, contractor, representing Oliver, Davidson & Co.

9509. Is that one of the firm of Oliver, Davidson & Co.?—Yes.

9510. Does he take any personal charge of this matter himself?—I have never met him, although I have had orders to renew the line at his expense. I have renewed the line from Selkirk to Cross Lake, and it

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

is in first-class order, with good poles and insulators. Further east I know nothing about.

9511. Have you had any experience of attempting to communicate over the eastern end of the line?—Yes; it is difficult sometimes, on account of railroad men using it exclusively. They use it for running trains; but as far as trouble is concerned I do not know of any.

No difficulty in communicating over eastern end of line by reason of defect in the maintenance.

9512. Has there been any difficulty in operating it on account of any defect in the maintenance of the line?—I think not.

Cannot say line between Thunder Bay and Selkirk well maintained, because the right men are not on it.

9513. Then is it your opinion, as far as you have been able to form an opinion, that the whole line, east from Selkirk to Thunder Bay, has been well maintained?—No; I cannot say that. I do not think they have the right men on.

9514. What is the trouble?—They know nothing about their work.

9515. How is that shown?—By their movements.

9516. What sort of movements?—They know nothing about telegraph lines; and it is like any other business: if they know nothing about it they cannot take care of it.

Men employed not the right kind of men.

9517. How would it show to a person going over the line?—I could tell it by the splicers, and the work they have done. I am a practical telegraph man; I have been at it all my life.

9518. Do you know what kind of splicers there are east of Deception?—I do not.

9519. How do you know they are not the right kind of men?—I know they are not.

9520. How do you know?—I have seen one of them.

9521. Who?—John Robinson,

9522. When you met him what did you find?—I had not any conversation with him, but my comrade had.

9523. What did he say to him?—He asked him to come down and see us work on the North-Western Telegraph line. He came down and looked at us. He said: "I have no business with you folks, I have got to leave." He was a good farmer, but no use for a telegraph line.

Line not working part of last spring

9524. Except from what took place at that time, have you any reason to believe that the work is not well done on the east of Deception?—I have; for the line was not working for a while last spring when it should work, and with proper men it would work.

9525. How long was it not working?—I cannot say that.

9526. Might that not happen through the fault of the operator?—No; it is the fault with the line.

9527. Why do you think it is the line and not the operator?—Because the line was down on the ground and everywhere else, and he came through once or twice, but could not find the trouble.

9528. Who did?—This head repairer they had there. He came through on the line—was supposed to—but could not find the trouble, and he had to go back before he found the trouble. A practical telegraph man never has to go over the line more than once before he finds the trouble.

Telegraph—
Maintenance.
Contract No. 4.

9529. You mean the place where the trouble exists?—Yes; he could not locate it.

9530. Who would be the best person to know about the time at which delays occurred in the operating?—H. McDougall.

9531. Why would he be the best person?—Because he is the superintendent.

9532. Does he superintend all the way from Thunder Bay to Selkirk?—I cannot say that; he is my superintendent.

9533. I mean of this line from Deception to Thunder Bay?—I think so. He is a first-class telegraph man, and if he had his own way about it, it would be all right.

9534. Do you know whether there is much business transacted over this line, from Selkirk to Thunder Bay?—There used to be. Extent of business done.

9535. Do you know if there is now?—There is not so much since the Government have taken hold of section 15.

9536. Does that affect the general business—public business?—Yes.

9537. In what way?—Because the business on 15 was paid for when Mr. Whitehead had it, but now, since the Government have taken hold of it, they have their own operators, and everything is dead-head.

9538. Do you mean the business is still done, but not paid for?—It is not paid for.

9539. Was that same business, for the work on 15, part of the business which you say used to be done and paid for?—It was paid for. Yes.

9540. Have you travelled over the country south of the located line of railway—I mean the line between Selkirk and Deception—so as to know what sort of country there is from Shoal Lake East to Winnipeg?—No; I do not know much about that country; but from what I do know I think the easiest line would have been south. There would not have been so much rock. Railway Location—
Contracts Nos. 11 and 15.

9541. You mean the easiest line for the railway?—Yes, there would not have been so much rock; but there would be other difficulties to contend with which, perhaps, would have made up for it: there are longer muskgs and higher hills. That is about all I can say. I think the line south would have been the easiest location they could have located it, from my knowledge of the country. Easiest line would have been south.

9542. Have you travelled personally over the country from Winnipeg to Shoal Lake East?—I have travelled from Winnipeg to Deception, both on this line and off it.

9543. How far south of the located line have you travelled it?—About seven miles at the furthest.

9544. Then this opinion applies only to that portion between the present line and the line seven miles south?—Yes.

9545. Have you any means of forming any judgment, from your own knowledge, of the line still further south than seven miles?—I have not; but I think, from what I have seen, the hills are higher, more difficult, and not so level.

**Railway Location—
North of Lake
Manitoba.**

Country north of
Lake Manitoba :
two lobes.

On southern part
of the northern
lobe good grazing
land.

Alkaline country.

Wells.

Southern end of
Lake Winnipegosis,
good grazing
country.

Fifty-five miles
west fresh water
country and rich
soil.

9546. Do you say the country in the neighbourhood of north of Lake Manitoba is good for settlement?—There are two lobes on it: south of the Narrows and north of the Narrows.

9547. In the neighbourhood of north of the Narrows and on the east side?—On the southern part of the northern lobe it is good grazing land, but I do not think it is good for agriculture; but on the eastern part of the southern lake it is good for agriculture and grazing purposes—first-class.

9548. Is the neighbourhood of the north of Lake Manitoba an alkaline country or not?—It seems to be alkaline and saline.

9449. Does that make a country good for settlement?—No; in some portion the land is worthless, the salt comes to crust right on the top of the earth. Take it in dry weather and you can see on the roads or trails a crystallized crust on the top of the earth, either saline or alkaline, I do not know which; the grass is poor but the country is good.

9550. Can they get fresh water there?—Yes; by digging for it.

9551. Do you mean that each time a person sinks a well he can get it?—No; they have to try in different places.

9552. How many times?—I tried it thirteen times before I got one well; I got twelve wells that were salt and one that was good.

9553. What sort of a country is it between Dauphin Lake and the northern lake: is that alkali?—It is a timber country, covered with spruce, but there is a considerable amount of alkali.

9554. Along the southern end of Lake Winnipegosis, how is the country?—There is some saline there, but not so much alkali.

9555. Is it a good country for settlement?—It is a grazing country; it cannot be called an agricultural country, because it is too wet.

2556. Then how much further is it necessary to go west, before you get into a country where there is plenty of fresh water?—At the Apex, about fifty-five miles west.

9557. And there you can get into a fresh water country?—Yes; it is a fresh water country, and it is good rich alluvial soil; what stone there is in the country there is limestone.

9558. Is that saline character of the water present in the lake waters of Manitoba and Winnipegosis?—Yes; very much so.

9559. Is there any other matter upon which you wish to give evidence?—Not particularly. I took notes of the soil for Mr. Farwell, in order to enable them—Sifton, Ward & Co.—to tender on the contract. I have got a book at home, and I could give more details if I had it, about the soil west from Selkirk to Fort Pelly, and about what the gradients would be.

9560. That was before the tender was made for the work?—They expected that they would have to tender for the railway line further west. I was working then on the telegraph line, and they wished me to take notes of the soil of most of the work out there, and I did so.

9561. You have not that book with you now?—I have not, but I think I could give you it pretty correctly. I also took notes of how much stone there would be on the line.

9562. That is supposing the line went north of Lake Manitoba?—
Yes. **Railway Location—North of Lake Manitoba.**
9563. Can you produce that book at any other time conveniently?—
Yes; I think so. I have it in my trunk, but I have not looked at it for a long time. I can show it on the map without the book. I put in three years in the country, and I know every part of it.
9564. Did you say that at the Narrows there was a bank further inland which rose another fifty feet, besides the bank immediately at the water?—There is no bank at the water, but there is a bank back of it. It is fifty-five feet higher than the level of the water. **At the Narrows a bank back of water fifty-five feet high.**
9565. That is the highest spot which would have to be overcome?—
Yes.
9566. How high is it on the other side of the water?—About fifty feet.
9567. How far is it between these two highest spots?—It is 2,700 feet across the water, 400 feet from the east shore of the bank, and 2,000 feet from the west shore to the bank. **2,700 feet across the water; 5,000 feet between the two highest points.**
9568. Do you make that something over 5,000 feet from the highest point on one side to the highest point the other?—I dare say it is about that. I never measured it, it is only a guess.
9569. Did you ever speak to any person about the state of the telegraph lines east of Selkirk, and as to their being properly maintained or operated?—Not particularly. **Telegraph—Maintenance. Contract No 4.**
9570. Did you not call Mr. Rowan's attention to it?—I think I did to the line east, as far as I knew anything about it—that is to Rat Portage—but east of that I do not know anything about it. I do not think they had a proper man east of that.
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- WINNIPEG, Monday, 4th October, 1880.
- JOSEPH WHITEHEAD'S examination continued: **JOSEPH WHITEHEAD.**
- By the Chairman:—*
9571. You understand, Mr. Whitehead, that you have been sworn before, and that you are still under oath giving evidence?—Yes. **Contract No. 15.**
9572. Did you receive a telegram from me about the 23rd of last month asking you to appear again to give further evidence?—Yes; about that time. I could not speak positively to the day, but about that time.
9573. Look at a copy of the telegram dated 24th of September, now handed you, and say whether you sent a telegram to that effect?—Yes.
9574. Will you read it?—"Cannot be in before Wednesday, 29th." I would have been in on the 29th, but I missed my passage on the 29th, and could not get in.
9575. Were you subpoenaed the latter part of last week?—Yes; I was subpoenaed Saturday night.
9576. Is there any part of your evidence given upon any previous occasion which you wish to correct?—Yes; there is that matter about Cornwall; it was not at Cornwall it was at Prescott it occurred. **Tendering.**

**Tendering—
Contract No. 15**

9577. You mean the place where the money was paid by Mr. McDonald to Charlton?—Yes.

By Mr. Keefer :—

Money paid to Charlton not at Cornwall but at Prescott.

9578. You mean Prescott Junction?—Yes; Prescott Junction is the place. It was not Cornwall. I did not want to go into the thing at all, but he was anxious to go into it and pressed me into it; and I said: "Offer \$20,000 to Charlton, and get through it as soon as possible," and he paid the money, and I was not into the matter at all. I think I can find a letter that he wrote me to see Charlton and make some arrangements with him, if possible.

Witness suggested to McDonald to offer Charlton \$20,000.

By the Chairman :—

9579. Who urged you to do that?—McDonald, I think. I have the letter, but it is at Clinton.

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

9580. There was another matter to which you alluded on the previous occasion, that is, money or assistance in some shape given to Mr. Mackintosh?—Yes; Mr. Mackintosh got some assistance from me.

Remembers contract 15 being before the Committee of Public Accounts.

9581. Do you remember the circumstance of the matter of contract 15 being before the Committee of Public Accounts at Ottawa?—I believe so. I was not summoned, nor was I at the Committee, but I believe there was something about it before the Committee.

9582. Were you in Ottawa at the time?—Yes; I think I was.

Mackintosh told him what was going on before Committee.

9583. If you were not before the Committee, how did you know that it was going on before the Committee?—Mackintosh told me.

9584. What did he tell you?—I really hardly can tell you what he did tell me now; he said there was a committee going on, and some investigation about section 15, and he blamed Haggart, I think, for getting it up. It was supposed that section B people wanted to get it out of my hands. I think that is about the sense and substance of it. They wanted to get it out of me, that was the impression.

9585. Were you willing that it should be taken out of your hands?—No; by no means.

I led to understand that work might be taken out of his hands unless some influence was brought to bear.

9586. Were you led to understand that it might be taken out of your hands, unless some influence were brought to bear to prevent it?—Mackintosh gave me to believe that.

9587. How did he give you to believe that?—By telling me that there was a committee, and he blamed Haggart for getting this committee up to try to get the thing out of my hands.

9588. Did he suggest any way to you by which that might be prevented?—I do not know; I never thought much about it, and I could not tell you a straight story about it now at all; at least, I did not know that I would ever be called to account for it like this, and I do not recollect the conversation that took place between us. He told me there was a committee about it, and he blamed Haggart for getting it up.

Gave Mackintosh acceptances.

9589. Now after that, I want to know what took place on the subject between you and Mackintosh?—Well, I gave him some of those acceptances; I think I offered him some acceptances that Bain got from him.

Contract No. 15.
Helping News-
papers—
Alleged impro-
per influence.

9590. What did you give him those acceptances for?—He said he wanted some funds, and he thought that he could answer the parties, or something—I do not remember the words exactly.

9591. I do not want the words exactly, I want the substance. Do you not remember the substance of what he endeavoured to convey to your mind?—I do not remember which way he said he was going to work it, or how he was going to work it; but he said if he got some funds he could arrange the matter.

9592. Arrange what matter?—What he meant to do, or how, I could not tell you; but he said this committee was sitting, and Haggart was doing all he could to get it out of my hands, and if he had some funds he could arrange the matter; but how he was going to do it he did not mention further than that.

9593. Where were you living in Ottawa at that time?—I was boarding at Mrs. McLellan's. He came up to my room about 12 o'clock at night; I am not sure that I was in bed that night. He used often to come into my room; it is a private house, just opposite the City Hall.

Boarding at McLellan's where one night he gave Mackintosh these acceptances.

9594. What time at night?—About 12 o'clock at night.

9595. Was it upon that occasion that you gave him the acceptances that you have alluded to?—I think so. I think that was the time.

9596. To what amount did you give him acceptances in round numbers?—I could not exactly say. I do not remember. I suppose it was somewhere about \$11,000 or \$12,000. Mr. Bain got some of it back from him, but I think that was about the amount.

Amount of acceptances \$11,000 or \$12,000.

9597. Do you mean that you had not given him acceptances to a larger amount than that?—I had given him some before, but it was a long time ago, and he paid some of them and I paid some of them when they came due. He said that he was embarrassed—that his firm were not agreeing very well, and that he wanted some funds to arrange his own business in the paper; and I gave him some acceptances, as he had been friendly to me, and had always been willing to go my bond when I put in a tender, and would always find others if they were wanted.

Had given him acceptances before going, which were paid by him and some by witness.

Mackintosh always willing to go as security, and find bondsmen for witness.

9598. Do you mean that Mr. Bain got back for you the whole of the acceptances which you gave to Mr. Mackintosh upon the occasion which you are now describing?—I think so. I think that is about the amount, but I am not positive. I never paid any particular attention to it. I did not know the thing would be called into question, and I never made a memorandum of it.

Thinks Bain got back all the bonds given on that night.

9599. But do you not remember the thing without making a memorandum?—I have a good many things to remember about, and I cannot remember everything; I am giving you the best information that I know of at present.

9600. How much money had you given to Mackintosh, or promised to give him, before this evening, when your matter was before the Public Accounts Committee?—I really could not state; but I think the acceptances, including this \$11,000, would amount to somewhere upwards of \$25,000; but this \$11,000 coming off this makes it so much less. Bain got \$11,200 back. I think Mackintosh paid one or two acceptances himself when they came due.

Whole amount of acceptances given to Mackintosh about \$25,000.

Contract No. 15.

**Helping News-papers—
Alleged improper influence.**

The acceptances paid by Mackintosh not out against witness.

Did not give Mackintosh any money.

Two or three years since witness first gave Mackintosh acceptances.

If he wanted anything done in Ottawa used to write to Mackintosh, who would see after it for him.

Mackintosh surety for him and got him sureties.

Reason why he gave acceptance.

9601. Where are those acceptances which he paid when they came due? Have you them?—No, I have not; I may have some.

9602. Are they out against you, if Mackintosh paid them?—He would get the acceptances from the bank himself. Some of the acceptances are not paid.

9603. Those acceptances which Mackintosh paid, are they out against you still, as far as you know?—No; I do not expect they are.

9604. Where are they?—He has got them; but I do not intend to pay them.

9605. Have you and he talked over this matter, so that you could ascertain what acceptances he had taken up?—I do not know that we have. He told me he had some to take up, and he had sacrificed something to get them to satisfy the bank when they came due.

9606. But is it from what he told you only that you are under the impression that he took them up?—That is all I know about it.

9607. Then as to those acceptances which he did not return, and which you did not take up yourself, you have no knowledge whether they are in the hands of other parties, or in the hands of Mackintosh?—I do not know whether they are. I do not know anything about it.

9608. Did you give him some money at any time besides acceptances?—Well, he was going up to Toronto and there was a clerk who I had, and his family were in great distress, and I think I gave him \$200 or \$300. He carried it up to them. His wife and family were in great distress. His name was Norton, and they were turning him out of the house.

9609. Did you give him anything which you got from McDonald—a much larger sum than you name?—No; I think not.

9610. Do you remember the first occasion on which you gave him any acceptances?—I really do not. It is some time ago—two or three years ago.

9611. Do you mean that because it is two or three years ago you do not remember?—I do not recollect anything more definitely than I have told about it.

9612. Had he taken any part on your account in any other negotiations connected with your contract—15—besides this matter before the Public Accounts Committee?—No; not that I know of. If ever I wanted anything done in Ottawa I used to write to him, and he used to see after it for me; and whenever I went down different times and wanted sureties, he got them for me, and was surety for me himself, and that is all the benefits or assistance I had from him in any way. He was always willing to assist me and go my security, and always found another whenever I wanted it when I was filling up a tender.

9613. Were these tenders for work connected with the Pacific Railway?—Yes; I tendered for section B, and I tendered for section A, and for two or three different other things that I do not remember of; but it was all for Pacific Railway work for the Government.

9614. Did you say that these previous acceptances which you had given to him before that night which you have described, were on account of his assistance when you wanted to tender for the Pacific Railway?—Yes; from his complaints that he made that he was embar-

rassed about his paper, and that it was likely to go down, and because of his kindness to me on different occasions I tried to assist him.

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papers—
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er influence.**

9615. Do you know who were your sureties on these different occasions when you tendered for work?—I do not; James Goodwin was one, a Mr. somebody else, who is a merchant down on Wellington street, and I think Captain Bowie was one—I do not remember.

Sureties.

9616. Did Mackintosh lead you to understand that when you made these tenders, and he procured the sureties for you, that it was necessary for him to make any disbursements on that account?—No; he did not.

Mackintosh did not lead him to believe there would be any disbursements necessary.

9617. If it were not necessary for him to make disbursements why would you provide him with money?—I would assist him in his business. He stated his paper was going down.

9618. I understand you to say that you used to write to Mackintosh to help you in your matters?—Yes; if ever I wanted anything seen after in Ottawa I used to write to him and he used to attend to it.

9619. With whom would you want matters seen after, as you call it?—Perhaps with the Department of Public Works. I could not exactly say. Anything I did want in Ottawa I used to send to him.

9620. As a matter of fact was it with the Department of Public Works that you wished him to negotiate or do business for you?—Yes. There was no person else, or any other place else, that I had anything to do with in Ottawa.

Wished Mackintosh to do business for him in connection with Department of Public Works.

9621. Do you wish us to understand that you had given him these moneys or notes because he had been useful to you in your negotiations with the Department, or business with the Department?—No. I gave him this assistance purely for his own business. He was saying that the paper was going to burst up. He was embarrassed, and I tried to assist him in the way I have described to you; and if ever I wanted anything, he was willing to assist me in getting securities, and going my security when I was putting in my tender.

9622. You have told us of that before?—That is all I can tell.

9623. You say that he helped you by attending to matters for you?—Yes. If I wanted anything attended to in Ottawa, I used to write to him and he would see about it for me.

9624. Where would he see about things for you?—In the Public Works Department.

9625. Was it because he had done this sort of work for you that you gave him this assistance?—No. I told you before, when he assisted me, I thought one good turn deserved another.

9626. Were these negotiations with the Department one of the good turns which you say deserved another?—No; I did not give him money for that at all. I gave him money just to assist him because he was always willing to do anything he could for me.

9627. Did any person connected with any of the Departments lead you to understand that it was not agreeable to the Department, or to any one connected with the Department, that you should continue to do business with Mackintosh?—I think it was the last time I was along with Sir Charles Tupper, when I bade him good bye, he said: "Push on the work, and if you want anything write direct to me, and

Led to understand it was not agreeable to Department that he should do business through others, and Sir Charles Tupper told him to write direct to himself.

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papers—
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per influence.**

I will see and give any assistance I can in any matters or things that you want, or any information that you want."

9628. Was Mackintosh's name mentioned on that occasion?—No; I do not remember that it was. I do not think it.

9629. Was anything said to you, at any time, by any one connected with the Department, upon the subject of your having engaged Mackintosh to look after matters between you and the Department?—Not that I remember of.

9630. Were you led to understand by Mackintosh, or any one else, that he had any influence with the Department, or any Member of Parliament, which he could use to your advantage?—I do not know that he did. He had no more influence that I know of than any one else in his capacity.

Mackintosh did not lead him to understand he had any special influence with Department.

9631. I am not asking you whether he had influence, but I am asking you whether he led you to believe that he had?—I do not know that he did.

9632. Concerning this matter which was before the Committee of Public Accounts, was the name of any other Member of Parliament mentioned to you except that of Mr. Haggart?—I do not think it.

9633. Did Mackintosh at any time assist you in filling up your tenders for other works?—No; I made all my tenders up myself.

Kind of service Mackintosh rendered him.

9634. Please describe the sort of assistance that he gave you in connection with tenders?—He never gave me any assistance but he was my security, and if I wanted security he found one for me. That was all the assistance he gave me with my tender.

Sureties.

9635. Do you not remember who was your security on these occasions?—I think he was one; Goodwin was one, and McGillivray, down Sparks street, and Capt. Bowie.

9636. Is that the Bowie that is connected with the second 100 miles west?—He is the man who runs the boat down to Montreal.

9637. Who else was surety for you?—I do not remember, Sometimes I used to take sureties with me from Clinton.

9638. For which of these works did you use his assistance in tendering or getting securities?—I really could not tell you, as I do not remember.

9639. Were these tenders made in your own name?—Yes.

9640. In the Blue Book of 1880, concerning tenders for works on the Canadian Pacific Railway, I find on page 16 that your name is mentioned as one of the parties tendering for section B, Eagle River to Keewatin, and the names of sureties given for you are Patrick Kelly, E. McGillivray, and Alexander Bowie. Are these the parties, or any of them, whom Mackintosh procured to be surety for you?—I think it was Bowie and McGillivray, they are Ottawa men; Mr. Kelly is here himself.

9641. Mr. Kelly, the other one, is here?—Yes.

Two out of three sureties provided by Mackintosh.

9642. Did Mr. Mackintosh procure all of these sureties for you, or any of them?—Two of them, I think, out of the three.

9643. Did you procure Kelly yourself?—Yes.

9644. By your own influence?—Yes.

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papers -
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per influence.

9645. Do you remember whether you tendered for the whole section of 185 miles besides section B?—Yes.

9646. Do you think you tendered for contract A?—Yes.

9647. Did you say who your sureties were on your tender for the whole 185 miles?—I did not.

9648. Were they procured for you by Mackintosh?—I could not say; would you read the names for section B? I remember I got Kelly myself, and Mackintosh got me the others.

9649. I am speaking of the tender for the whole line?—May be the same sureties were there for it also, but I could not say.

9650. Upon the previous occasion you referred to the fact that you had given assistance to some other paper besides Mackintosh's?—Yes; that is to this one here, the *Times*; I gave my assistance to it and I took a chattel mortgage for \$11,000 on it. Assisted the Winnipeg *Times*, and took a chattel mortgage on it for \$11,000.

9651. Was that the whole amount of the assistance that you gave?—No; I do not think it was. I gave him some more in the way of helping him with the paper. Gave some more.

9652. Do you wish us to understand that it was an amount which was not included in the chattel mortgage?—Yes.

9653. And for which you had no security?—Yes; there was some French paper for which I gave my assistance. A loan to a French paper.

9654. Was that assistance in the shape of a gift or a loan?—No; it was a loan.

9655. A loan without security?—Yes.

9656. How were you induced to make that loan or gift?—I do not know; we had only one paper here at that time, and I had some reasons which I explained before, and that was the reason why that thing came into existence.

9657. With whom did you negotiate about that matter?—With Tuttle. Money for *Times* given to Tuttle.

9658. Where does he live?—He is in town here.

9659. Did he live here for any time before you had that transaction with him?—No; I met him either in Toronto or Ottawa. He was publishing a book in Ontario, and he was publishing books in the United States at different times, and he was a smart sort of a fellow, and that is the reason I got hold of him. Reasons for giving Tuttle money.

9660. Where do you say you met him?—I think it was in Toronto or Ottawa. He came from Montreal previously.

9661. Were you induced to make the loan or advance to him by any understanding that he would be of assistance to you in your matters connected with the Pacific Railway?—No; not at all. I do not know any assistance I could get out of him any way.

9662. Had you any reason to believe that he could influence any Member of Parliament, one or more of them?—No. No reason to believe Tuttle could influence any Member of Parliament.

9663. Are you aware of any rumour to the effect that your help to him was to obtain his assistance by influencing any Member or Members of Parliament?—No.

Contract No. 15.

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

No foundation for rumour that his motive was to influence some M.P.; wanted influence of paper.

9664 Are you not aware of any such rumour?—Not that I know of.

9665 Was there any foundation for such a rumour?—No, I do not think it; of course every paper has its influence, and that is all that I wanted.

9666. I am not speaking of the influence of the paper but influence through the man?—No; there was nothing at all of that kind.

**Agreement with
McDonald.**

9667. Upon a previous occasion you spoke of a letter or agreement which had passed between you and Mr. Senator McDonald in reference to the partnership on section 15, and you said then that you thought it might be with Mr. Ruttan, who had been your engineer; have you searched for it since?—No; I do not think I have seen Mr. Ruttan since.

9668. That is referred to in a very indefinite way in the longer articles of agreement which you produced, and we informed you that we would like you to produce that letter or some copy of it?—I do not know anything about the letter; and you have those papers, too, which I want to get back.

9669. We will discuss that again?—That paper refers to some letter, but I really do not know where it is or what it is.

9670. Will you be good enough to make a search for it and let us have the original or a copy of it; you remember you told us the substance of your agreement with McDonald?—Yes.

9671. And when you produced the formal articles of agreement between yourself and Mr. McDonald, it alluded to a former letter or agreement which contained the substance of your understanding?—It is quite likely that Mr. McDonald may have that letter himself if there is such a thing. I know I haven't, unless it is with Mr. Ruttan, and I think it would be with Mr. McDonald himself; I do not know what it contained, it was the beginning of the transaction, the substance of which you have in that agreement.

KELLY.

PATRICK KELLY, sworn and examined:

**Tendering—
Contract No. 15.**

By the Chairman :—

9672. Have you had any business connection with any matter concerning the Pacific Railway?—Nothing personal directly with the road.

9673. Have you been a surety for any person who tendered?—Yes.

**Surety for
Whitehead.**

9674. For whom?—For Mr. Whitehead.

9675. Upon how many tenders?—I could not possibly say now, I rather think on two or three tenders. I would not exactly say, I have not kept note of it. There are two or three, or even more.

9676. Did you sign your name to any of these tenders?—Yes.

9677. Where were you at the time?—I was in Ottawa, I think, on two occasions.

9678. Who else signed those tenders with you?—When I was signing them there was no other of the sureties present.

Tendering—
Contract No. 15.

9679. Who were present?—I do not remember now, Mr. Whitehead was present for one, and I could scarcely say who was present for the other parties.

9680. Were there many present?—No, there were not many present; I think there were one or two.

9681. You cannot remember now?—The names I do not; for I did not know their names, and could not mind them ten minutes after I saw them, for they were strangers to me.

9682. Did you not learn at the time who they were?—I might have learned the names at the time, but instantly forgot it.

9683. Did you hear any negotiations as to the mode by which their securities were to be procured?—No.

9684. Have you any means of knowing how other sureties signed for Mr. Whitehead, or why?—Nothing that I can say from personal knowledge.

9685. Did Mr. Whitehead tell you?—Yes; he has told me once or twice, I think.

9686. What did he tell you?—That he was going to get other parties. He told me the names of the parties, at least, that were going as sureties.

9687. That is not how he was about to procure them to be sureties; I am asking you what he told you as to the arrangement?—He told me that Mackintosh was going to get one at least, either one or two sureties for him on one occasion.

9688. Did he mention to you the condition on which Mackintosh was to procure the sureties?—No.

9689. Have you any means of knowing whether Mr. Whitehead made a promise or gift to any one in order to procure any sureties besides yourself?—No; I have not. That I knew nothing about.

Whitehead did not mention to him the conditions on which Mackintosh was to procure sureties.

BAIN.

JOHN F. BAIN, sworn and examined:

By the Chairman:—

9690. Where do you live?—Winnipeg.

9691. What is your occupation?—Barrister.

9692. Were you at any time interested in any transactions connected with the Canadian Pacific Railway?—Yes; as solicitor for some of the contractors only.

9693. For which contractors?—For Mr. Whitehead, McDonald, Manning & Co., Upper & Willis, Upper & Co., and John Ryan.

9694. Besides acting as solicitor, did you act as principal upon any occasion by virtue of any rights acquired from any of the contractors?—I undertook, on behalf of Mr. Whitehead, to arrange a settlement with his creditors, or to obtain for him an extension. In that capacity, of course, I had a good deal to do in connection with his business generally; but, after all, it was as his solicitor.

Contract No. 15.

Financial
Management.

Lives at
Winnipeg.

Barrister.

Solicitor for
Whitehead and
others.

Undertook to
arrange a settle-
ment with White-
head's creditors.

Contract No. 15.**Financial****Management.**

9695. Did he transfer his rights to you?—To a certain extent, yes connected with the financial management of his contract.

9696. In what shape was that transfer made?—By an assignment, or sort of trust deed.

Whitehead assigned to witness his assets in connection with contract 15.

9697. Was it a general assignment of all his assets?—No, not a general assignment; it was only his assets in connection with the contract. I believe there were also some lands assigned to me, but it was not a general assignment.

9698. Do I understand that he assigned particular properties to you, for the purpose of enabling you to negotiate with other persons on his behalf?—For the purpose of securing payment to his creditors.

9699. Then were you a trustee, as you understand by that document, for his creditors?—Had the arrangement proposed been carried out I would have been.

For a certain time trustee.

9700. During the time for which you held this property in your own name, did you understand that you were trustee for his creditors?—Yes; while the document did not take effect until all the creditors had become parties to it, some of the creditors would not agree to it, and the whole arrangement fell through before it really took effect.

9701. Was the property re-conveyed by you?—The whole thing was to be void, failing the assent of all the creditors. Some of the real estate was conveyed absolutely to me for the purpose of convenience.

9702. According to your idea, could any person other than a professional man have received that transfer, or taken that position, as well as a barrister or an attorney?—Certainly.

9703. Then whatever position you occupied at the time was not because of your profession?—No. I suppose I was selected trustee because of my professional connection with Mr. Whitehead.

9704. But your actual position was not that of a professional man?—No.

Helping Newspapers—
Alleged improper influence.

9705. While you occupied that position had you any communications with Mackintosh, of Ottawa?—Yes.

Communicated with Mackintosh on subject of notes and acceptances of Whitehead.

9706. Upon what subject?—Some notes and acceptances of Mr. Whitehead that he held—or that I understood he held.

9707. Where did you see Mackintosh?—In Ottawa; also in Toronto afterwards.

9708. Was there any understanding, either expressed or implied, between you and Mackintosh as to the basis of the transaction upon which he got those notes or acceptances?—No.

9709. Did you not allude, either directly or indirectly, to the mode of his getting them?—No. I had no occasion to.

Mackintosh gave back bills and notes at once.

9710. Why not?—My only object in seeing Mackintosh was to get back from him those of the bills and notes that were still in his own possession, and he gave them back at once, or, at least, expressed his willingness to give them back at once.

9711. In making the request to get them back, was it not expressed or implied that he had got them without value? Without that how would you ask any man to give up acceptances or notes which he held?—I do not think I had to make a direct request to Mackintosh. On

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per influence.**

my first seeing him in Ottawa, if I remember right, he volunteered to give them back—a certain number of notes that he still held.

9712. Did he lead you to understand that he held them, and was still willing to give them up?—No; he did not.

9713. Then do you wish us to understand that there was no allusion by him or by you, to the basis of the transaction?—No; there was certainly not on the part of either of us.

9714. Were you led by him to understand that in consequence of a communication from some one else he was prepared to do what you say he offered to do?—Yes. Mackintosh, when I went to him, evidently knew beforehand the object with which I went.

9715. Why do you think he evidently knew it?—From what he said to me.

9716. Do you remember what he said?—Not particularly; more than that we talked about Mr. Whitehead's affairs, and then he expressed his willingness to give back the notes and bills.

9717. Was there anything said between you which would lead you to understand that the consideration for the notes had failed—that whatever they had been given for had not been accomplished?—No; nothing at all.

9718. Do you remember whether he stated that he had had a communication from any person on the subject, and was therefore aware of the object of your visit?—I knew that he had had a communication on that subject from his own book-keeper.

Knew that Mackintosh had had a knowledge of the object of his visit from his (Mackintosh's) own book-keeper.

9719. Did you know it from his book-keeper, or did you know the communication was from his book-keeper?—I had reason to believe that he had had communication from his book-keeper.

9720. Could you say how you knew that?—I knew that Mackintosh's book-keeper had come to Winnipeg shortly before I went down to Ottawa; that he had come to Winnipeg in connection with these notes and bills, and had returned to Ottawa a day or two before I had got there.

9721. Had the book-keeper occasion to see you in your capacity of trustee, in the way you have mentioned?—Yes.

9722. So that the book-keeper had had communication with you on the same subject?—Yes.

Dealt as a principal in the transaction with book-keeper.

9723. At the time of those communications you understood yourself to represent all of Mr. Whitehead's interests?—Yes.

9724. By virtue of having had this conveyance?—Yes.

9725. So that between yourself and the book-keeper you were dealing as principal in the transaction?—Yes.

9726. In speaking to Mackintosh himself, did he give you to understand that the book-keeper had been authorized by him to come up here and negotiate—I mean, have you reason to think that the book-keeper had the authority which he represented he had?—It was certainly by Mackintosh's instructions that he came here; but I do not know what authority he had to negotiate, as I understood he just came here to enquire.

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papers—
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per influence.**

9727. Was it from the book-keeper or from Mackintosh that you got the idea that Mackintosh had sent an authorized man here?—I knew, of course, in the first instance, from the book-keeper here; but in talking with Mackintosh he referred to his book-keeper having been here.

9728. In communicating with the book-keeper, did he mention the amount of the whole claim which he stated Mackintosh then had?—No; I do not think he did.

**Book-keeper of
Mackintosh when
in Winnipeg,
referred to notes
and bills.**

9729. Did he not mention the amounts which he expected to be settled by Whitehead, or his estate?—I do not think it; I have no recollection that he did. He simply referred to it as the notes and bills.

9730. Without remembering the amounts, do you remember whether it was a larger sum than that for which you afterwards obtained the acceptances?—I cannot say.

**Book-keeper
endeavouring to
collect accept-
ances.**

9731. Then, at that time, the book-keeper representing Mackintosh was not proposing to give up the acceptances, but endeavouring to collect them?—He said nothing to me about giving them up. He spoke about collecting. He enquired about Whitehead's ability to pay some of them.

9732. Was not the whole object of your meeting and communication to ascertain whether these notes were likely to be paid by Whitehead's estate?—Yes; I think it was the main object for which Smith came to me.

**Told Mackin-
tosh's book-
keeper that he
would refuse to
pay those notes.**

9733. Then the proposition to give them up must have come from some thought or intention subsequent to that?—I think that in discussing the matter with Smith, I told him that on behalf of the creditors, from what I heard, I should feel it my duty to refuse to pay those notes, those of them that were still held by Mackintosh. Some of the other creditors—some of the local creditors here—in discussing the whole position had referred to these notes—to some notes of Mr. Whitehead—as being held by Mackintosh, and expressed their strong desire that I should not allow Mackintosh, the holder of those notes, to come in as one of the creditors.

9734. In other words that Mackintosh's claim on any notes held by him should be resisted by Mr. Whitehead or yourself, as representing the interest of the creditors?—Yes.

9735. And did you intimate that intention to resist to the book-keeper?—Yes. I think I did.

**About a fortnight
after this,
interview with
Mackintosh took
place.**

9736. Was it after that intimation to the book-keeper that you met Mackintosh in Ottawa?—Yes, about a fortnight after that.

9737. And then, as I understand you, he at once proposed to return the acceptances which he held?—Yes.

9738. And it is from your previous communication with the book-keeper that you understand Mackintosh to have been fully informed as to the position which Mr. Whitehead proposed to take with his creditors? It was not necessary to go over the ground with him?—No; I think Mackintosh seemed fully to understand the position that I had intended to take before I went to him, and I inferred that he had learned that from his book-keeper.

9739. Was there any condition attached to Mackintosh giving up the paper which he then held?—Mackintosh stated to me that he had heard that Mr. Whitehead had been reporting that these notes had been obtained by Mackintosh improperly, and had been otherwise speaking very harshly of Mackintosh's conduct to him. He said that he felt very much annoyed at this; that it was untrue that he had ever taken any advantage of Whitehead, but, on the contrary, he had always tried to assist him in every possible way, and that before giving up the notes he would like to get a letter from Mr. Whitehead contradicting some of the reports that appeared to be in circulation concerning Mackintosh's connection with Whitehead. I told him that was a matter between Mr. Whitehead and himself, that I had nothing to do with that. He then, I think, drafted a letter and showed it to me, and said that on that letter being returned to him, signed by Mr. Whitehead, the notes would be handed over—the \$11,000 which he still retained. I told him that if he would send the letter to Mr. Whitehead—he was then in Winnipeg—and if he sent the letter up to Winnipeg to Mr. Blanchard, my partner, that he would see Mr. Whitehead and see whether he was willing to sign the letter or not.

9740. Do you know whether the condition was fulfilled?—I know that the notes were returned, and I understood that the letter was signed and returned.

9741. Were the notes returned to you?—Yes; they were returned to the office of Bain & Blanchard.

9742. You have seen the notes yourself?—Yes; I saw the notes answering the description of those which I asked for, amounting to \$11,000.

9743. Have you a copy of the letter which Mackintosh dictated?—I have not.

9744. Do you know whether any copy was kept of it by Mr. Whitehead, or any one on his behalf?—I know no copy was kept in the office, and I never asked Mr. Whitehead if he had a copy.

9745. Is there any other evidence connected with this which you think ought to be given, and which would help us in our investigation?—No; I think nothing else that I know. Really I know scarcely anything else of my own knowledge.

9746. Do you know anything else besides that which has been communicated to you in your professional character?—No; what is the object of the Commission?

9747. The object of the Commission is to enquire into all facts connected with the Canadian Pacific Railway, from its inception to the 16th June, 1880. First of all, I will ask that question only as to Joseph Whitehead's matter?—It is so hard for me to distinguish anything I know, whether it came to me professionally as Mr. Whitehead's solicitor or not, that unless there are some particular questions which the Commission wish to ask me, there is nothing that I feel it necessary for me to mention. I was acting in the double capacity, both as trustee and solicitor all the time.

9748. The Commissioners have no wish to encroach upon professional privilege, but they are anxious to learn any facts which ought to be made public. Have you any knowledge of the titles of land near the

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per Influence.

Mackintosh makes a condition that Whitehead shall sign an exonerating letter.

Notes returned to office of Bain & Blanchard.

No copy of letter.

Object of Commission.

**Railway Location—
Red River Crossing.**

Has heard rumours that location of crossing to be attributed to interest of persons having lands in that locality.

neighbourhood of Selkirk, other than in a professional capacity?—Yes; as solicitor for different parties, and as the owner of lands down there. I have had a great deal to do with lands at Selkirk.

9749. Are you aware that there has been any rumour that the location of the crossing is to be attributed in any degree to the interests of persons having lands in that neighbourhood, and not entirely for railway reasons?—I have certainly heard that report from the very first time the line was spoken of as crossing down there—that is, just hearing the rumour.

9750. I am speaking just now only of the existence of the rumour?—Yes; I have heard that rumour.

9751. I understand that you say you have held titles of land in that neighbourhood in your own name?—Yes.

Has not held titles of land in the locality in which an engineer or Member of Parliament is interested.

9752. Have you held them upon any understanding by which any Member of Parliament or any engineer is interested in the proceeds of them?—No; not at all. No Member of Parliament or engineer is in any way interested with me, or ever has been, neither have I ever obtained any information from either one or the other that induced me to purchase there.

Schultz and Bannatyne the only Members of Parliament holding land down there.

9753. Are you aware, otherwise than in your professional character, of any Member of Parliament or any engineer being interested in the lands in that locality before the site was fixed?—The only Members of Parliament, as far as I know that owns any lands down there, are Dr. Schultz and Mr. Bannatyne.

9754. They would be able to speak for themselves?—But I do not know whether they got them before or after. I know of no engineer that got any down there. I do not know whether it was before or after the site was fixed that Dr. Schultz and Mr. Bannatyne got lands down there.

No knowledge of any trust not expressed in titles by which an engineer or Member of Parliament would be advantaged.

9755. Are you aware, otherwise than in your professional capacity, of any trust, not expressed in the titles registered, by which any Member of Parliament or any engineer of the railway was interested in the land in that neighbourhood before the site was fixed?—I have no knowledge of such a trust either professionally or otherwise.

Refuses to speak of other matters as known to him professionally.

9756. Are you aware of any other matter, except in your professional character, upon which you could give evidence to the Commission concerning matters referred to them, so as to assist them in their investigation?—There are some matters that I suppose come within the scope of the Commission, but my knowledge of them came to me first professionally, and that afterwards as trustee I have had to follow them up; but my knowledge of them, in the first instance, I may say was gathered professionally, and there are others of which I can only speak by hearsay. It places me in rather an embarrassing position, having acted as solicitor, to have to speak of such matters.

Professional privilege.

9757. We wish you fully to understand that we have no desire to encroach upon your position?—I do not think it would be proper for me to speak of any other matters than those of which I have spoken?

9758. Then we are to understand that, as to any other matters, you claim the privilege that your profession gives your clients?—Yes.

9759. You made allusion to matters of which you obtained knowledge at first in a professional character and of which you learned more after-

wards ; do you wish us to understand that what you learned afterwards was while you occupied a fiduciary character?—Yes ; in the first instance some matters came to my knowledge acting professionally, afterwards while acting as trustee, and during all this time I acted as solicitor too, and in my own mind I am not able to separate what I learned professionally from what I learned as trustee. During all the time I acted as his solicitor and I am acting as his solicitor still.

**Railway Location—
Red River Crossing.**

M. M. THOMPSON, sworn and examined :

THOMPSON.

Fort Frances Lock.

By the Chairman :—

9760. Where do you live?—I live now at West Lynne.

9761. Have you lived there long?—About a year.

9762. Before that where did you live?—I was living at Clear Springs, thirty miles east of that, before that.

9763. And before that?—Before that I lived at Fort Frances.

9764. For about how long?—About two years and a-half : from the spring of 1876 to the fall of 1878.

At Fort Frances from spring of 1876 to the fall of 1878.

9765. Were you at that time connected in any way with the Fort Frances Lock?—Yes ; I was foreman in charge of the works there.

Foreman in charge of works on Fort Frances Lock.

9766. Before that time had you any connection with the Pacific Railway or any works connected with it?—No.

9767. What was your duty while you were foreman?—I was Mr. Sutherland's assistant on the Locks, on the work connected with the Locks.

9768. Had you before that had any practical knowledge of that sort of work?—I had handled a good many men before that, but not particularly on rock work.

9769. In what business had you handled men before that?—In lumber business, and also in connection with the Dawson route.

Previously employed on lumber work and on the Dawson route.

9770. Could you describe more particularly your duties in connection with this work ; for instance, did you keep yourself any particular book or books ? Did you engage any men, and if so, in what capacity did they work, and other particulars?—I had not the keeping of any kind of books. I directed the work there according to instructions received from time to time, and I directed the work generally both in connection with the canal and transporting of supplies.

9771. Had you any charge over the stores?—Yes ; I was in charge of all the stores and plant, and as assistant superintendent.

Book-keeping.

9772. Are we to understand that in the absence of Mr. Sutherland you were responsible for the proper management and disposition of all the Government property?—Yes.

In Hugh Sutherland's absence responsible for management of all the Government property.

9773. Had you any personal knowledge of the books that were kept?—Yes.

9774. Had you a separate set of books for the works as distinguished from that of the stores?—The stores were kept from month to month. We did not pay so much attention to the store-book, only at the end of

System of book-keeping.

**Fort Frances
Lock—
Book-keeping.**

each month there were statements rendered from the stores to the general office and they were incorporated in the general books.

9775. Then these store-books kept in the store itself were intended only to show the transactions of the store during the period you have named?—That is all; just the receipts and deliveries.

9776. In so far as this transaction affected the general business it was shown by the books at the general office?—Yes.

9777. Do you know whether there was a set of books kept in connection with the works?—Yes.

9778. Who kept those books?—James Sutherland.

9779. Was that what you call the general business, the general set of books?—Yes; the general books.

9780. Was there a subsidiary set of books kept for the works alone?—Not to my knowledge. I know there was not.

**Under witness
were the foreman
for timber work,
and the foreman
for rock work,
the store keeper,
time keeper and
book-keeper, the
rest labourers.**

9781. What officers had you under you, controlling the men?—We had a foreman on timber work, a foreman on rock work, and the store-keeper, and time-keeper—book-keeper.

9782. Were the other persons employed labourers or men of that class?—Yes.

**Pay-rolls includ-
ed all wages paid.**

9783. Do you remember whether your pay-rolls included the names of these officers as well as of the labourers?—Yes; the pay-rolls included all wages paid out.

9784. Yours among others?—Yes.

**Management of
work.**

**Witness checked
wages and time;
James Suther-
land prepared
the pay-rolls.**

9785. Who had the responsibility of preparing the pay-rolls from time to time?—I had the responsibility of checking the wages and seeing that the time was correct. James Sutherland prepared the pay-rolls.

9786. Who employed the labourers and fixed upon their pay?—I employed a good many. Mr. Sutherland employed men just as they happened to be required, or whoever was authorized, or wherever the men could be got. Sometimes we wanted men at Thunder Bay and some parties would be employed to hire them there.

**Hugh Sutherland
or witness em-
ployed men just
as it happened to
be convenient.**

9787. Do I understand that, as a matter of fact, you or Mr. Sutherland employed the men just as it happened to be convenient?—Yes.

9788. Was there any one else who employed them?—Yes; in particular instances where they were authorized by us.

9789. Can you say now whether, as a matter of practice, the pay-rolls were carefully investigated at each period?—Yes.

9790. And certified?—Yes.

9791. Did you take part in these certificates?—I took part in the checking of the pay-rolls and seeing that the men's accounts were properly extended, and balances properly carried out, and Mr. Logan and Mr. Sutherland certified to the pay-rolls.

9792. Did you certify to them under your own name?—I will not be positive about that; it is some time since and I have almost forgotten. I remember checking the pay rolls and helping to prepare them. I think I did though.

**Fort Frances
Lock—
Management of
work.**

9793. Upon all the works who would be the person most likely to know whether the pay-rolls were correct or not, as to time and pay?—I would; that is as far as the time and wages and everything in that way was concerned.

9794. Then have you any doubt that the pay-rolls were certified by you to be correct before they were settled?—I either certified to them verbally or in writing. James Sutherland will know as much about the pay-rolls as I did; only the time and wages he would learn from me in a great many cases.

9795. Then have you now a doubt in your mind whether the pay-roll, as finally settled and acted on, was certified by you?—That is, you mean certified in writing?

9796. Yes; I mean in writing?—Yes; I have a doubt. I do not remember whether I certified to all the pay-rolls in writing or not. However, they were all prepared with my help. The time-keeper's time was checked over by me, and that was handed into the office and entered to the men's credit. The same sheet was handed to Logan, the paymaster, and entered in his books, and when the pay-rolls were finally made up it was handed in every month. Then I went over the wages and the men's time, along with James Sutherland, to see if they were correct.

**Manner of check-
ing pay-rolls.**

9797. At the time that you looked at these pay-rolls you certified to them, as you think, sometimes only verbally?—I will not say that I certified to any in writing positively.

9798. Can you say whether they were always completed and added up?—Yes; they were always completed. I saw them completed.

9799. Then it would not be possible after you had verbally stated them to be correct to add other names and amounts to them?—No; it would not. I could refresh my memory about certifying to those pay-rolls, but it would not be possible to add to them without my knowing it. You see they would not compare with our monthly returns in Mr. Sutherland's books.

9800. Did you make monthly returns of the men whom you had employed to any one excepting Mr. Sutherland?—We returned them to the office. All statements went into the office, either of stores, or time, or anything, and were entered in the books there.

9801. And was it upon those statements that the pay-rolls were made up as you understand?—Yes; I know it was.

9802. Were the men employed by the Government principally white men or Indians?—There were a great many Indians employed at times.

9803. About what proportion of Indians would be found among the persons employed?—At times we might have nearly as many Indians as white men, and other times we would have no Indians.

**Proportion of
Indians to white
men employed.**

9804. Was there any kind of work that they were better adapted to than white men?—Sometimes we had them handling small rock. They are better adapted for some purposes: such as canoeing or anything of that kind.

9805. Do you remember the wages that were given to Indians?—I do not just now.

**Fort Frances
Lock—
Management of
work.**

Indians paid the same as white men.

9806. Do you remember what relation it bears to the wages of white men?—The same thing, as far as labouring men were concerned. I remember that those we had in the pit for a while we paid them the same wages as to white men.

9807. Do you remember the system that was adopted in payment of labourers, when they were partially paid by goods, and the means by which that would be kept track of?—We had nothing to do with keeping track of what they were paid by goods. We paid none of them by goods.

9808. You paid them when they were taken out of the Government stores?—We did not pay them out of the Government stores. Shortly after I went there they were paid out of the Government stores, but the store was afterwards parted with.

When men paid in goods from Government store the goods appeared on pay-roll.

9809. While they were so paid out of the Government stores, do you remember the system that was adopted?—The amount of goods was shown on the pay-roll.

9810. Was there a separate column for goods and for money?—Speaking from memory, I believe that they were separate.

9811. But you think, at all events, the pay-roll does exhibit the proportion of goods and money?—Yes.

9812. After the Government ceased to pay them in stores, do you remember what system was adopted as to debts that they would run in other stores?—We would not become responsible for debts at all. Let the persons that trusted them look out for their own pay.

9813. Had you control of any of the modes of transportation to and from the Locks?—Yes; I had of all.

In no private business while under Government pay.

9814. Were you in any business while you were under pay of the Government on your own account?—No.

9815. Did you remain at the Locks as long as the works were being carried on?—Very nearly.

9816. About how long before?—I came out about the 1st of November, and I do not know how long they did work after that.

**The Boiler
Transaction.**

Rumours that witness had received advantages, because of his connection with Government works; boiler; lathe.

9817. Are you aware that there were some rumours that you had obtained some advantage on your own account, because of your connection with the Government works?—Yes.

9818. Can you explain generally the substance of the rumours, and what account you give of it?—I have heard some of them. I may not have heard them all. In the first place, I was reported to have got some machinery for nothing. Some boilers—one of those boilers, I believe, is charged to my account in the Fort Frances Lock accounts. The other boiler and the spring waggon I bought from Mr. Bethune, the purveyor of the Canadian Pacific Railway, and gave him a cheque on the Ontario Bank, Winnipeg, for them. I also had a small lathe made at Fort Frances by the engineer or machinist there, which he agreed to make me on overtime, for which I agreed to give him a bag of flour, which I bought in Mr. Fowler's store; and the blacksmith, for doing what was necessary on that, I gave him a \$10 overcoat for that and some other little jobs he did for me, working overtime. I bought that of Mr. Fowler. I had a little account with him. I believe these are about the only things I heard.

**Fort Frances
Lock—
The Boiler
Transaction.**

9819. It is said that before you bought this boiler or engine you had it repaired at the Government's expense with the view of purchasing it?—No; that boiler had never been touched. There was a small engine and lathe which did not belong to the Government at all before I got it, and he took some little time and cleaned it up and made some portions of the lathe. The only articles from the Government were two boilers and the spring waggon.

9820. One of these boilers was taken from the boat, was it not?—No.

9821. To what use had it been previously put?—It had been used in the boat on Red River.

Boiler had been used on Red River.

9822. Not in your time?—It had been used when I was running the Red River route, and it was lying at Fort Frances when I went there.

9823. It had been detached from the boat?—Yes.

9824. For how long?—I could not say, for these boilers were sometimes changed around from one place to another as they were required. It was not detached with any intention of my buying it.

9825. Had it been repaired shortly before it was detached?—No; neither of the boilers had been detached by the machinist for repairs, to my knowledge.

9826. Had you a farm of your own about the time you went to the works?—Yes; before I went to the works I had a farm.

9827. Did any property go from the works to your farm?—Yes; this property that I got.

9828. Is there now any property on your farm got from the Government?—No; not that I am aware of.

9829. Were the prices paid full value in your opinion?—Yes; if they had charged more, I should not have taken them.

9830. As to the transportation of that property by Government means of transportation, what do you say?—I sent them to the Angle when the men were going out. I put them in the Government boats myself and took them out at my own expense, and I paid Charles Nolin for the transport of that stuff from the North-West Angle to Pointe du Chêne.

Paid for transport of these articles from North-West Angle to Pointe du Chêne.

9831. In the purchase of the property, was there any understanding that you should have it transported at the Government expense?—No, I think, more than to the North-West Angle.

9832. Was it understood that you should get that transport to the North-West Angle?—Yes; to the North-West Angle, as it did not cost the Government anything.

9833. I am not sure, but I think there is a charge against you of \$20 for that transportation, in the books, which you allowed?—If it is, it is the whole cost of the boiler. It may have been part for the boiler and part for transport. However it was put at a lump sum.

9834. Do you remember what the sum was?—I do not remember distinctly—it was somewhere between \$135 and \$140.

\$135 or \$140 paid for boiler.

9835. Where had that boiler been before you bought it from Mr. Bethune?—It was down on Pine Lake.

**Fort Frances
Lock—
The Boiler
Transaction.**

9836. Where is Pine Lake?—Half-way between Fort Frances and Thunder Bay.

9837. Was that property over which you had charge in your official character?—Yes; I had had charge of it. I will not say that I had charge of it just at that time. I think Mr. Bethune had charge of it just then.

9838. Was it property that had been placed in his charge before you bought it?—He had never used that boiler. I suppose it was part of the Red River route plant which had been placed in his charge, but this boiler he did not use at all.

Price of another boiler \$80 or \$85.

9839. Do you remember the price of that one?—I think the boiler or waggon was \$80 or \$85.

9840. What was the power of the boiler?—I think between three or four horse-power, it was a very small boiler.

Made bargain about boiler with Hugh Sutherland

9841. With whom did you make the bargain about the other boiler?—Mr. Hugh Sutherland. Mr. Bethune left me instructions for Mr. Sutherland to sell any of the plant that he could. He left me verbal instructions at Fort Frances in Mr. Sutherland's absence to sell any of the Red River plant that he could sell, and I told Mr. Sutherland, and bought this boiler from him.

Took part in delivery and transfer of goods at Government store, and priced them when turned over to Wilson.

9842. Did you take any part in the arrangement with Wilson as to the purchase of the Government stores?—I took a part in the delivery and transfer with Mr. Logan, and I priced the goods that were turned over to Mr. Wilson.

9843. Was the arrangement of the transfer made with you or with Mr. Hugh Sutherland?—With Mr. Hugh Sutherland.

How prices arrived at.

9844. In the prices fixed upon that occasion on the goods that Mr. Wilson got, do you know the basis that was adopted—on wholesale or retail prices?—We made no discount. We fixed them at whatever they were worth there according to invoice. We did not go according to invoice in all cases, because there was a lot of old stock there. We fixed whatever price we thought the goods were worth, having in view the original cost and the cost of transportation.

9845. Had you any other dealings on your own account about Government property?—No other; not to my recollection.

9846. Did you take any part in fixing the price at which Mr. Wilson returned goods to the Government stores?—Yes; I was the one that Mr. Wilson had to agree with in reference to those prices.

9847. I mean of his goods?—Yes.

9848. Can you say upon what basis those prices were fixed?—They were fixed at a lower rate than goods were usually sold for on the portage on account of being taken in quantities. I do not remember any rates in particular, but I say they were at a lower rate than they were usually retailed for.

9849. Upon all the transactions had between Mr. Wilson and any one there upon the Government behalf, do you know whether he got any marked advantage?—I know he did not.

Large boiler : eight to ten horse-power.

9850. What was the size of the larger boiler?—About, I should say, from eight to ten horse-power. Probably ten horse power.

Fort Frances
Lock—
The Boiler
Transaction.

9851. Was it flue or tubular?—Flue.

9852. What was it used for afterwards?—It was not used at all. I bought it on speculation and it turned out bad. I calculated to take it out on my farm.

9853. Do you remember the different books which were kept in the general office?—Yes; I would know them if I was to see them. **Book-keeping.**

9854. Do you think you could describe the sort of books that were kept?—Yes; we had a day-book. I think a day-book and journal were opened, if I remember right, ledger, cash-book, large time-book, letter-book. I think those were the principal books which were kept at that time. **System of book-keeping.**

9855. Was James Sutherland, the book-keeper, considered to be under your control?—Yes; that is I never interfered with his book-keeping. I consulted with him and he consulted with me on all entries that were made—prices and all that sort of thing—although I never took any control over his style of book-keeping.

9856. Were you next in command over the whole business under Mr. Sutherland?—Yes; I acted for him in his absence.

9857. Do you remember whether there was an original book in which entries were made before they appeared in the journal or day-book—whichever that may be?—No.

9858. For instance, was there any blotter from which entries would be taken to be made in the day-book?—No; the entries were made direct in the day-book, from statements from the store, statements from the time-keeper, and so on.

9859. Do you remember whether payments made at odd times would appear for the first time in the cash-book, or would any record of those be kept in a preliminary book such as a blotter?—It appeared in the cash-book.

9860. You think the entries first appeared there of payments made in small sums?—Yes; I think if you examine the cash-book you will find all those in detail in the cash-book. I might say that the cash was entered up from Logan's statements—the paymaster's statements.

9861. Would Logan have the control of moneys before the record was kept in the general office?—No: any money that Logan had was charged to him; but Logan would have to pay out the money before the record could be made in the general office.

9862. Then, do you remember—according to your memory—was it the system that he would be charged in a lump sum with whatever money he got, and that he would ask credit on account of wages?—For small amounts, during Mr. Sutherland's absence, there would be a small amount drawn and left with Mr. Logan and charged to Suspense Account, which he would have to account for afterwards. **System of paying money.**

9863. Then he would have the preliminary record of small payments?—Yes; and he would hand in the vouchers for them with his statement.

9864. Do you remember how it was managed when Mr. Hugh Sutherland would get sums to be disbursed afterwards on account of the Government?—In the same way. They were charged to his Suspense Account, and he would account for them and hand in his state-

**Fort Frances
Lock—
Book-keeping.**

**Statements of
disbursements
made by Suther-
land and Logan
entered in full in
cash book.**

ment along with the vouchers for the items. That will all show in the books.

9865. Do you remember whether these statements which were handed in by Mr. Sutherland on his behalf, and by Mr. Logan on his behalf, will be entered in full in the cash-book, or only the result of them?—In full in the cash-book—the items will appear in the cash-book.

9866. The full details of each of these items?—Yes.

9867. Is there any other matter which you think would assist our investigation, or regarding which you wish to make some explanation?—Nothing that I remember just now. There are rumours of affairs there which you have not touched upon.

9868. If you can assist us in the investigation we will be glad to hear of them?—There is nothing in which I can assist you in showing that there is anything wrong in reference to the management of the works at all.

9869. Besides the management of the works do you think the interests of the Government and the public were properly protected?—I think so.

▲ Claim.
Responsible for
\$16 which Gov-
ernment refuses
to pay.

9870. Is there anything further which you wish to say?—Nothing further in connection with that. I do not suppose it would come under that business. I wish to ask a question. After I left Fort Frances there were two horses sent out here for supplies which had to be taken in there for that winter. I had to become responsible for some toboggans and shafts to get these supplies in. As that account has not been settled and the man threatens to-day to sue me if it is not paid, I would like to know if the Government would settle it, or what is to be done?

9871. We are not empowered to do anything connected with it, but I have no objection to hear your statement if it is connected with the canal works?—The account was sent in to the Department, but no notice was taken of it, at least so the party informs me.

9872. Do we understand that you have made yourself answerable for an amount which the Government refuses to pay?—Certainly.

9873. What amount?—\$16.

9874. To whom is that due?—To Thomas Lusted. It is a small affair, but I do not wish to pay it when I have no benefit from it.

9875. Is there any other matter on which you wish to give evidence?—No.

JOSEPH

WHITEHEAD. JOSEPH WHITEHEAD'S examination continued :

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

By the Chairman :—

9876. Besides the transactions which you have described, between yourself and the Government, was there some transaction by which you got back part of your percentage, which had been retained on the contract?—Yes.

Government
made advances to
witness from the
10 per cent. on
\$1,800,000.

9877. What was that?—They made advances from time to time out of the 10 per cent., both Mackenzie's and the present Government.

9878. Can you say in round numbers what all those advances would amount to?—10 per cent. on somewhere about \$1,800,000.

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

9879. Originally the arrangement was that the Government should retain one-tenth of that?—Yes, 10 per cent.

9880. How much of that \$180,000 has the Government retained?—I think they have about \$25,000 yet.

Of the \$180,000 Government retained \$25,000.

9881. So that you have received from time to time, out of those advances, something like \$155,000 more than your contract called for?—Yes; more than my estimates, that is as near as I can tell.

9882. With whom did you negotiate to have that return made?—I asked Mr. Mackenzie, and he ordered Mr. Trudeau to tell the accountant to make advances out of the 10 per cent. money, and likewise Dr. Tupper has done it.

9883. Were you present when each of those gentlemen told his subordinate officer to do it?—No. He spoke to the messenger out of his office. I spoke to Mr. Mackenzie in his office, when he was in power, and likewise to Dr. Tupper. He would ring the bell and give instructions to Mr. Trudeau, his deputy.

9884. Were these amounts returned to you in consequence of a general arrangement, first of all with Mr. Mackenzie and afterwards with Sir Charles Tupper, or were you obliged to make an application from time to time for each advance?—Mr. McDonald got it two or three times for me; he used to look after the finances.

Senator McDonald who looked after the finances got advances two or three times for him.

9885. Then each time that you wanted any favour of that kind, you had to make a separate application?—Yes.

9886. There was no understanding at any time that the arrangement should continue for future periods?—No; there was one time, I think, Sir Charles agreed not to take any percentage off for three months, but to give me full amounts.

Sir Charles Tupper agreed not to take any percentage off for three months.

9887. Was this made with you, yourself?—Yes.

9888. Did any person assist you in any of those arrangements with the Government, by which this favour was granted to you?—No; I do not know that anybody knew of it; not that I know of.

No one assisted him in any of those arrangements.

9889. It seems that the assistance which you have described as being rendered by Mackintosh, would not account for your having given him such a large sum, and we are anxious to ascertain what other reason there was?—There was no other reason, only just what I have told you.

Notes given to Mackintosh. No other reason than that already stated for giving Mackintosh money.

9890. Are you still of the opinion that at the conversation, when your matter was before the Committee of Public Accounts, there was no larger sum than about \$11,000 given?—No; nothing else, at that time.

9891. And you say that the whole amount was about \$25,000?—But this \$11,000 is to be deducted off it.

Whole amount about \$25,000.

9892. Then that would leave something like \$14,000 or more, which he got for other reasons?—He paid some of the notes and acceptances himself when they became due.

Mackintosh paid some of the notes when they became due but did not give them up

9893. But were they given up to you?—He paid them and kept them.

9894. But you do not know, do you? They may be outstanding, so far as you know, in the hands of some other party?—I do not know but they may; I have not heard anything about it.

**Railway Construction—
Contract No. 15.
Notes given to
Mackintosh.**

Mackintosh got security for him and was in difficulties and he helped him.

Mackintosh undertook to get acceptable sureties.

Put up a cheque for \$5,000.

CONKLIN.

Nixon's Paymaster and Purveyors' Book-keeping.

Has had books formerly kept by him for purpose of looking through them.

9895. Do you mean now that I should understand that you gave him those notes, originally amounting to something over \$14,000, besides what Mr Bain got back, only because he had helped you in making out tenders and getting security for you?—He never helped me to make a tender.

9896. Well, to get security for you?—Yes; that is the way I got into it, and I went further than I intended that he should have gone. He said he was embarrassed and I tried to help him.

9897. Is there any other reason that you can give us for having given such a large sum as that?—No; I have told you all I know. There is no other reason.

9898. At the time that you say Mackintosh procured some sureties for you, had you any impression whether they were persons of standing, pecuniarily, I mean men of sufficient means to be of any help?—I do not know what they were, but the Government accepted them, and as long as the Government accepted that is all I wanted.

9899. Did you then have no impression about it?—No; I had not.

9900. Was your arrangement with Mackintosh that he should find good and sufficient security for you?—There was no arrangement of that kind; I told him I wanted good persons. There were more than those that you recollect this morning. I kept no memorandum of them.

9901. Did you say that as long as they were accepted by the Government they answered all the purposes Mackintosh undertook to supply?—That is all; he undertook to do it, and got satisfactory persons that the Government would accept; but I did not get the contract, and the question never came up as to the other.

9902. Those sureties were to be persons who were to be answerable in case the contract would be awarded to you, and not that the contract should be open?—Provided I got the contract these sureties would have to stand until the contract was finished.

9903. Besides that undertaking to be surety for you if you got the contract, it was necessary for you to put up some security at the time you tendered, was it not?—To the Government?

9904. Yes?—I would have to put up 5 per cent.: I put in a cheque for \$5,000. Mackenzie used to ask for a \$1,000 cheque to be put in, but this Government asked \$5,000 cheques.

9905. Was any part of that kind of security paid by Mackintosh?—No; it was my own.

9906. So that the only benefit he did, was to find some person who would become answerable in case you got the contract?—Yes; that was willing to do it.

ELIAS G. CONKLIN's examination continued:

By the Chairman:—

9907. Have you had the books which you kept for Mr. Nixon, in your custody for some time past?—I got them on Saturday afternoon.

9908. For what purpose?—For the purpose of looking through them, and I looked at them on Saturday night for a short time.

**Nixon's Pay-
master-and-
Purveyorship
Book-keeping.**

9909. Are you better able now to explain the system than you were on a previous occasion?—Yes; I can recollect it better.

9910. Will you now explain the system upon which the day-book was kept, for instance?—All transactions as they occurred were entered in the day-book, excepting, of course, the giving of cheques, and they went into the cheque-book or bank cash book. Explanation of system.

9911. When you say cheque-book or bank cash book, do you mean that there were two books, or that they were all in one?—They were all in one.

9912. Did you say that all the transactions as they occurred were entered either in the day-book or in the cash-book?—Yes; of course. There were requisitions, but they were put into the requisition book. An engineer gave a requisition and it was entered by Mr. Nixon in the requisition book.

9913. That was not a transaction but a request?—Yes.

9914. But when a transaction occurred, do you say it appeared in the day-book or in the cash-book?—Yes.

9915. Then if supplies were furnished according to any requisition, an entry would be made concerning that?—When the supplies were furnished there was no entry made until the account came in. No entry of supplies furnished until account came in.

9916. What account?—The account from the merchant. For instance, Mr. Nixon gets a requisition from the engineer; that requisition is kept in the requisition book, and Mr. Nixon fills the order. It may take some time; and at the end of the month the account comes in and it is checked over from the requisition book.

9917. Then when an account comes in from the merchant to the effect that he has furnished some supplies for some work, some survey, or some party, you understand that that furnishing of supplies would appear in your day-book?—That would appear in the invoice book. All those were kept or pasted into the invoice book, so that that would not appear in the day-book.

9918. Would that be the only record of that transaction by which the merchant had furnished supplies to some party connected with the Pacific Railway?—That would be the only entry.

9919. And what would that entry be: would it be a pasting of the invoice on the leaf of the book?—It would be a pasting of the invoice on the leaf of the blank invoice-book. Entry of supplies merely invoices pasted in a book.

9920. Would there be any entry of that in any of your set of books?—No.

9921. Then no charge would be made to any work on account of that supply?—No.

9922. Do you think that was the right way to keep a set of books: to file away invoices and make no entries concerning them?—In ordinary business transactions, if I were keeping a set of merchants' books, I would not do that; but when these books were opened I had no knowledge of what these accounts would be charged to, we had no knowledge of what the items were to be charged to. We were not posted regarding the divisions and had no instructions from Ottawa. What I understood, we merely forwarded at the end of the month a list of the cash statements with the vouchers accompanying them. In ordinary business witness would not keep books in this way.

**Nixon's Pay-
master-and-
Purveyorship
Book-keeping.**

When witness
took charge of
books he did not
know how to
proceed.

Kept no account
in ledger to which
supplies forward-
ed by various
merchants were
charged.

Apart from cer-
tain detached
papers, &c., books
did not show the
transactions in
which supplies
were sent in by
merchants from
whom they had
been purchased.

Invoice book : a
collection of
invoices.

Animals and
other supplies
which were only
recorded in de-
tached invoices
sometimes
returned.

Of these witness
kept no record.

Books even with
invoices would
not show the state
of affairs.

9923. But did not your requisitions upon which these supplies were furnished, show you to what account they might be charged?—They did in some cases, but not in all. I had no idea when I went there what to open out. I opened first an account for the Pacific Railway. I then understood that we were to keep no general ledger; that these entries were to be forwarded to Ottawa, and charged up there to the respective accounts.

9924. Then are we to understand, as a matter of fact, that you had not to keep any account in your ledger to which supplies, forwarded or supplied by different merchants, were charged?—No; that is correct.

9925. The only way of ascertaining that information would be apart from your books and looking at the detached papers?—Yes.

9926. And if one of those detached papers should be mislaid or lost there would be no record of it?—The vouchers were taken in triplicate—that is, after they were paid.

9927. I am speaking of the other end of the transaction?—That would be the only thing that we could fall back on, to find what these accounts were paid on.

9928. Then did your books, apart from the detached papers, show the transaction of that branch of the business or of that office?—They could be arrived at, of course, from the detached papers.

9929. Do you know the meaning of apart?—Yes.

9930. It seems absurd to say that your books would show it, apart from the detached papers, if you look at the papers?—I mean that you would require the detached papers along with the books.

9931. I am asking you would your books show it without the papers?—No.

9932. I suppose some articles not procured from merchants were obtained: such as horses, or cattle, or animals of any sort.—Would there be any entry in your set of books, independent of detached papers, to show that transaction?—Except in the invoice-book.

9933. The invoice-book is, as I understand, a collection of detached papers?—A collection of all invoices of goods furnished.

9934. It is not an account of them, but the papers themselves?—Yes.

9935. The invoice-book has no part of it which shows a current account evidencing the whole amount of the transactions?—No.

9936. Were things of the kind that you describe, either animals or supplies, which in the first instance were got for parties, and the particulars of which would be pasted into the invoice-book sometimes, returned either in whole or in part?—Yes; of course.

9937. Did you keep any record of such returns?—The store-keeper had an account of it.

9938. Did you keep any record of such transactions?—No.

9939. Would any invoice-book or any book in your set of books show the transactions of those returns, without showing the value or quantity of things returned?—No.

9940. Would your books alone, or with the invoice-book, show the real state of affairs?—Yes; I think that they ought to.

**Nixon's Pay-
master-and-
Purveyorship
Book-keeping.**

9941. Will you explain to me how they ought to, if you say the returns were not entered in them?—Of course, they would not. I misunderstood the question before.

9942. Now can you say, as a matter of practice, whether the store-book which you told us was kept by Mr. Parr, shows a current account exhibiting at any time the amount of stores that were then on hand?—I do not know, I am sure; I never went over his book.

Never went over Parr's store-book, but positive it did not show the value of stores on hand.

9943. Then are you any better able to tell whether that book showed the value of the stores on hand?—It did not, I am positive of that.

9944. Then going to the system of keeping accounts with sub-agents, can you say whether an account was kept with the sub-agent as a personal account, or was it charged to the party with which he was connected, or work with which he was connected?—It was a personal account.

Accounts with sub-agents personal.

9945. What would form the debit side of that account against sub-agents?—Amount of cash advanced.

9946. Would anything more than cash be charged to him?—Cash sales; that is all I think.

Sub-agents charged only with cash sales.

9947. Would you charge to any sub-agent supplies which you forwarded to him to be dealt out in any way or to any of his party?—I kept account of it on a separate sheet.

9948. I will repeat my question: Would you charge to any sub-agent supplies which you forwarded to him to be dealt out in any way or to any of his party?—They were charged, but not in his account.

9949. Of course I am asking you as to your set of books; I am not speaking of detached memoranda scattered about the office. Do you understand that I am now speaking about your system of book-keeping?—Yes.

9950. Then I will repeat that question making it apply only to your system of books?—No.

Sub-agent not charged with supplies forwarded to him to be dealt out; nor credited with amounts he had paid labourers with supplies.

9951. Would you credit to any sub-agent's account amounts which he had paid labourers by any of these supplies?—No.

9952. Had you any account in your books, either with individuals or under any general name, showing the whole amount of supplies which you forwarded to different sub-agents or the whole of your sub-agents, and the mode in which those supplies were dealt with?—No. There was not such an account.

No general account showing history of supplies.

9953. Then is there any method in your books by which we can ascertain now whether supplies which were forwarded had been fully accounted for?—None, except by going through the books.

9954. But I understand you to say that they were not shown in the books?—I was referring to the ledger when I said there was no account kept.

9955. Do you mean that there is an account kept for such supplies in any other book than your ledger?—There were entries in detail of them.

9956. But no collected statement?—No collected account.

**Nixon's Pay-
master-and-
Purveyorship
Book-keeping.**

9957. Are there memoranda, even detached, in your day-book showing how these supplies were accounted for by the sub-agents?—Yes; I think there are.

**Day-book would
not show the
history of
supplies.**

9958. Do you think that your day-book will show, by going through the different entries, enough particulars to make up a ledger account on that subject?—No; the day-book will not.

9959. Then if one wished to make up a lodger account to ascertain the debit and credit side of that subject, where would one get the information?—From the invoice-book and from the day-book.

**Invoice-book and
day-book and
store-book.**

9960. Would that be sufficient without the store-book?—If there were any goods returned or repayments made they would be entered in the store-book.

9961. If the invoice happened to be detached from the invoice-book and no longer forthcoming, would it be possible to make up that account correctly?—Not from this office. Of course the duplicate would be found in the Department at Ottawa.

9962. Do you know whether invoices were carefully kept in the invoice-book, or were they sometimes absent?—I believe they are all in the invoice-book.

9963. Did you take the invoice-book with you?—No.

**Invoice book does
not contain all
the invoices.**

9964. Look at pages 58 and 59 of the invoice-book, and say whether there are invoices which ought to be there, or whether there are some memoranda instead of them?—The invoices are not there.

9965. Do you find a memorandum?—There is a memorandum showing, I presume, in whose favour the cheque was.

9966. In whose writing is that memorandum?—It is in my own.

9967. Are you of the opinion now that the invoice-book contains all the invoices?—No; I am not.

9968. Do you find others on pages 63 and 65?—Yes.

9969. Do you find another on page 66?—Yes.

9970. Amounting to \$6.53?—Yes.

9971. Do you find another on page 45?—Yes.

**The history of
supplies could not
be had from
books even by
going through
them.**

9972. Without going through or looking for blanks, do you say now that there are materials to make up that amount if not included in the invoice-book in the Winnipeg office?—No; I see there are several items there that have been left out. I think I can remember the reason of some of them now when I come to see it.

**Entries of moneys
coming into
Nixon's hands on
account of Gov-
ernment.**

9973. I am not at present finding any fault, or saying that there is not a good reason for leaving it out. Understand my examination is at present to ascertain whether there is a sufficient mode of investigating the transactions of the office. That is the only subject that we are dealing with at present; because you can easily understand that if the materials are not here to investigate, it is useless to try to investigate. Did you know whether there was any record kept of money or moneys which would come into Mr. Nixon's hands on account of the Government?—Yes; it would be entered in the day-book.

**Not carried for-
ward to a collect-
ed account in
ledger.**

9974. Is there any entry made in a subsequent book taken from that entry;—in other words, were entries of that account carried forward to a collected account in the ledger?—No.

**Nixon's Pay-
master-and-
Purveyorship
Book Keeping.**

9975. Then there is no account in the ledger which would show the whole amount of those items?—No; there is no such account.

9976. Is there any entry showing you how those moneys would be disposed of by Mr. Nixon?—There would be an entry in the day-book.

9977. Would there be any entry in any subsequent book made from that entered in the day-book?—Excepting in the letter-book. I think there is a regular system of where the money was deposited and received. A regular report was sent down to Ottawa.

9978. You would hardly call that a part of your books?—No.

9979. I am speaking now of your set of books there, the financial statements of account?—No; there is no such account in any book.

No account showing how these moneys disposed of.

9980. Would the money which was received by Mr. Nixon on account of the Government pass through your individual control, or would he tell you of the items so that you might make an entry?—He would tell me.

Nixon would tell him of moneys received by him from Government.

9981. Have you any means thus within your own knowledge of knowing whether the entries in the day-book show a correct statement of those moneys?—No; of course I cannot say that.

Cannot tell whether entries in day-book were correct or not.

9982. You have every reason to believe that they do?—I have.

9983. What reason have you to believe that they do?—Nothing except my confidence that Mr. Nixon would not do anything of the kind.

9984. It is from that confidence?—Yes; of course I had no means of telling.

9985. That would not help your system of book-keeping?—No.

9986. Did you personally take part in the management of his own personal bank account with the bank?—No; I do not think it. I do not remember of having taken any part in it.

Does not think he took part in management of Nixon's private account.

9987. For instance, if you made deposits to his individual credit in the bank, would you afterwards take control of that account and deal with the bank respecting it as an officer of the Government?—No.

9988. Have you any means of knowing whether the moneys which you deposited to his private account were all included in the statements which were afterwards furnished to the Government as containing a correct statement of that matter—I mean, are you in a position to verify the correctness of those statements which were forwarded from time to time by Mr. Nixon?—I have no means other than the letter-book.

9989. I am speaking of verifying them before they were sent off. Had you yourself a personal knowledge of his personal affairs or of his bank account sufficient to enable you to show whether the statements that he sent to the Government were strictly correct, or whether they contained mistakes?—Thus far: that whenever any money was received on his account by the Department I made an entry in the day-book, and when the deposit was made of course I could then tell by referring back whether the deposit covered all the receipts or not.

9990. Then those remarks, I suppose, you mean to apply to the receipts which you had knowledge of?—Certainly.

Nixon's Paymaster-and-Purveyorship Book-keeping.

Could not say whether in all cases before Nixon's statements were sent off, compared item with detached memoranda in day-book.

Does not know whether bank had a book in which the sums received on account of Government and deposited to Nixon's private account were entered.

No means of explaining the way accounts such as those of John Brown's were balanced.

Explanation from memory.

9991. Are you able to say now whether before those statements were sent to the Government you did look over the detached memoranda in the day-book so as to be able to decide whether the statements which Mr. Nixon sent were absolutely correct or otherwise?—In some instances I know I have done it. I could not say whether I did it in all cases or not.

9992. Did you have any account in your books of those receipts that were admitted to have been had on account of the Government, and another side of the accounts of the moneys which you deposited with the Receiver-General, so as to show a collected statement of that account?—No; there is no such account.

9993. Where is that to be found if there is such a thing?—That would be found merely from the day-book and letter-book.

9994. Do you know whether a bank-book was kept in which the bank entered those sums which had been received on account of the Government and which were deposited to Mr. Nixon's private account?—I never saw such book.

9995. You know that it is a common thing for private individuals to have what they call a bank-book—a small memorandum-book?—Yes.

9996. Do you say whether you ever saw that?—I do not remember having seen it.

9997. Did I ask you about several accounts that were balanced in your books: John Brown's, for instance, among others?—Yes.

9998. Have you arrived at a means of explaining that balance?—No; I think I understand it although I can see no trace of it. I can recall the transaction to my memory.

9999. But the books show no trace of it?—It is shown on that account correctly, but still you cannot trace it.

10000. You mean that what the book says is the correct statement but you are not able to trace it from entries in the books?—No; I cannot. From memory the result shown in the books is the true one, that is what I mean.

10001. You say that from your memory?—I remember the transaction to a certain extent. I remember this amount was placed to his credit in one of the banks to draw on as sub-agent at Edmonton. For some reason he did not draw, the people would not take cheques, and the amount was afterwards deposited to the account of the Receiver-General.

10002. Is that your recollection of the way in which it was settled?—Yes.

10003. Then if your recollection is right he never really drew the money from the bank?—I think he never drew the money.

10004. If he did draw the money then your recollection would be wrong?—Yes; unless it was handed to Mr. Nixon and deposited to the credit of the Receiver-General.

10005. Look at the entry in John Brown's account and see the date of it?—15th December, 1876.

10006. Do you find in this statement by Mr. Nixon (Exhibit No 104) any evidence that any amount of that kind was deposited to the credit of

**Nixon's Pay-
master-and-
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the Receiver-General then or anywhere about that time, the amount being \$2,861.28?—No; I see no such amount.

10007. I understood you to say that if the money was drawn upon this cheque to John Brown it would be correct only in case there was some evidence, or in case it had actually been put to the credit of the Receiver-General?—When I said that I could recall the transaction—that part recording the credit to the Receiver-General—of course I am not exactly satisfied on that, but I knew such cases occurred, and I think it is in John Brown's account.

10008. Can you explain this credit in any other way except upon the basis that that cheque was not actually taken by Brown?—The cheque was not taken by Brown; that is the conclusion I should arrive at.

10009. If it was would that entry be correct according to your idea?—No.

10010. Look at the cheque now handed to you, and say if it was drawn by John Brown from the bank?—Yes; I see by the explanation given on the cheque it was deposited to reimburse him for cheques on private account.

10011. Do you now say that your first explanation that it was not drawn from the bank was a correct statement of the transaction?—No; it was not correct. Explanation wrong.

10012. You think the explanation which you considered from memory to be correct is not correct?—No.

10013. You say now that there is another explanation?—Yes.

10014. What is the other explanation?—I can only trace it by the explanation of the cheque that Brown must have given cheques when he was out there on his own private account up to this amount. Another explanation of Brown's account.

10015. Is that a matter which is exhibited by that set of books, or must we go to John Brown's private account to find that out?—This cheque appears in his account does it not?

10016. Can we ascertain the correctness of your last explanation without going to John Brown's private account?—No; unless we go to some of the statements or some of the detached papers.

10017. Then your books do not show the explanation of this transaction?—No. Books do not show explanation

10018. About the other accounts which I mention—for instance, Valentine Christian's, and other persons who were sub-agents, have you looked at them to see if you can give a better explanation of them than you gave before?—No.

10019. Upon the whole, what is your opinion now, as a book-keeper—for I understand that you have some reputation as a book-keeper—upon the set of books as they were then kept? Do they exhibit the business of the office in a satisfactory way?—No; I believe not in the same way that I would keep them if I were in charge of them at the present time. Witness's opinion as a book-keeper, that the books do not exhibit the business of the office in a satisfactory way.

10020. Is it true that you have some reputation as an accountant, and that matters are referred to you on the subject of book-keeping?—Yes; of course the explanation I gave before recording it was as I understood it.

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master-and-
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10021. That is from memory?—Yes.

10022. That would show that the books might mislead one?—The other explanation I made was, I considered I had only to keep the accounts of the men and accounts that had to be settled here, but that the accounts of the Department were kept in Ottawa.

10023. Is there any other matter which you would like to say by way of evidence or explanation upon this subject?—No.

NIXON.

THOMAS NIXON'S examination continued:

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

By the Chairman:—

10024. You have been present at the last examination of Mr. Conklin?—I was present.

10025. Can you give us any elucidation of the account showing the moneys which were received on the part of the Government, and which passed to your private account in the bank?—No.

10026. Are you willing, or do you wish, that your private account with the bank, including those items among others, should be investigated by us?—I have no objection.

10027. Will you please produce your private bank-book?—You had better get it from the bank.

10028. And will you produce your private bank-book?—Yes. There are three or four. I was dealing first with the Merchants, and I do not know whether I can put my hand on the book, but I believe I can.

Conklin knew of
all the money
witness received.

10029. With regard to those matters on which I have questioned Mr. Conklin, and which practically showed the inefficiency of the manner of keeping books, will you explain what you think necessary to explain on that subject?—I have nothing further to say than this: that Mr. Conklin was cognizant of all moneys which I received. I received no moneys without his cognizance. For example, a sale would be effected, the account sales would be handed to Mr. Conklin; or horses would be sold, but my accountant would always know about it.

10030. Did you not think that it was wise to suggest to him to keep a collected statement of these moneys?—I may say to you frankly that whenever the moneys were sent by me to Ottawa, I called to Mr. Conklin and said: "Give me a statement of the amount of moneys for the past month." Therefore you see at once that he must have been cognizant. I am speaking now in general terms. It was from my accountants, both the one now in the office and Mr. Conklin, that these statements were, I may say, verified by being handed to me.

Never instructed
Conklin to keep a
collected account
of these matters.

10031. The question I intended to ask is this: whether, as superior officer to Mr. Conklin, you thought it expedient to direct him to keep a collected account in his books of these transactions?—I did not do so. I must say that one would naturally suppose that the accountant in the office would naturally put down all the moneys that came in, but he appears to say that he did do so through the day-book.

10032. But from what he says he had no means of checking the correctness of them. For instance, if you omitted by accident to mention that you yourself had personally received such a sum he had no

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control over the books or the balance which would appear at some future time so as to correct your memory about it?—No other than this: if the transactions came under the cognizance—as I say they did—of the accountant, he would know all about it.

10033. But if he had kept a collected account showing the debit and credit of any particular party or work, then he would have been enabled to show by the balance whether there had been some error or omission, and so be able to remind you, or call your attention to the circumstance?—I think he would.

10034. But do you think that that would have been the more perfect mode of recording the transaction?—Yes; it would decidedly.

10035. I think I asked you before whether you were aware of the basis upon which Parr made up his statements from time to time—whether it was from the actual goods on hand, or what his books showed ought to be on hand in the store?—I cannot tell you exactly how that was. I would not like to speak with positiveness as to it. I think returns were made to the Government yearly of the amount of goods in store specifying the articles, but not their value which we could not do of course.

Could not say the
base on which
Parr made up his
statements.

10036. Do you remember this matter of Brown's yourself so as to be able to explain it more fully than Mr. Conklin?—No; I do not.

Cannot explain
Brown's account
more fully than
Conklin.

10037. Do you think that your private account in the bank, to which some of these Government moneys were deposited, would show to any one a distinction between those moneys which you had of your own, and those moneys which you had belonging to the Government?—I do not think it.

Private account
in bank would
show no distinc-
tion between
Government
moneys and
moneys properly
private.

10038. Would the production of it enlighten us upon that subject?—I do not think it. Suppose that horse, say \$25—you remember the transaction—I might that day deposit \$40 or \$50 to my personal credit in the bank. If that were the case—of course I am speaking entirely from memory—you could not discover the \$25 by itself. I do not remember banking always the exact sum. Of course, it is some years now.

10039. Do you think, speaking in a general way, that you had large amounts mixed up with the Government moneys or only small amounts?—They were large sometimes. For instance, I received moneys from the Archbishop during the time of the grasshopper plague—large sums—which I had to pay out for wheat and flour. The moneys were transmitted to him and by him given over to me.

10040. Can you suggest to us—I ask this because I know you are considered to be a very good business man—any method by which we can investigate the correctness of your statements to the Government from time to time of the moneys of theirs which you had in your hands?—No; I cannot.

Can suggest no
way by which
correctness of his
statements to
Government
might be investi-
gated.

10041. Do you think that this private bank-book would help us in the investigation?—I do not think it would, but I have no objection that you should have it. I have given full details of the full transactions to the Department; and then I may say it was about a month only, while things would be fresh in my mind.

10042. But of course you had immense sums to deal with?—No.

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and-Pur-
veyorship-
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10043. I think you dealt in something over half a million on this Pacific Railway alone?—But none of that came to my hands. You must understand that that would not come into my control directly or indirectly.

10044. I am not speaking of the amount under your control, but of the amounts that passed through your mind. You suggested that those statements were made to the Government at short periods?—Yes.

**Explains why his
memory of
amounts could
not be at fault.**

10045. And I suppose you mention that to show that your memory for that short period would likely be so perfect that no mistake would be made by you. Is that your idea of mentioning about the short period?—Yes.

10046. Against that idea, I am suggesting to you that your mind had to carry such large transactions that it might possibly have overlooked some matter of your own?—No, that is where we differ; in this way: that I would not receive large amounts. I would be months, for instance, with only \$25—or might be months with only \$25. It is the cash which actually came into my possession only that I had to deal with, in the way in which we are now speaking of.

10047. But would your mind not be occupied with other transactions in which money would not pass through your books? For instance, the purchase of supplies—the dealing with merchants?—Of course; but I thought what you meant was that having such large sums of money I might inadvertently overlook some of them.

10048. No; I meant that your mind was so occupied with other subjects such as supplies and dealing with merchants, that a mistake might occur?—Certainly; but my accountants knew all the moneys that came in, and my storeman. No transactions were made without the cognizance of either one or the other.

10049. Now, as a matter of practice, would you not sometimes receive money and deposit it to your private account in the bank before your book-keeper was made aware of it?—I do not think it.

10050. Would you tell him while you had the money in your hand or pocket?—Moneys usually came through the accountant.

**Cases in which
Nixon received
money first and
told accountant
after.**

10051. He says not. I understand him to say that you would receive these moneys and would tell him of it?—In some cases I suppose that was the case. For instance, a sale would be effected—say through me, or through me and my storeman conjointly, and the man might come to the office and pay the money to me instead of to the accountant. Cases of that kind might occur. In the details you will find that there are a good many small sums from time to time—sometimes a dog would be sold, for example, or perhaps a dog-harness.

10052. What would be the practice on those occasions?—I would get the money personally.

10053. Would you deposit it together with your own private money?—Yes; I think so.

10054. And afterwards, from your recollection, you would tell the book-keeper of the transaction?—There and then; we would not allow a month to pass and then tell the book-keeper.

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

10055. I mean a day or two days afterwards?—No; I do not think it. I was particular about moneys that came into my hands, as you will see by my letter to the Department. I did not like handling any money.

10056. Do you think that this statement contains all the moneys deposited to the credit of the Receiver-General?—I think so. It is years since that was written.

10057. Have you any reason to believe that the statements furnished by you from time to time, both of the moneys received and the moneys placed to the credit of the Receiver-General, are substantially correct? I am, most positively.

10058. So that if there is a fault, it is a fault in the system of book-keeping, and not a fault in the transactions themselves?—I do not think there is a solitary dollar astray, and never did think so. I was very, very particular.

Does not think there is a solitary dollar astray.

10059. Is there any other matter connected with this subject which you would like to explain or give evidence on?—No; I do not know of anything.

10060. You found, I presume, a different state of book-keeping under Mr. Currie's administration?—Yes; Mr. Currie's book-keeping seems satisfactory.

10061. About those moneys, in like manner, he could have told you; because there are moneys deposited by you in that statement?—Those amounts were not put down at one time.

10062. Mr. Currie's books, I suppose you are aware, contain the account which I have been asking you about, and which was absent from your previous system?—Yes; I told you before I was not satisfied the way things were.

10063. Would you be good enough to look at your private bank-book, if you can find it, and see if that will elucidate the subject?—I will do so.

10064. If you find that they are made in such shape that they will help us to investigate this matter, we will be obliged to you?—I will.

10065. But if not will you please come and say so?—I shall do so frankly.

STRONACH.

JOHN STRONACH, sworn and examined:

By the Chairman:—

**Telegraph-
Maintenance.
Contract No. 1.**

10066. Have you had an opportunity of judging of the efficiency of the telegraph lines connected with the Canadian Pacific Railway?—Yes; during the last three years I have.

Connected with line for three years.

10067. Where have you been during that time?—The first three months I was connected with the line, I was at Whitemouth on the Canadian Pacific Railway; the remainder of the time I have been in the Winnipeg office.

10068. In what capacity in the Winnipeg office?—Operator and book-keeper.

**Telegraph—
Maintenance.
Contract No. 1.**

Line between
Winnipeg and
Fort Pelly works
well at certain
periods.

10069. Can you say whether the line between Winnipeg and Fort Pelly has been generally sufficiently maintained to permit of its working well?—At certain periods of the year only. In the winter it works well; in fact, all winter. The line works well all the time right clean through, probably six months. Of course there would be occasional breaks.

10070. But that would happen on any other line?—Yes.

10071. No more breaks during the winter than might be expected on any other line of that length?—No.

10072. How is it during the summer?—It varies a good deal. There is a good deal of trouble in the summer. The line gets down; and there is such a long stretch of it and so few men to repair it that it takes some time to get it up. Generally when it does go down it is a pretty bad break.

Has been from
three weeks to a
month unworkable.

10073. How long does it generally remain in a state not to be worked when there is a break?—I have seen it stay three weeks or a month.

10074. What proportion of the time during the summer season do you think it is workable?—That varies a great deal too. I brought a check ledger with me (producing book). This is a book in which we keep the record of all our business with the office. It goes back as far as May, 1877. It shows just when the line worked with Pelly every month on Swan River.

10075. In this book you keep a record apparently of each day on which the line is working?—Yes; that is, every day we have business it is entered in here.

10076. These records are only for the work of the line upon which you made charges?—Yes.

10077. So that if there are blanks here, it would not necessarily follow that the line was not workable during that time?—Yes; especially in such a small space as four days. In March, 1878, I should say that the line worked the whole month.

Can judge from
check book probable
time of
breaks.

10078. Do I understand that from what appears in that book you can form some opinion of the probable time of the different breaks?—Yes.

Line works from
half to three-
quarters of five
months, May to
September.

10079. Will you please look at the book and say, for the past three summers, about what proportion of the time the line was not in working order?—During the last three years I judge the line has worked from between one-half and three-fourths of the five months from the 1st May to the 30th September, of the summer season.

During the rest of
the year com-
pares favourably
with other lines.

10080. And during the other months of the year, do we understand that you think it has been working without any more breaks than may be expected on any other line?—It compares favourably with our other line, the North-Western line, going to St. Paul in the winter season.

10081. Have you made this calculation which you now give us from looking over your book and counting the different periods during which no work was done over the line?—Yes; that is no paying work.

10082. Then have you charged the line with being down during the whole of the period for which you find there was no paying work, or have you made some allowance?—If there is business on one day, say the 13th of the month, but probably not until the 15th or 16th,

Telegraph—
Maintenance.
Contract No. 1.

would there be any more business, I would probably see one message on that day; but that is no reason why the line should be down during that time.

10083. After giving the line credit for being workable though not worked for the short intervals which you describe?—Yes. In giving this answer I have taken the three years and made an average of them. The above answer based on an average of three years.

By Mr. Keefer :—

10084. Is the line improving?—In 1873 it worked very well. In 1878, May and June, it worked a full month; in July, 1877, a month. For August I have no record which indicates that the line was down all that month. In September, 1878, it worked twenty-three days.

By the Chairman :—

10085. Is it improving now or getting worse?—I cannot say that it is improving any, but it maintains its average. Line maintains its average.

10086. What is your experience of the line west of Pelly?—I have had nothing to do with it. Contract No. 2.

10087. Do messages go over that line from your office?—Yes.

10088. They are repeated from Pelly to Edmonton?—Yes.

10039. Do you know any persons here who can tell you anything about this?—Yes; there is a repairer here named G. W. Wright, who worked out there.

10090. As to the line east of Selkirk, have you any experience on that?—Yes. Contract No. 4.

10091. How far east do you work at present?—At present we work through to Rat Portage. The business east of that is repeated. Work through to Rat Portage. Business east of that repeated.

10092. How have you found the line to Rat Portage?—Its average is very good. There is not a great deal of trouble, I think lately, since construction on contract 15 has stopped—that is, the blasting of rock has stopped. During the time blasting was going on the line was continually being blown up. That is what the repairer said. I have no means of judging further than that. Average of line to Rat Portage good.

10093. Do you mean that there were frequent interruptions during the period of construction on contract 15?—Yes; but the interruptions were comparatively short. There were repairers there, and they would go out immediately and fix it up. Very often the foreman of the gang who blew down the line would fix it up, and any interruptions were promptly fixed. Frequent interruptions during period of construction on contract 15.

10094. Then the line was not out of working order for any great proportion of the time?—No; there were very few days but what we could work through.

10095. Do these remarks apply to the three years of your experience?—About the blowing down of the line—that was when the rock work was being taken out on contract 15.

10096. Yes; but I am asking about this last answer of yours—when it was out of working order for only a short time?—Yes; that is as far as Rat Portage.

Telegraph—
South Pembina Branch.

Two different lines on Pembina Branch

1007. Who has control of the telegraph over the South Pembina Branch—I mean from St. Boniface southward?—There are two different lines. They both belong to the North-Western Telegraph Company, unless turned over to the Pembina Branch Company for their use.

10098. Do you mean the Railway Company?—No; the Government, I suppose. At least I do not know that the Government have; but there was an arrangement made with Swift, Upper & Co., when they had the Pembina Branch.

10099. And north of St. Boniface, on the Pembina Branch, is that a part of the railway telegraph system?—No; there is no line on the railway running to Selkirk. The line runs down on the west bank of the river, and crosses at Selkirk crossing.

Principal trouble with lines want of sufficient staff to maintain them.

10100. Is there any other matter which you can mention which would give us a better understanding of the way in which these lines are maintained?—The principle trouble with the lines, I believe, is the want of sufficient staff to maintain them properly, and a bad country to run them through. I have no means of judging of that only from hearing repairers and men connected with the line coming in and reporting these things. In my position in the office there I have had a great many conversations with different ones.

CADDY.

WINNIPEG, Tuesday, 5th October, 1880.

JOHN S. CADDY, sworn and examined :

Railway Construction—
Contracts Nos. 25 and 41.

By the Chairman :—

10101. Where do you live?—I am living at Fort William.

10102. How long have you lived there?—Since the spring. I lived at the Landing before that.

10103. How long had you lived at the Landing?—Since last September.

10104. And before that?—I lived at Fort William. I had lodgings at Neebing, in our office.

10105. How long had you live there?—I came up on the 11th May, 1879.

10106. Before that where did you live?—I was at Sarnia, County Lambton.

10107. Since you have lived near Thunder Bay have you been connected in any way with the Canadian Pacific Railway?—Yes; I had charge of contracts 25 and 41.

Appointed April, 1879.

10108. Were you connected with the railway before May, 1879?—No; I got my appointment in April.

10109. But your first knowledge of the affairs commenced in May, 1879?—Yes.

10110. Have you since that time been always engaged on the railway?—Yes.

Engineer in charge of works.

10111. In what capacity?—Engineer in charge of works.

10112. What staff have you had under you?—I have had three division engineers; I forget exactly the number of assistants. (After looking at a return handed the witness by the Judge): I see that the number of assistants now is seventeen altogether.

**Railway Construction—
Contracts Nos. 25 and 41.**
Seventeen assistants.

By Mr. Keefer :—

10113. That includes the division engineers?—Yes.

By the Chairman :—

10114. Three division engineers, and how many assistants?—Fourteen first and second assistants and subordinates. That includes the accountant and clerk.

10115. How far west have you yourself travelled over the line at different times so as to give a personal supervision?—I have been all over my division myself several times. I make a point of going over it every month.

Goes over division every month.

10116. How far west do the trains run?—They are running now to about the 150th mile.

Trains running to 150th mile.

10117. Does that include any part of contract 41?—Yes.

10118. About how much of it?—On Saturday, the day I left Fort William, I got a telegram that the track was laid to the forty-sixth mile on 41, to station 2550.

Work laid to forty-sixth mile on 41.

By Mr. Keefer :—

10119. Do the numbers begin at Fort William?—No; they begin at the end of contract 25.

J. H. FRASER'S examination continued :

FRASER.

By the Chairman :—

**Tendering—
Contract No. 42.**

10120. You have been sworn already on this enquiry?—Yes.

10121. You understand that you are now under oath?—I do.

10122. You described on previous occasions some of the negotiations which led to your associating yourself with Manning, Shields & Co. on contract 42: did you give us a description, as far as you knew then, of the negotiations about the security being put up for the person who had tendered lower than you?—I did, as far as I knew that they had failed in putting up their security, or did not put it up, or did not wish to put it up. The first parties were Nicholson, Morse & Co. They were the lowest.

Described on previous occasion, as far as he knew, the negotiations about putting up the security for the tenderer lower than witness's firm.

10123. Did you take part in any of the negotiations which led to one of their sureties not coming forward?—Nothing at all. Is that with reference to Mr. Close?

10124. Yes, with reference to Mr. Close?—The first notice I had of that was I was served with a legal paper after I got the contract, notifying me that Mr. Close had some interest in the contract. I enquired of Messrs. Manning and Shields what it meant, and they gave me some explanation that if they were to get the contract Mr. Close was to have a certain share, and I replied that I would have nothing to do with that at all; that they had the half of the contract and they might

First intimation of Close's interest

**Tendering—
Contract No 42.**

divide it up into as many shares as they liked, but that we held the half and intended to hold it, and would give a share to no outsider. Negotiations were made altogether with Shields and Manning with respect to Close. I had no conversation with him with regard to it before that whatever.

Took no part in procuring the withdrawal of Close from suretyship for any one.

10125. Then I understand you to say that you took no part in procuring the withdrawal of Mr. Close from any intended suretyship?—I took no part in it, and I did not know at the time that he was surety at that time.

10126. Did we understand you to say that Smith, who was a surety, or intending surety for the next lowest tenderer, had intimated that he would not come forward?—Not to me. Not to me.

General impression that Andrews, Jones & Co. would not be able to find any one to put up security owing to the bad shape of their tender.

10127. How did you get the idea that he was not willing to become surety?—The general report was that their contract was very badly arranged, and the opinion among us contractors was that no man of means would go into it, because their rock was only \$1.50. It was a very important item. Whitehead's contract, which was \$2.75, joined it, and it had a bad impression, Andrews, Jones & Co. being so low.

10128. Do I understand you to say that your impression was derived entirely from reasoning out in your own mind the probabilities of his coming forward?—Pretty much, until I heard it afterwards.

10129. When you say "pretty much," do you mean altogether, or not altogether?—I should think, altogether, that he was dissatisfied with the contract.

**Influencing
Clerks.**

McDonald introduced witness to Chapleau, and said he had interested himself in their behalf.

10130. Had you any other reason but that in your own mind for believing that he was not likely to come forward as surety?—Well, there was a good deal of talk that there were parties interesting themselves in getting the contract for section B. I do not know whether there was any reality in that or not. Mr. Shields was in Ottawa a good deal of the time; but whether he was in earnest in trying to get, as it were, influence from other parties, I could not say. I had forgotten when I was here giving my evidence about a little affair that I noticed in John J. McDonald's evidence—that is about Chapleau. John J. (I do not remember whether it was after the contract was awarded to me or at the time Smith was in New York) introduced me to Chapleau, and said that Chapleau had interested himself some way in getting the contract for us or for him, and I said that was all very good.

McDonald intimated that he had made a promise.

10131. Whom do you mean when you say "for him"—do you mean John J. McDonald?—He said for us, or company, and their company combined. Then he stated just as his evidence gave it, that he had made some promise. I said: "You should carry it out if you have done so." I was under the impression—on account of trying to get clear of the other company and taking James Goodwin in with me, who gave me the \$80,000 that I put up when I thought they were trying to throw me out of the contract—that I could get Goodwin in with me as a partner, and I thought they were trying to make their interest stronger by saying that they had helped to get the contract. But I could not say whether I put a great deal of reliance in this conversation or not. However, I told him that if he had made any arrangements he ought to pay them.

Understood there was a paper signed between Chapleau and McDonald.

10132. Was there a paper signed between them about it?—Not with me. I understood there was a paper signed, but I never saw it.

Tendering—
Contract No. 42.
Influencing
Clerks.

10133. Did you take no part in the arrangement by which Chapleau was to influence Smith, before it was accomplished—I mean by inducing Smith to withdraw?—Not anything but what was voluntarily spoken to me by John J. McDonald, and whether I had any conversation with Chapleau or not I do not remember; but I never approached any one or made any offers.

10134. Did you understand before this interview that an arrangement of that kind had been made between Chapleau and McDonald?—No; not that I remember.

10135. Was that interview after the time was up during which Andrews, Jones & Co. might get the contract, or was it before their time was up?—I think it was the time that Smith was away to New York that this interview took place.

10136. That is not answering the question?—That was the time that they were waiting for their securities.

10137. Then they had still a time during which they might put up their securities?—Yes; I was notified on the 5th of March.

10138. Please do not get away from what I am asking you, because you may confuse us all. At present I am trying to ascertain when the interview with Chapleau took place. Do we understand you correctly when we think you are saying that this interview between you, McDonald and Chapleau was before the time had expired, during which Andrews, Jones & Co. had the privilege of putting up their security?—Yes; I think it was before the time expired. It was when Smith was away.

Interview between witness and Chapleau took place before time had expired for Andrews, Jones & Co. to put up their security.

10139. Was not Smith away a month afterwards, and ever since has he not been away?—Yes.

10140. Then do you not understand that your telling me that it was while Smith was away, does not establish whether it was before or after the time expired?—It was before the time expired.

10141. Was it understood, between you and McDonald then, at the personal interview with Chapleau, that McDonald was to pay him the money, and that you would share in the payment of the money?—I told him as a matter of honour that he should pay him.

10142. Do you not understand that is not answering my question? I am not asking you whether McDonald was to pay it; but I am asking if it was understood that you should pay part of it?—There was very little talk about it. We sold out so shortly afterwards.

10143. What happened afterwards does not affect what I am enquiring about. You understand I am enquiring what took place at this interview—so that it does not help me when you tell me what took place afterwards. At that interview, or upon the same day, was it understood between you and McDonald that you should bear a share of the amount that was to be paid to Chapleau or not?—I do not think it was. It was to be left to the company. I do not think we made any promise to pay anything. I was there alone, and my partners were gone, and I do not think I made any promise at that time, until the matter was referred to the company.

What took place at interview between witness, Chapleau and McDonald.

10144. What do you mean by the company?—That is, my partners: Pitblado, Grant and Manning; and I do not think he was there. I do not recollect making any promise at all myself.

**Tendering—
Contract No. 42.
Influencing
Clerks.**

10145. At that interview what was understood to be undertaken by Chapleau in consideration for the money which was promised to him?—I could not tell you that it was anything. I did not consider that it amounted to anything myself. I did not know what he had done.

Chapleau being an intimate friend of Smith's, was to advise him that Andrews, Jones & Co.'s contract was low, and that it would be imprudent to risk money in it.

10146. What was described to you as the services which he had rendered, and for which he was to get \$4,000?—That Smith and he had been intimate friends, that they had been old acquaintances, and that he was going to advise Smith that it was a very low contract, and that it would be very imprudent for himself and his friends to invest and risk money in it. That is all I understood Chapleau did. That he was a personal friend of this Smith's.

10147. But did you understand that he was intending to advise Smith truly and faithfully as a friend at that time?—I could not tell you, because he was a stranger to me at that time. I was not acquainted with him, and I did not know whether he was doing it to serve Manning, McDonald & Co., or to serve me, or to serve Smith.

10148. I am not asking whether he was a friend or not. I am asking whether it was understood by you and McDonald at that time—you understand what I mean—whether your own minds were impressed with the idea that he was to perform some service as a friend to Smith, or whether his service was to be paid as a friend to you?—He had performed the services when I was introduced to him. I was introduced to him as the party who had done the service before that.

Service as performed by Chapleau.

10149. What was the understanding in your mind of the service he had performed?—That Smith considered the contract too low, and that he would not provide the securities—or his friends would not assist him in providing the securities.

10150. Did you understand in your own mind that what he had done in his interview with Smith was an act of friendliness to Smith?—I think it was now.

10151. You think that is your understanding now in your own mind?—At that time I thought it was. I thought that Smith was too low.

10152. I am not asking you what you thought about it in that view at all. I am asking you as to the character which Chapleau assumed in giving this advice to Smith—whether it was as a friend to Smith that he had advised him to keep out of the suretyship?—I could not answer that, because I could not say.

Witness's Impression as to service rendered by Chapleau.

10153. Had you no impression in your own mind on that subject?—I did not think much about it; because it was all new to me, and I did not think it was worth anything to me, as far as I was concerned, and I just listened to it and let it pass right along, because it was no benefit to me.

10154. Was it not a benefit to you to get the contract?—Unless I got the contract in a straightforward manner, I did not want it.

10155. Did you not think that the contract was a pecuniary advantage to you?—I did.

10156. Did you understand that you had that advantage in consequence of Chapleau's interference with Smith?—Not at all. I had no faith in what Chapleau had done for me. I did not think it was any benefit.

Tendering—
Contract No. 34.
Influencing
Clerks.

10157. Did you have any reason to think that Smith would not come forward whether Chapleau advised him or not?—I did not.

10158. Had you no reason to think on the subject?—I have no reason to give why he did not come forward and put up the money because they were all strangers to me.

10159. Do you mean to say now that you had no impression on your mind whether Chapleau's influence with Smith was of any pecuniary advantage to you or not?—Not to me.

10160. Had you, at the time of the interview, no impression in your own mind on that subject?—Not at all with regard to any pecuniary benefit to me. I did not want his influence and consequently I did not consider it any benefit.

10161. Was there any writing produced at that time?—Not a scrap; there was a telegram that he got from Smith, I forget what the purport of the telegram was; that was the way, he showed me the telegram and McDonald.

No writing produced at interview; but a telegram was produced from Smith, saying: his friends were advised not to put up money.

10162. Do you mean you forget the purport of it?—It was stating that his friends were advised not to put up the money. It is so long since that I forgot the purport of it.

10163. To whom was that addressed, to Chapleau or to McDonald?—I could not tell you that. The purport of it was that they considered the prices were low, and that his friends advised him not to have anything to do with it.

10164. Whose friends?—Smith's friends.

10165. Did that remove any doubt in your mind as to whether you would receive the contract?—Not any.

10166. It removed no doubt?—It removed no doubt.

10167. Had you not some doubt in your mind up to that time?—I had some doubt by the way they were acting.

10168. Had you any doubt after the telegram was explained to you?—I could not say, I am sure; I do not suppose that I had. I think I hardly remember when the telegram came indeed.

After telegram was read, had no doubt that his (witnesses) friends would get contract.

10169. Was it not exhibited at the time of this interview between you, McDonald and Chapleau?—Yes; that was the time it was exhibited.

10170. But was not that in effect informing Chapleau that there was no longer any danger of Andrews, Jones & Co.'s interfering in your getting the contract?—No; I do not think it.

10171. Was not that the effect of the information?—No; because I could not tell what the nature of that telegram was. I was not sure of anything then until I was awarded the contract. Contracting is such a peculiar business that you cannot tell until you are awarded what may turn up.

10172. Was there any other person besides Chapleau connected with any of the Departments of the Government in Ottawa, who took any part to help you or your friends in this matter?—None that I know of; not one, Sir, that I know of.

No person other than Chapleau connected with Department helped witness and his friends.

**Fraser & Grant-
Whitehead
Partnership-
Contract No. 15.**
Partnership with
Whitehead not
due to influence
of any person
connected with
Department.
Thinks it was due
to Cooper, Fair-
man & Co.

10173. Have you any reason to think that your partnership with Whitehead arranged at a later date was due to the influence of any person connected with any of the Departments in Ottawa?—Not with the Departments; but I think it was by other parties.

10174. What other parties?—I think Cooper, Fairman & Co. had a very large say in the matter.

10175. Was it due to any influence of any Member of Parliament?—No; because the arrangement went into effect before any Member of Parliament knew anything about it.

Not due to influ-
ence of any
Member of Par-
liament.

10176. Did you procure any Member of Parliament to interest himself in furthering the arrangement with Whitehead, as to your partnership?—No; none at all. I do not remember of having spoken to a Member of Parliament about it. I was in Nova Scotia at the time, and was not here at all, and was not in the country.

Grant made
arrangement
with Whitehead.

10177. With or without your procuring any such influence, are you aware whether any such influence was used?—I could not say what Grant has done. He was the party that made the arrangements. I did not make the arrangements. I never made any arrangements with Mr. Whitehead personally. I came into the contract after Grant had made the whole arrangements.

10178. If I remember correctly, you stated that the arrangement was completed at Winnipeg?—Yes.

10179. And it was completed through Grant representing your firm?—Yes.

Grant having
made arrange-
ments telegraph-
ed witness to ask
if he would go in
with him.

10180. He being here at Winnipeg at the time?—No; he did not represent the firm, as I need not have gone into it unless I chose. When Grant made all the arrangements he telegraphed me asking me if I would go into it with him.

10181. Then was that arrangement with Grant alone?—Yes.

10182. And you were offered the option afterwards to go in if you preferred?—Yes, after he had made the arrangements, because they were not certain I would go in.

10183. Then at the time of that arrangement, you were not actually interested?—No; although my name was embodied in the arrangement at the time, still it was optional with me to agree or not. Grant made that stipulation in the arrangement.

**Tendering-
Contract No. 42.
Influencing
Clerks.**
The Chapleau
matter.

10184. Have you anything further to say?—Nothing; only with regard to Chapleau. My own view is I feel there a kind of want of reconciling the facts. I do not know whether it was to make it appear to me that they had influence with parties in procuring the contract for our firm in introducing me to those parties in order to get into the contract, because I wanted to get clear of them, and to take Goodwin; but I did not altogether take in the situation of these parties; that they were saying that they were getting a good deal of influence.

10185. You mean the Toronto parties?—Yes; that is the impression. I had never anything to do with those parties myself. I never spoke to them.

10186. Were you present when the money was paid to Chapleau?—No; I never saw him get a dollar.

J. S. CADDY's examination continued:

**Railway Construction—
Contracts Nos.
13 and 25.**

By the Chairman :—

10187. Do you remember how far the trains had been running west, when you first took charge of the work?—They had been running to the end of contract 25 at the end of the 113th mile, about.

Trains running west to end of contract 25, when witness first took charge of work.

10188. What is your judgment now about the character of the railway as it was completed at that time—I mean over sections 13 and 25—if you were giving your opinion as to the manner in which the work had been finished and contracts fulfilled?—Over 13 it shows a good deal better over than 25, and they showed a good deal better at that time, because at that time it was only partly ballasted on 25, that is from the 35th mile west. That is the construction part of it. The ballasting of all of 13 was included in 25.

Character of railway as completed in spring of 1879.

10189. Do you say that section 13 had been well finished as a railway?—Yes.

Section 13 well finished.

10190. It seemed to be in a better shape?—Yes.

10191. Without comparing it with another line, what is your opinion of 13 as finished at that time?—I think it would seem to be in very good shape for a new road at that time.

10192. Had the road-bed been completed to the full width of seventeen feet?—On 13 I think it had, but not on 25.

Road-bed completed to full seventeen feet on 13 but not on 25.

10193. What do you say generally then as to 25 upon that subject?—The construction of part of 25 runs through very difficult country to get into shape at once. There was a great deal of muskeg, and it sinks very much and settles. It is very uneven.

A great deal of muskeg on 25.

10194. Do you mean it settles after the rails are upon it?—Yes; and before the rails are upon it. I never had any experience in that kind of work before, and it looked rather rough to me.

10195. What else about 25? Is there anything else noticeable about the character of the work?—There was a good deal of finishing-up to be done that I have done since.

10196. Was that finishing which was included in the original contract, in your opinion?—Partly.

10197. In what respects was it unfinished?—There was all the ballasting had to be gone over on 25; from Linkoping west it was not ballasted at all, and there was some ditching.

From Linkoping west contract 25 was unfinished.

10198. How far is covered between the points which you name?—From Linkoping west, about fifty-three miles, was the unballasted portion.

10199. Do you know whether that portion had been taken off the contractors hands as finished?—No; I do not think it had.

10200. Did the contractors do any work upon it after you took charge?—Yes, they did work; principally as days' work.

10201. Was it your duty to give certificates upon that subject?—Yes; for all the work that was done.

10202. Was this ballasting to be paid for under the original agreement, by the yard or by days' work?—By the yard principally, and some of it had to be done by days' work.

Ballasting by original agreement paid for by the yard; nevertheless some work was paid for as days' work.

**Railway Construction—
Contract No. 25.**

10203. I am speaking of the original arrangement?—The original arrangement was by the yard.

10204. Was that changing in any way the original understanding?—Not that I am aware of.

10205. How did it come that the ballasting was partly done by days' work?—On the lower part of the contract on the eastern end, they had got out of their pits; they had left their pits on the eastern end and were working on the western end from Linkoping west, and when they had finished the ballasting of the western end there was some places that had to be fixed on the eastern end, and consequently it put them to more expense, and part of it was ditching, part ballasting, and it could hardly be estimated in any other way than by days' work.

Work still in contractors hands.

10206. Has that section been taken altogether out of the hands of the contractor now?—I do not think so; there is yet work to be done on it.

10207. What kind of work?—Just ditching and levelling up the ends of the bridges, in some places, where the banks have settled, making good slopes in the banks, and some rip-rap, retaining walls and things of that description.

10208. Do you still make periodical estimates of the work done towards finishing this section?—Yes.

10209. Has the contractor any engineer on the spot on his behalf?—Yes.

Section 25 though run over may be said to be still under progress.

10210. So that the construction of section 25 is still under progress?—You may say it is; it is not yet finished in that respect; of course it is run over.

Not everywhere of full width nor now up to grade.

10211. Has the road-bed been made to the full width?—Not in every instance.

10212. Is it finished up to the grade generally?—It might have been at one time; but, as I say, it has settled.

10213. Do you think it has been finished up to the grade in all parts at any time?—I have no doubt it has.

Contract No. 41.

Work commencing on 41 when witness took charge.

10214. What work had been done on section 41 when you first took charge?—They were just commencing 41 when I took charge.

10215. The contractors?—Yes.

Work let with understanding that line was to be amended.

10216. What work had been done on the part of the Government? I mean had the work been let out? Had the location been completed at the time you arrived?—There had been a line run through there that the contract was let on, with the understanding that it was to be amended, and work was being laid out on the part that was finally located.

Work staked out, centre lined, cross-sectioned and bench-marked over those portions finally located.

10217. Was the work shown upon the ground in the usual way by being pegged out?—Yes, staked out.

10218. Centre line and also cross sectioning?—Yes.

10219. And bench-marks?—Yes; everything that was necessary for the work.

10220. Over the whole line, do you say, or only over portions?—Only over the portions that were finally located.

**Railway Com-
struction—
Contract No. 41.**

10221. As to the other portions which had been finally located, what had been done there?—Clearing had been done, but there was part of the line that had to be amended and had to be cleared yet. There was a line about two chains wide all the way through for the telegraph. In 1878, I think, Gamsby made some deviations from that line on which the contract was let. The line on which the contract was let comprised the old telegraph line and the deviations made by Gamsby.

10222. Upon the whole line of section 41, including these portions which were upon the original telegraph, and those which were upon Gamsby's deviation, had the line work been regularly laid out and marked so as to show the contractor where to do the work if he wished to do it?—Wherever they wanted to work it was laid out for them.

Whenever contractors wanted to work, line ready for them.

10223. Then as to the portions on which they did not want the work laid out, what work had been done by the Government?—There had been a line, as I say, run through on which the contract was let, but it was subject to improvement.

10224. That does not tell me what work they had done. I do not know, from what you say, whether cross-sections had been taken and at what distance?—No; they were not taken.

10225. I am trying to get from you what was done?—There was nothing but a profile line, a centre line, run through, on these deviations of Gamsby's and connecting with the whole telegraph line survey that was cleared out.

On other portions of line only a profile and centre line run through.

10226. Had there been cross-sections taken on the old telegraph line as far as it was adopted under the contract?—No; not for laying out work.

10227. What is the nature of the country over those portions of the line which had not been cross-sectioned and upon which quantities could not be correctly ascertained?—It is a very changeable country. There is no five miles of it alike. You run from one description of country to another. Some runs on sand plains, some on muskeg, some on rock, and some on clay.

Character of country over those portions not cross-sectioned, very changeable: sand, muskeg, rock, clay.

10228. Then, having that in view, can you say whether, at the time the contract was let, it was possible to give accurate quantities to any person tendering?—No; I do not think it was.

At time contract was let not possible to give accurate quantities to persons tendering

10229. Is there any probability, in your opinion, as an engineer, that the quantities finally executed will be approximately the same as the quantities which were estimated at the time of tendering, or is it entirely a matter of chance?—You see, the line now as finally located has reduced the quantities immensely and shortened the line. That was one of the first things I set my mind to, when I went there, was to improve the location as much as possible, and the quantities when the line is finished will not come up to the estimated quantity by a considerable amount.

Line as finally located reduced quantities and shortened line.

Quantities when line is finished will be much less than estimated quantities.

10230. Assuming that no change had been made in the location of the line, was it probable that the executed quantities would be approximately the same as the quantities estimated at the time of the tenders?—In some instances it would, in others it would not. Some classes of work would be very near, where it was earth-work for instance, but the rock work, loose rock particularly, and the muskegs, vary in character a great deal. They shrink to a greater or less percentage.

**Railway Construction—
Contract No. 41.**

If there was time line might be still further improved.

Probable saving in cost by shorter location about \$500,000.

Four and a-half miles in distance saved.

Line not properly located when contract was let.

Evidently had been thought necessary to put the work in hand even without approximately ample data; hence the clause that the location was to be improved.

Better had there been more surveying before work was let.

10231. What is your opinion now as to the line actually located? Is it still susceptible of improvement, or do you think it is the best that could be got?—I have no doubt, if we had got time, we could still have improved the line; but I was very anxious not to keep the contractors from their work, and got the best location that was possible in the time that we had.

10232. To what extent in the cost do you think it is possible to improve the line, if time had been no object?—I could hardly tell you. I can tell you what would be the probable saving in cost now as located. I think it would be between \$400,000 and \$500,000, besides the saving in distance.

10233. How much in distance?—There are about four and a-quarter miles saved in distance. Of course the capitalized worth of the saving in distance will be according to the traffic on the road.

10234. Take the working expenses as a basis, and calculating the capital from that?—Yes.

10235. Can you form any opinion to what extent the line might have been further improved if time had been no object—I mean, both in cost and in distance—or have you given that sufficient consideration to form any opinion?—I can hardly say, but I think a very great saving could have been made both in alignment and distance, if we had had more time to do it in.

10236. Then, from an engineering point of view, do you consider that the contract was let too early?—Yes; I do not think the line was located properly. That is evident from what has been done to improve it in the short time that was at our disposal.

10237. Can you give any explanation of the reasons for letting the contract under these circumstances, at the time it was let?—No, I cannot; unless it was necessary to have the work in hand at once, and put it under construction.

10238. Do you mean that it might have been more important to the country to have it finished early, than to save the money which it would have cost to have finished it at a later date?—That might have been the understanding at the time. It is very likely it was.

10239. I am not asking whether it actually was; I am asking whether, in your judgment as an engineer, you can see any reason for it?—That is the reason I would give for it: that it was important to have the road made through as quickly as possible.

10240. Irrespective of the cost?—Yes; my idea was that it was necessary to have the road built through, and for that reason the contracts were let with that particular clause: that the location was to be improved; that the line was subject to improvement.

10241. From what you know of the subject, have you any opinion whether a better general location than the one so obtained could have been obtained by putting on a larger staff to make the examinations and locations?—I think so. I think that if, before the work had been let at all, there had been more surveying done, it would have been better. I think that the line could have been improved before the contract had been let, if it were deferred for some time.

**Railway Construction -
Contract No. 41.**

10242. At present I am asking whether it could not have been done without deferring it for any considerable time by putting on a larger staff of surveyors?—No; I do not think that.

10243. So that time was absolutely necessary to have made this subsequent improvement which you describe?—Yes; it was necessary. You see the contractors were at work all the time that we were there, and we had to keep ahead of them with the location to keep out of their way. More time would have been necessary for this.

10244. Then the improvement of the line was not a question of numbers of men or surveyors?—No.

10245. You mean it depended entirely upon the time. Is that what you mean?—Yes; that is what I mean.

10246. Have you been over the country of section 42, or section 15, at all?—I have been over part of 42, about the first ten miles, or these last ten miles from here.

10247. How does the country over the worst part of 41 compare with this part of the country in 42, which you have seen?—As far as I have seen 42, it seems to be a pretty good country. Eastern part of 42 a very good country.

10248. That is the east end of 42?—Yes.

10249. It is an easier country than the worst part of 41?—Yes. Easier than 41.

10250. What is the general nature of the country over the worst part of 41?—Rock and muskeg.

10251. What proportion of 41 in your opinion is rock and muskeg, or country of that character?—About one-third of it. About one-third of 41 rock and muskeg.

10252. What is the general character of the rest of the line on 41?—Almost all the western thirty-four miles is clay, with very little muskeg on it. The middle part is muskeg, and sand, and rock, and the eastern part is about the heaviest muskeg work and rock—loose rock. Thirty-four miles west clay; middle part sand and rock; east part muskeg and loose rock.

10253. That last is the portion which has been finished, and over which trains are now running?—Yes.

10254. Can you form any opinion from your past experience, as to the probable time when 41 will be finished, so that trains can go over it?—I believe, unless there is some unforeseen cause for delay, the track will be laid over it next fall, so as trains can go over it. Trains will run over 41 in fall of 1881.

10255. Do you mean about a year from this time?—Yes.

10256. Will you describe, in a general way, about the force that is now employed upon the work by the contractors?—I think there is about 1,400 men. Force employed on work by contractor 1,400 men, and horses and machinery.

10257. And what machinery?—On the construction they have got dumping-cars and horses and carts.

10258. Steam shovels?—They have got no steam shovels on the construction, except ballasting; they have two steam shovels on the ballasting.

10259. Have you any idea, in round numbers, how many horses they have employed altogether?—That I could not tell just now.

10260. Would it be in the hundreds?—Yes; there are over 100.

10261. Is the character of the work done on section 41 to your satisfaction?—Yes. Work being done satisfactorily.

**Railway Construction—
Contract No. 41.**

10262. Are the contractors fulfilling the substance of their agreement, as far as you know?—Yes.

Disputes between contractor and Government engineer.

10263. Have there been disputes between you and their engineers and themselves upon the subject of the character of the work or quantities?—Yes; of course there are disputes.

10264. Lengthened disputes, or have they been easily settled?—Sometimes they are easily settled, and other times they are referred to the Engineer-in-Chief by the contractors.

10265. Upon what subjects are these disputes referred to the Engineer-in-Chief?—Now, about the work that I consider they ought to do, and that they consider that they ought to be paid for in a different way.

Subjects of dispute—quality of ties.

10266. What sort of work?—For instance, ties—that is one of the disputes in point now—they want to use spruce ties. I do not consider spruce a good kind of wood, and I will not let them use it.

**Contract No. 25.
Wasted ballast.**

10267. What other subject?—Then there was, on 25 for instance, a lot of the ballast that I consider was wasted, and that they consider was put on to widen the banks; but I ordered the assistant engineer in charge of the work to deduct this ballast from the amount returned; and that they have referred to the Engineer-in-Chief. Then, again, in some parts of the cuttings it was to their advantage to waste in some places, and I allowed them to waste in those places where they requested, but they were to replace it by an equivalent amount of borrowing. For instance, one end of the rock cutting they would want to strip, and waste the stripping, and they were to borrow it and put it into the dump at their own expense. Now they want to be paid for this waste in both cases.

Demand to be paid for waste and borrowing the same material.

10268. The understanding was, you say, that they should dump, from borrowed material an equivalent for the wasted material?—Exactly.

10269. And instead of that they claim for the borrowed material, and for the measurement of the material that had been wasted?—Yes; that is one of the things they have asked the engineer to grant, because I will not.

10270. Is there any further subject of dispute?—I cannot remember of anything just now.

Embankments over muskegs.

10271. Have you found in the estimated measurements of the embankments over muskegs, that there has been any serious mistake in the calculation; for instance, that the muskegs have subsided to a much greater extent than was allowed for, when tenders were asked?—I think that the percentage that was allowed in the original quantities was in some cases sufficient, and in others not enough; as I tell you the muskegs vary in character a great deal, some of them are more consistent and hold a much larger quantity of solid material, and others you can hardly tell when you commence to work the muskeg how it is going to turn out, unless you have a great deal of experience.

10272. Have you ever had any experience in testing, by boring, the depth of muskeg?—I never had anything to do with muskeg work until I came on here.

Bottoms of muskegs can be reached by boring

10273. Since you have come here, have you endeavoured to ascertain whether the bottoms can be reached, or tested by boring?—Yes; the

engineers sound them all as they go along; that is part of the duty of the leveller.

**Railway Construction—
Contract No. 25.
Embankments
over muskegs.**

10274. Do you employ cross-logging on the muskegs?—In very few cases on our work. Whenever we can drain it properly we do away with it.

10275. Have you noticed whether there has been much shrinkage after the line had been apparently made up to formation level?—Yes; it settles, and will settle for years' across muskegs. We have to cut down bridges as much as three feet on the contract. A great deal of shrinkage after line made up to formation level.

10276. To coincide with the adjoining road-bed?—Yes; to reduce the grade. I could show you, if you like, some cross-sections taken across contract 25.

10277. Have you any knowledge of the country north or south of the line near Lake Superior?—No; I do not know the country there except from seeing the profiles of work that has been gone through.

10278. You mean surveys?—The only information I have of the country is from surveys that have been made, the profiles of which I have seen.

10279. You mean surveys that have been reported in the books?—I mean McLennan's exploratory surveys.

10280. But you have no knowledge of your own?—No.

10281. Has any portion of section 41 been taken off the contractor's hands?—No.

Contract No. 41.

No portion of section 41 taken off contractors hands.

10282. Do you understand that the whole must be completed before any portion is taken off his hands?—Yes.

10283. It is upon that basis that you are proceeding in the matter?—Yes.

10284. Can you say without exactness about what proportion of the line, as finally located, was so located when you arrived?—There was about twenty-seven miles up as far as the Gull River on the east end.

10285. Have you ever given any consideration to the prices of the tender for this work?—Yes; I think the prices for the earth work was very low when I first saw the work, and the prices for the other work were fair.

Prices for earth work low; other prices fair.

10286. Did you consider whether the prices as a whole were proportionate or disproportionate?—To other work, do you mean?

10287. No; to each other. It is spoken of as consistent or inconsistent in some places?—The price for ballast I consider to be a fair price. The price for earthwork I consider low. The price for rock work, I think was just about as little as it could be done for.

10288. According to that there would not be the price of any of the work which would make it the advantage of the contractor to increase the quantities upon one classification, and decrease it upon another?—Yes; it would.

10289. That is the reason I am asking you about consistency of prices?—For instance, the muskeg. The contractors make more out of muskeg than anything else in the way of excavation. Contractors make most out of muskeg.

10290. You mean more in proportion to the price?—Yes.

**Railway Con-
struction—
Contract No. 41.**

Work measured in excavation and more is required of muskeg to make a bank than of other material. 150 yards of muskeg to 100 yards of bank.

10291. A larger percentage of the price is gain?—Exactly.

10292. For what reason?—It is easier work, and there is a great shrinkage in it. The work has to be measured in excavation and it takes more of it to do. You have to take more out of the pit to make up a bank. For instance, take a piece of bank that will have 100 yards in it. In some muskegs it will take 150 yards to make 100 yards of bank.

10293. Do you mean that the material which is taken out of these muskegs, and which shrinks in the way you describe, is taken out at less price to the contractor than other material?—Yes; that is exactly it. From that illustration I have given you, you will see that is exactly what I mean.

10294. Then wherever earthwork is required for purpose of filling in muskegs the price per yard for that sort of earth work ought to be less than other earth work?—Yes.

10295. And the tender that is based upon the same price for both of these kinds of earth work is not a consistent tender?—Unless the contractor expected to use this muskeg. For instance, the contractor might in making his tender know that he had a certain amount of sand or clay, and a certain amount of muskeg. He might make an average of the price, knowing that he could use this muskeg at a greater profit.

“Consistent” tenders.

10296. Have you any understanding about the term or the word “consistent” which is often used by engineers when applied to the different prices in a tender of different kinds of work?—I do not understand it the way you say.

Contract 41 inconsistent.

10297. I have assumed from what I have read and heard from other engineers that “consistent” means this: that a man will make about the same percentage of profit upon each kind of work, so that it is not material to him what kind of work is diminished or increased, for the same percentage of loss will apply to them all. An inconsistent tender, as I understand it, is this: that some works he will make a profit on, and others he will suffer a loss on, and that a change of the kind of work will be a benefit or loss to him, according to the classification of the quantities?—Then I consider that it was an inconsistent contract—contract 41. The prices were inconsistent.

10298. In what respect?—For instance, if some classes of work were reduced the contractor would lose more money than he would if other classes of work were reduced.

10299. Is there any other item besides this earth filling in muskegs to which that inconsistency could be applied to any extent in the case of contract 41?—No; I do not know that there is. I think that the rock price is just about as low as it possibly could be to get it done at all. I do not think the contractor will make much money on the rock work.

Less rock work and more muskeg best for contractor.

10300. Then the less rock work and the more muskeg filling this contractor has the better for him?—Yes.

10301. Have the deviations which have been made, and on which the cost has been diminished, been in the direction of saving rock?—Yes.

10302. So that the deviations have not resulted in any loss to the contractor?—I think not, in the percentage.
10303. If they have been in the direction of using more muskeg embankment than would have been used on the older line?—No, I think there is less; if anything less muskeg and less rock.
10304. Then the larger proportion of work has been in ordinary excavation?—Yes; ordinary earth excavation. All the western division almost is changed from rock into clay.
10305. Is there any other matter connected with the work under your supervision, about which you would like to give any explanation or further evidence?—No; I do not know of anything.
10306. Who has charge of the work of the telegraph lines over your section?—I think P. J. Brown.
10307. In what capacity?—I think he is manager of it.
10308. Where does he live?—I think he lives in Ingersoll.
10309. In what capacity has he charge of it?—I think he is manager of it.
10310. For somebody else?—Yes; for Oliver, Davidson & Co.
10311. Do any of the principals live near the line?—No.
10312. Is Brown living near the line any portion of the year?—He has generally been at the Landing once a year. He was once last summer and I believe this summer. I did not see him this summer.
10313. In his absence who has charge of the work of the line on the spot?—Neil Macdougall.
10314. Where does he live?—At Fort William.
10315. In what capacity?—I suppose he is manager of the line, as far as Eagle Lake, I think it is. That is the only one that I know of.
10316. Is he an operator?—He operates too.
10317. Are the messages repeated at Eagle Lake, or do they go on to Rat Portage?—I think they are repeated at Eagle Lake.
10318. That is the end of your section?—Yes.
10319. Who is the operator there?—I do not know.
10320. What is the arrangement about messages over that section of the line connected with the railway business?—They are supposed to take precedence of others.
10321. Are they paid for?—No; we do not pay anything.
10322. Are you enabled to send messages connected with the line without expense?—Yes.
10323. And without delay?—No; not without delay.
10324. Does it often happen that delay prevents you sending messages?—Yes; once you pass the end of contract 41 the line is very uncertain. Sometimes you do not get a message through for a month. I have had a message kept over that I did not get for a month afterwards.
10325. Is there any portion of the year when communication seems to be better kept up than at other portions of the year?—No; it varies.

**Railway Construction—
Contract No. 41.**

Deviations of line have resulted in no loss to contractor.

All western division changed from rock to clay.

**Telegraph -
Maintenance.
Contract No 4**

P. J. Brown,
manager.

Oliver, Davidson
& Co.

Neil Macdougall,
manager in P. J.
Brown's absence.

Messages repeated
at Eagle River

Canadian Pacific
Railway mes-
sages take pre-
cedence of others.

Not paid for.

Frequent delays.

Sometimes a
message not got
through for a
month.

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

For a short time it may work very well; then it takes a turn the other way, and does not work for a week. You cannot get a message from Winnipeg for a week.

Line not better maintained in winter than in summer.

10326. Do you know whether the rule is that the line is better maintained in winter than in summer, or the reverse?—I do not think it is the rule.

10327. It has been represented that where there is much water upon the line in winter, the line is workable with less delay than in summer, for the reason that ice becomes an insulator; do you know whether that has proved so in your own experience?—Yes, whenever ice forms on the wire; but that is only occasionally through the winter, and generally at the beginning of winter, I know.

Delays arise from line being down.

10328. To what do you attribute these delays in the transmission of messages?—I fancy it is from the line being down—getting knocked down or blown down—the poles not being properly put up.

10329. Did you say that through the wooded portions the openings were two chains wide?—Yes; that is the width of them—two chains, I think.

10330. Do you know whether the poles are knocked down by trees falling on them, or is it from the defective construction originally?—It is very seldom the trees fall on it.

10331. What sort of poles are in use over that section?—All sorts—tamarack, spruce, and pine—that is about the principal woods they use.

Poles not put in properly where there is rock.

10332. Do you attribute the falling of the poles to the material of the poles, or the insufficiency of the support at the bottom?—I fancy that on 42 there was so much rock, the poles are not put in properly.

On 41 poles fall by reason of rotting; wood bad and insulators come off.

10333. But on 41 and eastward?—On 41 where it fails is from the poles falling down after rotting off. It is bad wood and the insulators come off. Sometimes a lot of insulators come off in the storms, and the wires drag on the ground.

10334. Have you seen them in that condition?—Yes; and have put them up.

10335. Often?—I have seen them often.

Insulators not properly put up in the first instance.

10336. Do you think they were sufficiently put up in the first instance—the insulators?—No; I do not think that they were properly put up.

10337. I understand you to say that the insulators would become detached, although the poles might remain firm?—Yes; when one pole falls down it knocks out a lot of insulators from the others.

10338. Do you mean that the insulator is put in with the grain at the top of the pole? Will a nail or anything hold as firmly lengthways in the grain as cross-wise?—No; it will not.

10339. Is that more decidedly the case in soft woods, such as you describe?—Yes; of course. The softer the wood is the less resistance there is and it will rot quicker.

10340. Have you noticed that the poles have fallen from rotting off?—Yes; in a great many instances.

Life of poles according to quality of wood: of tamar-

10341. Have you any idea of the average life of poles made of the wood which you describe?—For instance, tamarack—I think a tamarack

pole will last about ten years at the outside, before rotting off. I think a spruce pole will not last more than three or four. Pine poles last probably from seven to ten years, according to the character of the ground. It will rot quicker in sand than anything else.

10342. Have you formed any opinion of the proportion of these different woods used in the poles of this line 41, and eastwards?—No; but I say the greater proportion are either jack pine or spruce.

**Telegraph—
Maintenance.
Contract No. 4.**
arack ten years;
of spruce three or
four; pine from
seven to ten.

Greater propor-
tion of poles on 41
jack pine or
spruce.

10343. Since you have had experience on the line, over which you have charge, do you consider that the line has been efficiently maintained?—No. I do not think it has been looked after properly. I do not think it has been maintained properly. If it had been maintained properly we could have got messages through quicker.

Line not properly
maintained.

10344. Could you say, in a general way, about what proportion of the time, since you have been there, the line has been out of working order?—All the way through to Winnipeg?

Quarter of time
no message to be
got through.

10345. Yes?—I should think about one-quarter of the time that you could not get a message through.

10346. Have you any idea whether that is due to defects south of Selkirk, or east of Selkirk, as a rule?—I could not say that. I should fancy it was from the east of Selkirk, between Eagle River and Selkirk.

10347. South of Selkirk, over what country is the line constructed?—I am not personally acquainted with it, but I should say it is principally a flat prairie, or bush land.

10348. Assuming that it was altogether on the west side of Red River, have you any information of the character of the country?—No. I do not know it personally.

10349. Have you spoken at any time to any of the parties in charge of the telegraph work as to the delay, or the insufficiency of the maintenance?—I have spoken to the man in charge there.

10350. Who is that?—Macdougall; and I have also spoken to our head office.

10351. Where?—At Ottawa.

10352. Has this been frequently—I mean the complaining either to Macdougall or the head office?—I have complained to the head office once or twice, and written about it, reporting that it was working very badly.

Frequently com-
plained.

10353. Do you know whether there is much general business done over this line?—I think there is a good deal.

10354. I mean irrespective of the railway business—the Government business?—Yes; irrespective of the railway business there is a good deal.

10355. Do you know anything of the rates charged over the Oliver & Davidson portion?—No; I do not.

10356. Do you know what staff of men are employed in repairing or maintaining this line?—I only know of three men. I have seen three men at work on our division.

Three men at
work occasion-
ally.

10357. Are these men kept steadily at work, or only occasionally?—Only occasionally.

10358. Is there anything further that you wish to say by way of evidence?—No; there is nothing that I can think of.

**Nixon's Pur-
veyorship—
Stores Account.**

JOHN PARR, sworn and examined :

By the Chairman :—

10359. Where do you live?—Winnipeg.

10360. How long have you lived here?—Since the winter of 1875.

10361. Have you had any connection with the Pacific Railway?—
Yes.

Store-keeper from
spring of 1875 to
summer of 1880.

10362. In what capacity?—I used to act as stores' man.

10363. During what time?—From the spring of 1875 to about a
month ago.

10364. What were your duties?—In my relations respecting the
Canadian Pacific Railway?

Duties.

10365. Yes?—I used to fetch the mail down and look after the ship-
ment of all the goods; and if any of the engineers wanted anything he
sent me to do it; or if Mr. Nixon wanted anything he sent me to do it.

10366. Anything further; what was your principal duty?—I cannot
tell you.

10367. Did you not take charge of the stores?—I did.

10368. Was that your principal duty?—I was not the principal part
of my time in the store-house. I am there once a week, may be once
a day, or may be once in two weeks.

For most of time
absent from store.

10369. Then for most of the time you were absent from the store?
—Yes.

10370. Did you keep any books in connection with the business of
the store?—No books but the one in your hand.

10371. What do you call it: do you call it a ledger?—No.

10372. A day-book?—No.

10373. Can you give it some name?—I call it a store-book.

10374. Did you keep any other book?—No.

Store-book shows
amount of goods
received and
issued.

10375. What is this book intended to show?—To show the amount
of the goods that was received into the store and issued out.

Contains ac-
counts of Cana-
dian Pacific
Railway, Mount-
ed Police, Indian
and private stores

10376. Does it relate only to the Pacific Railway stores?—No; there
is more than that. There is some Mounted Police, some private and
some Indian.

10377. When you say private what do you mean?—Col.
Richardson used to send up goods here addressed to himself, and I
would have to keep track of them.

10378. No other private goods?—Yes; policemen's effects—packages
and bags and satchells, trunks and things like that.

10379. Did you make entries of all such goods as that in this book?
—Yes; to the best of my recollection, I did.

10380. Then this store-book was intended to contain entries of all the
goods from every source which went into the store?—Yes.

10381. Is that what you mean?—Yes; that is what I mean.

10382. Does it contain entries of goods that were issued out of the
store?—Yes.

**Nixon's Pur-
veyorship—
Stores Account.**
Values of goods
not mentioned.

10383. Are the values of the goods mentioned in the book?—No; I did not know anything at all about the values; there are some, I think, though.

10384. Was it a general practice to mention the values?—No; it was not.

10385. Besides ordinary goods were animals placed in your charge as store-keeper?—Sometimes; suppose a sub-agent brought them in, and he was retained on, he would look after the horses until they were placed away some place; but suppose a sub-agent came in from the west, and brought in forty horses, he and the man would be kept on to look after the horses until they were sent out to the Mennonite settlement, or some place like that.

System of store-
keeping elucidat-
ed.

10386. Would your book show any record of the transaction?—No; there would be a receipt in the office from the party who got them.

10387. Were you in the office as a rule?—No; I was principally on the street.

10388. How did you come to know that there would be a receipt in the office?—I have seen receipts.

10389. On every occasion?—No; I could not say on every occasion.

10390. Then why do you say there would be receipts there?—Because I have seen some.

10391. Do you mean you think there are receipts there, but you do not know?—No; I have seen some receipts from the Mennonites.

10392. What do you mean about seeing receipts in the office? You have volunteered some statement about that, and I want to see what the statement amounts to?—I have seen receipts in the office from parties who got the things.

10393. Do you mean to say that receipts were always given and left in the office, or not?—No; I do not.

10394. Therefore, it is better to confine your answer to my question. I was asking what happened under your knowledge. Would your books show any record of the transaction which you have described about the return of a large quantity of horses which were afterwards taken into the country?—The shipping-book would.

10395. Is the shipping-book your book?—I look after it occasionally.

10396. I made use of the words your book?—I do not understand you.

10397. I asked you a little while ago if you kept any book, and you said you did and pointed to the store-book, and now I ask you about your book. What book do you think I mean?—There would be no record of it in that book.

10398. Would there be any record of it in any book which you have any control of, or had then control of?—Unless the shipping-book.

10399. Had you a shipping-book?—Yes.

The shipping-
book.

10400. Where is it?—Some place here (witness looks for the book).

10401. Explain the nature of this book which you say you kept—which you call the shipping-book?—This was the account of the goods that parties got going out—surveying parties.

**Nixon's Pur-
veyorship—
Stores Account.**

10402. Would these books have reference to properties which you had under your control, or the supplies which other parties furnished for surveying parties or other books?—They would refer to both. They would contain entries of property which I had control of, and supplies of other people.

10403. Now would these shipping-books show the transactions which you have described—that is the receipt of numbers of animals returned from surveying parties?—No.

10404. Is there any book which would show that?—I think so (looking at the store-book).

10405. Of course, you understand that my question relates to the general practice, and not to single transactions?—I think the general transactions were put in this book.

No materials in book to show the animals which came into and left in charge of witness.

10406. If it was necessary to make up a statement now from these books for the purpose of showing all the animals which were in your charge at any time, and of the animals which left your charge, are there materials in this book to show that sufficiently?—No.

10407. Why not?—Well, there were horses died, horses lost, that I could not keep track of. There would be no track of them in that book.

10408. Then is it possible from these books which you had, to ascertain now the result of all the transactions upon that subject?—No.

10409. Were you asked from time to time to make up statements to show what property was left in your charge?—Yes.

10410. At what intervals?—About twice a year, I think.

About twice a year asked to make a statement showing stores in his charge.

10411. Upon what basis did you make up that statement; was it from what the books showed, or from what you found to be present in your custody?—From what I found to be present.

Made statement of what he found in stock.

10412. Did you ever attempt to ascertain whether what was found to be present in your custody would agree with the entries in the books which you had made, or did you rely entirely upon your sense of sight?—I think I relied upon my sense of sight.

10413. Do you know whether any receipt in writing was given by Mr. Nixon, or anyone else, when goods or animals were returned?—I do not know.

10414. For instance, supposing a surveying party would return thirteen animals?—Yes; I would give receipts for them.

10415. Did you keep any record of those receipts?—No; only what was in my books.

No receipt-book in store.

10416. There was no book out of which receipts were always cut?—No.

10417. No stub ends to trace them now?—No.

10418. Did Mr. Nixon sometimes give receipts himself for such property?—I could not say; I rather think not.

Witness's duties as store-keeper ended July, 1870; but in charge until he turned goods over to Scott in spring of 1880.

10419. When were your duties ended as store keeper?—A year ago last June or July.

10420. Was any store continued after that time?—Yes.

10421. Who took charge of it?—I had to take charge of it.

**Nixon's Pur-
veyorship—
Stores Account.**

10422. After your duties ended?—Yes; until I turned them over to Mr. Scott here some time last spring.

10423. Then your duties did not end until some time last spring as far as these stores were concerned?—No; perhaps I ought not to suggest anything.

10424. Yes, suggest anything?—Well, I got things in charge yet that no one would take over.

Things in charge that no one would take over.

10425. Have you offered them?—Yes.

10426. To whom?—Mr. Skead. He said I had no right to take them into the store.

10427. What sort of property is this?—A set of harness and a buck-board, and some tin pans, oil cloths and dishes, and things like that.

10428. Why did he say that you had no right to take these goods into the store?—He said he had sold these to Professor Selwyn last spring. These were Canadian Pacific Railway goods that he had sold to Professor Selwyn last spring, and he was in another Department, under the Minister of the Interior.

10429. Had you been performing any other duties besides those concerning stores?—I have been messenger for the Canadian Pacific Railway, and I generally look after the shipment of any goods they have to ship now.

Messenger and shipper for Canadian Pacific Railway.

10430. Do you remember the office of the railway being broken into at one time and papers disturbed?—Yes; I do.

**Tampering
with Papers.**
Office of Canadian Pacific Railway broken into.

10431. About what time was that?—I think it must be three years last April. I would not say for certain.

10432. How do you fix the time in your mind?—I have heard it talked about.

10433. Was there any other matter about the same time which you can recall so as to make it sure?—I remember what happened that day. Mr. Currie and I have talked the matter over in the office.

10434. You think it was in April, 1877?—No. I think it was in April 1878.

10435. That is only two years ago last April. Which do you think you mean?—I do not know whether it was in 1877 or 1878, but I know it was in the spring of the year, in April.

10436. What was the first knowledge that you had of it?—A messenger came up to my place in the morning—that is the first knowledge I had of it.

10437. Who was the messenger?—A man named Bailey.

10438. What then?—He told me the office was robbed. I said: "robbed of what?" He said he didn't know. I said there was nothing there to rob. He said it was robbed and asked what was to be done, so I came down.

10439. What did you see?—I saw the books and papers knocked around on the office floor.

Found books and papers on office floor.

10440. Did you see any means by which a person had entered?—I saw a screw-driver on the floor.

**Nixon's Purveyors—
Tampering
with Papers.**

10441. How did it appear that any person had entered?—It would appear that they had come in through the window of Mr. Nixon's office.

10442. Was any person else present besides Bailey and yourself?—There was Mr. Hespeler, Capt. Howard, Mr. Luxton, Mr. Smith, I think, and Mr. Pierce, and young Mr. Hespeler.

10443. What was done?—They looked around at it, and saw the books and papers there on the floor, and I do not know whether it was Capt. Howard or Mr. Luxton said there was no use in allowing them to lie there. I had better put them into a box, and I gathered them up and put them into the box.

10444. Do you know whether they have ever been assorted since?—Yes; I think they have.

10445. Did you take any part in the assorting?—Yes.

10446. Who else?—I do not know whether Mr. Currie did or not.

Nixon assisted
witness in assorting
papers.

10447. Did any person else assist you in assorting them?—Mr. Nixon did.

10448. Had he been at home, at Winnipeg, during the breaking into the office?—No; he was not home.

10449. Where was he?—I think he was down in Ottawa, or down east some place.

10450. Was it understood generally at that time that he was at the east?—I do not know; but I think it would be round town.

10451. Did you understand that he went down to visit some friends?—I do not remember whether he was called on business, or whether he went down to visit.

10452. One of the Blue Books printed in 1873 shows that he was under examination, on the 15th April, 1878, before a Committee of the House of Commons; do you know whether he was away on that occasion at that time?—I could not swear that that was the time unless I knew.

10453. In the assorting of the papers, do you know whether the papers were all forthcoming again, or whether any were missing?—I do not know. I do not know whether there were any books missing; but about papers and vouchers, I could not tell.

Some of the bundles of papers
open and scattered.

10454. Were they very much disturbed? Were they in bundles, or were any of the bundles open?—Some of the bundles were open and scattered around the floor.

10455. In detached pieces or in collected parcels?—Some of them in detached pieces and some in parcels, the same as monthly accounts would be.

10456. Do you know who took part in the breaking in?—I do not.

10457. Do you know whether any steps were taken to ascertain at that time who broke in?—Not that I know of. There was no one here but Mr. Currie and Capt. Howard.

10458. Is there anything further which you wish to say by way of evidence or explanation of your previous testimony?—About anything?

Nixon's Purveyership.

10459. Anything you wish to say connected with the Pacific Railway directly or indirectly?—No; nothing. Of course my opinion would not be anything anyway.

10460. I am speaking as to facts within your knowledge?—No; I want to tell you everything I know, and tell the truth as far as I know. I might think of things some other time.

COL. W. OSBORNE SMITH, sworn and examined:

COL. W. O. SMITH.

By the Chairman:—

**Railway Location—
Red River Inundations.**

10461. Where do you live?—Winnipeg is my headquarters.

10462. How long have you lived here?—Since 1871 with short exceptions.

10463. Have you had any official position here?—I hold the position of Deputy Adjutant-General in command of the forces in the North-West. Deputy Adjutant-General.

10464. Have you had any business connected with the Pacific Railway?—None.

10465. Have you informed yourself upon the question of inundations in this neighbourhood?—As far as I can, it is part of my duty as staff officer to make myself acquainted with the physical conditions of the country. Part of his duty as staff officer to make himself acquainted with physical conditions of the country.

10466. Have you made many enquiries in this direction?—I have made a large number of enquiries.

10467. Have you recorded from time to time the result of those enquiries?—I have not recorded the result except in my memory.

10468. Would you be able, without my asking questions upon the different features of the matter, to give us a general statement of it?—As to inundations?

10469. Yes?—I can speak more particularly as to information I have received with regard to the flood of 1852 and the flood of 1861. I have had many conversations with a number of persons who were residents in the country at the time and received a good deal of information from them. From the result of these conversations and from certain data I have taken, and observations I have made myself, I should say that the channel of the river had very much increased, so largely increased that I hardly think there is any danger of any serious flood again occurring. Channel of Red and Assineboine Rivers so much widened, little danger of inundations.

10470. Do you mean the Red River?—The Red River and the Assineboine. A memorandum of data I have, referring to the Assineboine. As I happen to live on the banks of it, within 500 or 600 yards of Red River, I have made observations on the rapidity of the current for two or three years, and I have data as to the enlargement of the river at that point.

10471. Do you mean the widening of the river when you say enlargement?—The widening of the river and the deepening of the channel, as there has been a considerable amount of scouring going on. When I was here first I had constantly to go up in boats to the Lower Fort where we had a detachment. Subsequently I have been in the habit

**Railway Location—
Red River
Inundation.**

Widened especially where banks are level, which extends twelve miles from Winnipeg; thence to Selkirk more gravelly and rocky.

1852 date of last great flood.

River widened by one-third even where the shores are firm.

of going down every year to the mouth of the river, and I have noticed that the river is very largely widened, more particularly where the banks are level.

10472. How far does that portion extend?—I should say about twelve miles.

10473. And from that point north what is the general character of the bank?—From that point north, nearly as far as Selkirk, it is more gravelly and more rocky. That portion also, from information I have received from old residents, must have widened very largely since 1852, which was the last serious flood. The flood of 1861 does not appear to have been anything like as large in extent.

10474. As to the widening of that portion which is bounded by firm banks, do you remember from the information of these old settlers, what judgment you formed as to the extent of the widening?—In one particular place I should imagine there was fully one-third of the river—that is at the point twelve miles away from here, where, as far as I can understand, the channel was very contracted and where a jam used to take place and throw back the water in this portion of the country.

10475. Do you mean that we should understand that you were under the impression that the river had thus widened one-third beyond what it was in 1852?—Yes; my informant is a man who lived on the point, which was then entirely washed away. In fact, as he expressed it, “a good sized farm had gone,”—a man named Joseph Monkman who lives at Poquis.

10476. From your own personal observation have you formed any opinion as to the natural progress of the widening of the portion bounded by the firm banks?—No; I could not say that because I have never lived down in that portion, and I have only noticed it from going up in boats. I can give you an idea, from data that I have extracted this morning from old memoranda, of the widening that is going on in the Assiniboine. Of course, that is level, and it rather surprised me. The two first I am going to mention were from actual chain measurements made under my own superintendence. One that was made this morning. I was not present at it because I had something else to do; but it was done as carefully as possible by carrying a cord across the river. The first measurement was taken from bank to bank in 1874 when the ice was in the river, that was 129 feet.

By Mr. Keefer:—

On the Assiniboine found by measurements that at one place between 1874 and 1880 river had widened 216 feet.

Rapidity of current from two five eighths to 2.78 miles per hour.

10477. Is that at water surface?—No; from bank to bank. The banks are very upright there. There is not more than a difference of ten feet of slope. In 1876 it had increased to 132 feet, and this morning the measurement given me was 216 feet from bank to bank, that is to say, it had increased from a chain and three quarters to a little over three chains in six years. I can give you the rapidity of the current taken from observations. In 1877 it was $\frac{5}{8}$ miles per hour, this was at the time of the breaking up of the ice, when the ice was rushing away and the current was at its strongest; in 1878 very nearly the same result was given, but I have not the actual figures. In 1879 I took them very carefully indeed, in conjunction with Mr. Graham, of the Land Office and the result was very nearly the same, 2.78 miles per hour.

**Railway Location—
Red River Inundations.**

By the Chairman :—

10478. Considering the data given, I mean the width at different times and the rate of the current, what do you consider to be the effect upon the probability of inundations in the future?—I do not think there is any probability of any great inundations in the future, not only from those causes, but from the fact that there is now so much cultivation and drainage that there will be more absorption and I should say less evaporation; that is, the land will absorb more moisture and gradually drain it off into the river. Although we have now an exceptionally wet season, I do not think that although the swamps are very full we will have any great flood next spring.

No probability of great inundations in future; not only the river wider but more land being cultivated there will be more absorption.

10479. Do I understand you to mean that before the land is broken up and cultivated, the water will flow more easily from the surface into the river?—Yes.

10480. But after it is cultivated, will it be absorbed into the ground and go off more gradually?—Yes.

10481. And the fact of that will be to diminish the probability of floods?—Yes; I should consider it so.

10482. I suppose you consider that that same reasoning would apply to the country on both sides of the Red River as well as of the Assiniboine?—Certainly.

The same reasoning applies to country on both sides of Red River

10483. As to the effect upon probable inundation by the widening of the river banks, have you formed any opinion whether the chances are materially lessened from that cause alone—I mean the widening, not the letting off the water from off the land?—Very materially lessened. We have a channel which is now generally admitted to be at all events double the capacity of what it was in 1861. But the rainfall is not double, and I should imagine that there would be no danger therefore of floods in the future.

10484. Have you taken notice of the character of the banks at different points down the river, with a view of considering the best locality for the crossing of the railway, or has that come within your jurisdiction?—No; not beyond having generally looked at it, and generally knowing the points from conversation and other things.

10485. Have you considered the effect of ice jams, and how they would probably affect inundations?—Yes; I have considered the ice channels very carefully, and I have failed to see that there has been any flood at all after the ice disappears. The ice goes away in a very peculiar manner. The river level is, of course, not only lower than the spring level in winter, but the channel is to a certain extent narrower as the banks are sloping. When the water rises the ice gets broken away from the shore and it floats to the surface of the water, twelve or fourteen feet higher than where it is held by the frosty season, and there it gradually rots to such an extent, that a dog will break through ice two or three feet thick. I do not think that ice of this character will ever cause any serious jam in the river.

No danger from ice jams.

10486. Does it get into that condition by gradual decay or by the sudden action of breaking up?—By gradual decay it gets thoroughly honeycombed, but of course the surface of the river is much wider than the ribbon of ice that is on it while it is getting into this honeycombed state.

**Railway Location—
Red River
Inundations.**

The surface of river increases while the ice decreases.

10487. The surface of the river widens more than the surface of the ice?—Yes; the ice decreases while the channel increases, and there is ample room for the ice to get out of the channel.

10438. Notwithstanding that, would not the ice formed where the river was wide as it went down to the narrower portions, become jammed and form a sort of dam?—I do not think ice of this character would jam. I doubt if any ice from Winnipeg ever gets down to the Lower Fort, and certainly not to the mouth of the river. I think the character of the ice would prevent a jam of that kind.

Ice here so brittle that if stopped it would crumble before the force of the current.

10489. Do I understand you to say that the character of the ice would be so brittle that the force of the current if it were stopped would crumble it?—Yes; striking against the bank would crumble it, and the force of the current would crumble it if there was a jam.

10490. So that it would find an escape on that account?—Yes.

10491. Have you considered the effect of artificial drainage of land upon the body of water in the river? For instance, would the draining of wet land, if generally carried out, enable the water to get more rapidly into the river than by the process of nature?—I consider it would.

10492. Would that have the effect of increasing the probability of inundation or lessening it?—I should think it would have the effect of lessening it.

Reason for believing that draining would lessen the volume of water.

10493. For what reason?—Because the swamps would not be kept full in the autumn of the year; they would be drained up to the time that winter would set in, and it would only be the snow fall that would have to be taken off in the spring by the drainage.

**Rise of Lake
Manitoba.**

10494. Is there any matter in connection with this subject which suggests itself to you as likely to be of any value?—I do not think there is. The question of the rise of the waters in Lake Manitoba seems to bear on the matter. From information I have obtained, I imagine that this is likely to occur from the gradual silting up of the outlet of Lake Manitoba towards Lake Winnipeg. I fancy that this may have occurred, but of course it is but theory, from the fact that Lake Manitoba, which is a shallow lake, freezes over in winter time, and the ice, floating through with a south wind in spring, carries away portions of earth and gravel towards the outlet, and there, in gradual process of decay, deposits them, which forms a bar. I think it probable that if the bar were cut it would lower the waters of Lake Manitoba, and make a large portion of the country which is flooded towards Portage la Prairie dry up.

By Mr Keefer :—

Lake Manitoba six feet higher than a year since.

10495. Has it been observed that Lake Manitoba is rising?—I am told so. I am told by a gentleman from Shoal Lake that it is fully six feet higher than it was last year.

10496. Is the rising of Lake Manitoba supposed to be the cause of the water coming on the low lands?—I am told so.

By the Chairman :—

The rising of Lake Manitoba would increase water in Assineboine.

10497. What effect do we understand you to say that the rising of the water of Lake Manitoba will have upon the probable inundation of the country?—That it would overflow to the southward and increase the volume of water coming down through the Assineboine.

**Railway Loca-
tion—
Rise of Lake
Manitoba.**

10498. Then notwithstanding the diminishing of the chances from the causes which you first explained, you are of the opinion that there are other chances which would increase the probability of an inundation?—No; not increase the probability but which would militate against the security from inundation.

10499. Do we understand that that danger could be obviated by keeping the outlet open between Lake Manitoba and Lake Winnipeg?—I think so. You would in fact lower the level of Lake Manitoba.

10500. Do you know if the bar at the outlet is composed of material that could be easily removed?—I could hardly say that, as I have never examined it myself; but I imagine that it could be dredged through.

10501. I gathered from what you said that it was material that had gathered there by ice principally?—Yes; it is my theory, and I think a very general opinion.

10502. Is there any further matter which you think desirable to state?—No.

JAMES H. ROWAN, sworn and examined :

ROWAN.

By the Chairman :—

Surveys : 1871.

10503. Where do you live?—In Winnipeg.

10504. How long have you lived here?—I have lived off and on here since 1871—the latter end of October, 1871. I am permanently resident here since 1875.

10505. What is your official position here now?—I am District Engineer in charge of one of the districts of the Pacific Railway.

District Engineer in charge of one of the districts of Canadian Pacific Railway from Rat Portage to 100 miles west of Red River and Pembina Branch.

10506. What is the extent of your district?—The present extent?

10507. Yes?—The present extent of my district is from Rat Portage to 100 miles west of Red River, including the Pembina Branch.

10508. When were you first connected with the Pacific Railway?—I think on the 5th of May, 1871, was the first I had. Mr. Fleming sent for me and asked me if I would assist him.

Engaged by Fleming, May, 1871.

10509. Where were you then?—I was in the Department of Public Works at Ottawa.

10510. Will you describe in your own way the manner in which you were engaged from that time forward, concerning the Pacific Railway including that service at that time?—Commencing at that particular date, and up until about the 10th of June of that year, a little over a month, I was engaged in collecting all the information that it was possible to obtain with reference to the country between Ottawa and the Rocky Mountains. I made a digest of all the information I obtained, and sketched an outline of the manner in which I thought it would be advisable to carry on the surveys, which Mr. Fleming had been instructed to make, and I submitted the whole matter to him. He took the matter into his consideration, and made certain alterations, and the work was organized, and I started from Ottawa—I think it was on the 10th of June—with some twelve or thirteen parties to start them at the various points that had been decided on between Lake

Sketched outline of plan for carrying out surveys.

Left Ottawa, June, 1871, with twelve or thirteen parties to start from various points.

Surveys : 1871.

Superior and here. From that time forward, after I had got the parties to the points on the coast where they were to endeavour to commence to penetrate into the interior, I was engaged going backwards and forwards visiting the parties, and the duty then devolved upon me which I did not contemplate at all, of being a kind of general commissariat officer as well as engineer.

10511. I understand that you are speaking at present of the first season?—Yes.

10512. And were there thirteen parties between Lake Superior and Red River, the first season, as far as you remember?—I think thirteen parties were all the parties I had under my charge—that is between Mattawa on the Ottawa, and Red River. I think it was twelve or thirteen parties altogether.

Survey commenced at Mattawa.

10513. You first mentioned between Lake Superior and Red River, but you mean from the Mattawa?—Yes; that is where our surveys commenced.

Each party to make a survey of seventy-five miles. Plan on which parties were to work described.

10514. Were those parties distributed over the north part of Lake Superior?—They were distributed over distances of from seventy-five to hundred and fifty miles each. What we contemplated was that each party would be able to make a survey of seventy-five miles for one season. Some parties were placed back to back and going from each other; and some were facing, working towards each other. The object I might mention, and then you can see for yourself: one party started at the mouth of the Mattawa River, on the Ottawa, to work northward and westward. Two parties were sent up the Michipicoton River, that flows into the eastern end of Lake Superior, one worked eastward and met the party coming from the east. The other worked westward. A party was sent up the Pic River, with instructions to work both westward and eastward—westward as far as Long Lake, and then to go back and work eastward to meet the party working westward from the Michipicoton River. A party was sent in at Nipigon to work eastward towards Long Lake. Four parties were taken to Thunder Bay. Two of them were to go up to Lac des Mille Lacs, or somewhere in the neighbourhood of it, if I remember rightly, one to work eastward towards Nipigon, the other to work westward, about seventy-five miles. The remaining two parties that were sent to Thunder Bay, were to make their way over the Dawson route to the Lake of the Woods, to start on a point at the north-eastern end of that Lake. It was then shown on the maps of those days and called Whitefish Lake, but it is now expunged. One was to work eastward and the other westward. Those were all the parties.

10515. In the westward course of one of the two last-mentioned parties, was there any objective point indicated to you?—No; they were to work forward to Red River. My impression is, it is a long time ago, that there is a map with one of the earlier reports of Mr. Fleming that lays down the line approximately the way they were to follow.

Witness in whole charge under Fleming. Direct charge of parties east of Red River. Arranged for exploratory parties towards the Rocky Mountains

10516. Do we understand that for that first season that the ground to be covered under your direction ended at Red River?—In one sense yes; but not in another. I had the whole charge at that time under Mr. Fleming, and while I took direct charge of all those east of Red River, I had the general arranging and fitting out of the general explo-

Surveys: 1871.

ratory party that was to start out west towards the Rocky Mountains, in so far as seeing to its being started off and fitted out.

10517. Did you undertake to direct them as to the country which they were to explore, or only as to the fitting out of the parties?—As to the country they were to explore; the direction that they were to take; where they were to start, and how they were to start; the course that they were to pursue in order to effect the object. The process we took was we took certain points on the map, as I have described, and determined from the best maps we could get what latitude that lay in. Longitude was an uncertain thing altogether, but latitude we thought we could ascertain pretty nearly. Each party was started off with a given latitude that he was to reach, and the streams were named as the means by which he could get there.

10518. As to the portion of which you have just spoken, that is east of Red River, and over which you detailed about thirteen different parties, do you remember now the nature of the examination which each of these parties was to make? Of course you have noticed that Mr. Fleming describes the different examinations by technical names, such as Explorations, Exploratory Survey, Instrumental Survey, Location Survey, &c.; now what was the nature of each of those examinations in the first season?—The first season it was to be an instrumental survey; that is to say, a line was to be run with a transit, and what is technically called a "traverse line" was to be run through the country, over which levels were to be taken, the engineer in charge of each party using his judgment, and was to endeavour to follow a tract of country through which a line of railway has subsequently to be laid out; but he was not to go to this trouble of laying out a line.

Thirteen parties east of Red River and directed to make an instrumental survey.

10519. An instrumental survey?—Exactly; with a line of levels run over it as a basis on which future location could be made.

10520. Had that portion of the country been previously explored by bare explorations?—No; not to our knowledge.

The country not previously examined by bare exploration.

10521. Was it considered expedient at that time to start those different parties upon instrumental surveys, without the country being previously examined by a simple exploration?—It was, in order that any exploration that was made might not be lost. If we had nothing to fix it by, or tie it to, or state positively that then we have discovered so and-so, it would have been all lost, and we would not know how to fix it. If an engineer came back and said: "I have found a very favourable tract of country," we would otherwise have no means of laying it down on this map, or seeing that it was in the general route, that it was proposed to be followed by the railway.

An instrumental survey adopted in the first instance in order that any exploration made should not be lost.

10522. What size of party as a rule was necessary to make such an examination as you describe as having been made, for the distance which you gave to each of those parties?—There was an engineer in charge of the party, a leveller, an assistant leveller, a rod man, two chain men, and I think, two picket men, with probably six axe men. That was about the strength of the engineering staff, and the balance came more probably under the head of transport and supply, cooks and men that carried the provisions. We had to convey all the supplies on men's backs.

Size of party.

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Thirty-five to forty men.

10523. Including men of all classes, what do you consider the whole party would be?—I think the whole parties averaged somewhere between thirty and thirty-five, sometimes as high as forty men.

10524. If it had been considered that a bare exploration would have answered the purpose at first, what size party would have been necessary, in each instance, to cover the same length of ground that these parties covered?—That is a difficult question to answer. The main difficulty was the transporting of supplies. Two men, I suppose, or one person could have made the exploration, and could have gone through the country and said what he saw; but he would have had no means of fixing it.

10525. I am asking what would have been the size of a party if only a bare exploration had been considered necessary?—It is very difficult to say. Of course I could only say that it could have been considerably smaller.

10526. For instance, you say that the average distance for each of these parties was seventy-five miles?—Yes.

Three or four men could make an exploration; but a considerable number required to move supplies.

10527. Now if you wished to make a bare exploration of seventy-five miles, how many men do you think you could safely start out on that expedition, including every branch of the service: commissariat, transport, and everything that you consider necessary?—I am entirely at a loss to answer that question, for this reason: to get the supplies to the place where the party would start from would involve a considerable amount of labour and transport; as, for instance, a man to commence an exploration of any kind from a point seventy or eighty miles north of Lake Superior, in the Michipicoton River, would require a canoe or canoes to transport his supplies to the point from which he was ordered to start to make the exploration. The moving of those canoes, and the supplies that they would contain, up these rapid streams and portages, would require a number of men before he could start on his exploration proper at all. To merely start from that point and go over seventy-five miles, without making any survey, would not require I should think more than three or four men.

10528. It was necessary to ascertain the number of the whole force required to make such a survey as you did make, with all these difficulties that you now speak of?—Yes.

10529. But that did not make it impossible to arrive at some conclusion?—No.

10530. Is it not possible to form some conclusion, whether the number of the men employed on the engineering service should be increased or diminished?—Yes; that I can answer you at once.

One engineer could make an exploration.

10531. How many men would it require to make an exploration only, who would be engaged in the engineering portion of the work?—One man to make the exploration.

10532. How many men would be required to transport and carry all the supplies and all the necessaries for one man?—They would have to carry for themselves also.

Say two engineers; then there should be a party of from ten to fifteen.

10533. Including that and including every possible contingency, just as you have included it when you calculated on six or eight engineers?—I take it, assuming the point I have made, to have started two men, because you could not get one man to go over the woods by

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himself. To take two men and transport all the supplies necessary, I think it would require a party of ten or fifteen men.

10534. Then is it your opinion now that if a bare exploration had been considered necessary, and nothing more than that, the party to effect that, including transport and all other branches of the service, would be composed of about ten or fifteen men?—Yes; the party would consist of about fifteen men.

10535. How many of an engineering staff are required to make the survey as it was made?—About eight.

An engineering staff of eight required for an instrument survey.

10536. Then do I understand you to say that a party of eight engineers would require a whole party of about thirty to do all that was necessary, and that a party of two would require from ten to fifteen of a whole party?—Yes; only if you would add to that when the party came back, there would be nothing to show for what they had done.

10537. Will you explain to me why a party of two engineers would require so large a party as fifteen, when eight engineers could be supplied by a party of thirty?—Because the eight engineers helped to supply themselves. They form part of the force that are utilized in the transport.

10538. Would not the two, if they were alone, form part of the force in supplying themselves?—They would; but not to the same extent.

10539. Would they not in a proportionate extent?—No.

10540. Why not?—Because you must have a canoe to start them into the country of a certain size, and that requires a certain number of men to manage it.

Canoe with a crew of seven men required no matter how small the surveying party.

10541. What is the size of a canoe party?—Seven men.

10542. So that no matter how small a party it would require seven canoe men?—Yes; that is my judgment. You must have a canoe of that size that it would take seven men to take it through, with the supplies.

10543. The seven canoe men would only be required on that portion of the line where there was water?—Exactly; to take in supplies.

10544. From the point at which they commenced their exploration, would the canoe men be required, or could their services after that be dispensed with?—No; they would be required still.

10545. For what purpose?—Crossing the lakes that they would meet on the way, unless you lost a great deal of time in making your way around them.

10546. If there were eight men employed in the survey or engineering, how many canoes would be required?—They generally had two small canoes along with the engineering party, and then they had a number, which varied, bringing in and along their supplies: three to five canoes, I suppose.

With an engineering staff of eight they had two small canoes with five others bringing supplies.

10547. And how many men would be required for each of these canoes for the larger party?—From five to seven men.

10548. For each canoe?—Yes.

10549. And how many canoes?—I think there would be about three or four canoes.

Surveys: 1871.

10550. Three altogether?—Three or four large canoes. The engineer and his assistants, his axe men, and leveller, and transit man could wield a paddle, and they would help to paddle the canoe.

10551. Of course as far as the muscle force is concerned the two men would contribute their share just as well as the eight men in the larger party?—Yes.

10552. But if it is a necessity in every case to have seven men to manage one canoe, then I can understand that that would add to the small party a larger force in proportion than would be required to be added to the large party?—Yes; that is just it.

A canoe not absolutely necessary for a bare exploration.

10553. Is it a necessity to have a canoe to cross waters upon bare explorations? In your opinion is it a *sine qua non*?—It is not a *sine qua non*, but it would greatly expedite matters.

10554. Then besides the seven canoe men, who would be necessary in every party to examine the country, what other men would be required so as to make up the balance of the fifteen?—I do not think that one set of seven men would carry in enough supplies. You could not carry in supplies enough for the men who were taking in the supplies, and the party who were going to start to make the exploration, and go back again with one set of men. You would have to have two canoes and establish a depot.

10555. I am endeavouring to get your mode of calculation as to what is necessary to supply a party for the smaller exploration?—Would it not be simpler if I were to describe what I would do under those circumstances, and then you could see?

What witness would do if planning a bare exploration party.

10556. Will you say what you would consider it necessary to do if you were planning a bare exploration at the smallest possible expense, so as to make it efficient, and through the country over which those examinations took place?—I would go to a point of the coast where I could penetrate to the interior, by steamer, taking with me one assistant besides myself, and two canoes to carry our provisions, probably a small canoe besides—what is called a two-fathom canoe. I would then take with me these canoes, and men and provisions, up the stream to the point from where I was to start my exploration.

Two canoe loads: fourteen or fifteen men and himself.

10557. When you say these men and provisions, I do not know how many you mean?—Two canoe loads: fourteen or fifteen men and myself. Seven men are considered a crew for a three or four-fathom canoe.

Would not undertake such a survey with a smaller force.

10558. Do you think that a bare exploration over this country could not be made except in the way you have described, and with a force as large as you describe?—I do not know; possibly it could, but I would not undertake to do it.

When an exploration is made the direction can be recorded by the compass and distance can be paced for.

10559. When a bare exploration is made, is there any means of recording the direction, by the compass for instance, and the extent of the country examined, so as to make it intelligible to another person?—Certainly, you could with the compass take your direction you travel in, and you could pace for distances. In any ordinary country that could be done, and you could get a very fairly approximated idea of what you had done. In the country we are speaking of you could not take a bearing of where you were going for six feet, for it is so densely covered with timber and brush in many places that you could hardly penetrate through them. It would be a perpetual winding in and out

But this could not be done in the country surveyed.

Surveys: 1871.

among trees. We had to chop out a line before we could get through at all.

10560. Then was it on account of the character of that particular country that it made it expedient to have a more elaborate survey than a bare exploration?—I think so.

10561. If the country had been of a different character—prairie, for instance, or principally prairie—would a bare exploration have been sufficient?—I think it would. I think you could have done very well indeed with a preliminary exploration over this prairie country.

Over prairie country a preliminary survey would have done very well.

10562. Do you know whether it sometimes happened, in making the examination such as was made, that obstacles would be reached which were insurmountable—for instance, a lake—so that it would be afterwards impossible to locate on the line of examination?—Yes.

10563. You think from the nature of the country that the existence of that obstacle could not have been ascertained efficiently by a bare exploration?—The extent of the obstacle or how it could be overcome could not have been ascertained.

The extent of an obstacle such as a large lake and how it should be overcome, could not be ascertained by a bare exploration.

10564. But the existence of such an obstacle?—You could not have placed it with sufficient accuracy, but you could have stated generally that there was an immense lake. If a man came to a lake like Nipigon, for instance, on the exploration, you could say that a considerable distance north of Lake Superior there was an immense lake that would render it necessary to go seventy-five miles further before you could get around it.

First Season.

10565. Do you remember how many parties, during the first season, were started under your direction?—Thirteen to the best of my recollection.

Thirteen parties started first season under direction of witness

10566. Alluding again to the sufficiency of a bare exploration, I think I understood you to say that there would be great difficulty in recording the general direction in consequence of continual obstructions; is not the general direction sometimes ascertained by taking a bearing from the tops of trees or hills, or something of that kind?—Yes; but you would have nothing to record the distance with. We could get to the top of a tree on one hill and take a bearing of a tree on the top of another distant hill, but you would have nothing to give the distance, except you made guess at it.

General bearing can be taken from tops of trees or hills, but a bare exploration would not give distances.

10567. Where were your headquarters during the first season?—Everywhere; all over. I had no headquarters; I was perpetually travelling.

10568. Who had charge of the commissariat branch of the surveying parties?—Mr. Wallace was the head commissariat officer.

Wallace, head commissariat officer at Ottawa.

10569. About what point?—At Ottawa.

10570. Were these officers under him at the different points on the shores of those lakes, or some other convenient distributing points?—I think there was a commissariat officer with each party; a kind of subordinate officer.

10571. But would he be obliged to communicate with Ottawa always if he wished to send any message upon the subject?—Whenever he could, it would be necessary to communicate with Ottawa.

**Surveys—
First Season :
1871.**

10572. In fact, was there not one stationed at the mouth of the Pic River?—There was one at Michipicoton, and I think also at the Pic River. There was one at the Pic; but while that might be called his headquarters, he was constantly going back into the interior with supplies.

Field operations ceased in those cases where they did cease, about the end of October

10573. About what time of the year did those field operations cease that first season?—Any of them that did cease, ceased about the end of October; most of them continued on through the winter.

When engineer had completed his seventy-five miles he returned with his party and plotted his work.

10574. Were particulars concerning the field work sent by the engineers in charge of the different parties to the head office at Ottawa, so as to let the office work be done; or, if not, how would the office work be done?—The office work was done when the party completed his work and came in. When he performed his seventy-five miles he came home with his party and plotted his work.

10575. Might that be in the summer?—The following year most of them got home.

10576. About what time in the following year?—I think about March or February. Circumstances varied very much; some of them got home earlier than others.

10577. Were you still travelling from point to point during the winter, after the first season, I mean the winter of 1871-72?—The winter of 1871-72 I was frozen in on the Lake of the Woods on my way trying to get through here. I was detained there for some days, and reached here about the latter end of October or beginning of November, having been frozen in on an island in the lake.

Witness remained in Winnipeg until December

10578. Did you pass that winter in Winnipeg?—I remained in Winnipeg until about the middle of December.

10579. And then where did you proceed?—Then I went to Ottawa.

Thence to Ottawa where he remained until spring of 1872, compiling information and working up details.

10580. How long do you think you remained there?—I remained there until the following spring.

10581. Still occupied in engineering for the Pacific Railway?—Yes; at office work, compiling the information that came in, getting it into shape and working out the details of it.

10582. Can you say what was the general result of the work of that year—the first season—did it establish any important facts or data for future operations?—I could not say without referring to the report. The report, I think, shows all the results that were arrived at.

Made report.

10583. Did you make a written report embodying the information obtained as to the result of those operations?—Yes.

Explorations of first season did not result in finding a line north of Lake Superior.

10584. Do you remember whether the explorations of that year resulted in a line being laid down as the one which would probably be finally located north of Lake Superior?—No; I think not. I think that the result, if I remember right—I am speaking entirely now from recollection—was that we came to the conclusion that a line would not be practicable from Pic River to Nipigon, south of Long Lake, and that from the Pic River, eastward from the Michipicoton River, we would have to try in some other direction for a line. That is my recollection of what was discovered the first year. Also that a line from Mattawa to the head waters of the Montreal River was very unfavourable, and that it would be desirable to endeavour to find some other line through that section of country.

10585. Have you any reason now to think that the result of those operations, as reported by you, was not correct? Are you still of the same opinion as that which you expressed in your report?—As well as I remember, I am. I think so; I do not know that I know of anything that would lead me to change it.

10586. Then, in 1872, what operations were undertaken under your directions?—In 1872 we tried for a new line from Mattawa via Lake Nipissing to the Valley of the Sturgeon River, crossing the Moose River somewhat further north than our line of 1871, and endeavouring to reach the head of Long Lake. We also started in at Nipigon with a view to thoroughly exploring the country lying between Red River and Nipigon, and more particularly in the section of country lying all around Lake Nipigon for fifty miles.

10587. Were the examinations and surveys of the same character as those of the year preceding?—Yes.

10588. And about the same sized parties?—Yes; just about.

10589. Was there any particular change made in the management of the affairs of the survey parties that year?—I think not.

10590. Were the explorations west of Red River under your direction?—No; not under my direction.

10591. Did you make a written report of the work of that year?—I think so.

10592. Have you any reason to change your opinion now as to your judgment stated in that report?—I think not.

10593. Do you remember at what time the field work ceased that year, or did it cease?—I think for the most part of that year it terminated with the close of navigation on Lake Superior.

10594. Did the engineers proceed to Ottawa, or were they discharged as a rule?—No; they proceeded to Ottawa and plotted their work.

10595. Did you remain out during that winter of 1872-73, or did you go to Ottawa again?—I went to Ottawa.

10596. What operations were undertaken for 1873, under your directions?—It would appear as if, during that year, we had been carrying on further explorations with a view to getting further knowledge of the country lying between Red River and Lake Nipissing, generally all through, but more particularly the country lying between Red River and Lake Superior.

10597. Was there the same number of parties employed, or about the same number?—No; there were eight parties employed.

10598. So that in 1873 the survey force in this section of the country was considerably reduced?—Yes; very considerably reduced.

10599. Were the examinations of that year confined to preliminary surveys, and not final locations?—No; not final locations.

10600. Nor trial locations?—No; portions of them were merely exploratory surveys with the instrument referred to by Mr. Keefer: a Rochon micrometer made by Mr. William Austin.

**Surveys—
First Season :
1871.**

**Second Season :
1872.**

A new line tried for from Mattawa via Nipissing to Valley of Sturgeon River. Attempt to thoroughly explore country between Nipigon and Red River.

Surveys of this year like those of last—Instrumental.

Exploration west of Red River not under witness's direction

Reported on work of year 1872; opinions the same to day as those in that report.

Engineers proceeded to Ottawa and plotted their work.

Witness also was at Ottawa during winter of 1872-73.

**Third Season :
1873.**

During 1873 further explorations in country lying between Red River and Nipissing.

Only eight parties as compared with thirteen during the two previous years.

Examinations of 1873 also preliminary surveys.

Portions purely exploratory work with a Rochon micrometer.

**Surveys—
Third Season :
1873.**

10601. Up to the end of 1873 were the surveys in the region of the Ottawa and Georgian Bay under your direction?—No; none of those were ever under my charge particularly.

10602. Who had the control of those operations?—I think Mr. Hazlewood was the gentleman. Mr. Ridout was also out there too, and Mr. Murdoch.

Made report on work of 1873; no reason to change opinions then formed; adopted line not that advocated by him.

10603. Did you make a report of your judgment of the result of the operations of 1873?—Yes.

10604. In writing?—Yes.

10605. Have you any reason to change your opinions expressed in that report as far as you know now?—I think not; the line does not follow the line that my report advocates.

**Railway Loca-
tion.**

Advocated going direct to mouth of Nipigon.

10606. What do you remember as the line indicated in your report?—I favoured going direct to Nipigon, instead of turning south to Thunder Bay.

10607. Do you mean to the mouth of the Nipigon?—Yes.

By Mr. Miall:—

10608. To Red Rock, was it not?—Yes; to the south of the little lake called Lake Helen, a few miles up from the mouth of the Nipigon.

By Mr. Keefer:—

10609. Would we find that map in the office below?—Yes; I think so. I think we have a copy of it here—a tracing.

10610. Of the preliminary instrumental survey?—Yes.

By the Chairman:—

Fleming frequently discussed with Rowan the best line, &c.

10611. Did you and Mr. Fleming consult together at this time, or anywhere up to this time, upon the general policy to be adopted concerning the railway from an engineering point of view?—Yes; he frequently spoke to me upon the subject and asked my views as to the best route—the best line to follow and various other matters in connection with the construction of the railway.

10612. Do you remember whether there were any important matters on which you and he differed concerning the railway?—No; I do not. I think that most of the views he expressed on the matter I fully concurred in. The matter that I have just referred to in reference to the line to Lake Helen, the respective routes were submitted to the Government for them to decide which they chose to follow.

**Line north of
Lake Mani-
toba.**

Thunder Bay as a terminus decided spring of 1874.

10613. Do you remember about what time the adoption of Thunder Bay as the terminus was decided upon?—Yes; I think so. It must have been in the spring of 1874, I think. Mr. Mackenzie was the Minister of Public Works at the time it was decided.

10614. Do you remember whether—it was about that time that the general course of the railway across Red River in the direction westerly and north of Lake Manitoba was settled—there had been at one time an intention of running the road south of Lake Manitoba?—Yes; that was the line that Mr. Fleming laid down in his first map as the general line the railway should follow, and on that line the first exploration was made, I think, by Mr. Frank Moberly.

10615. My question is now to ascertain if you know about what time the change was adopted, fixing the route by the Narrows of Lake Manitoba?—I think it was in 1875—the spring of 1875—that I was instructed to have the survey made that way.

**Railway Location—
Line north of
Lake Manitoba.**

Spring of 1875 intention to run south of Lake Manitoba changed.

10616. Then during 1874 what operations were carried on under your direction?—In 1874, I think, we were engaged in re-surveying what is now contract 15—making a re-survey of the country between Rat Portage and Red River.

**Surveys—
Fourth Season :
1874.**

Principal work in 1874, re-surveying country between Rat Portage and Red River.

10617. Would that be the principal portion of the work of that season under your direction?—I think it was.

10618. Do you remember about how many parties were engaged on it?—I think there was only one party.

10619. Had you only control of one party in the season of 1874?—We were making surveys to the west on the northern line. It must have been in that year, too, I got orders to make a survey north of Lake Manitoba.

Also ordered to survey north of Lake Manitoba.

10620. So that that route must have been adopted also in 1874?—Yes; I think so. My duties I see now from the Blue Book were confined principally to this country up here. I had nothing to do with the country east of Lake Superior at all.

10621. Where had you your headquarters?—At Winnipeg.

10622. Had you supervision of the operations west of Red River?—Yes; my district at that time was not the same as I answered you in one of the first questions you asked me.

10623. Then for 1874, what was the extent of your district?—My district for 1874 was from Rat Portage westward to Fort Pelly, including the Pembina Branch.

Witness's district for 1874 from Rat Portage to Fort Pelly and the Pembina Branch.

10624. Between Rat Portage and Lake Superior who had the control of the operations?—Mr. Hazlewood.

10625. Were his duties over the section similar to yours for the section westward?—Yes; we occupied exactly similar positions—district engineers.

10626. During that year did you proceed to make surveys with a view to construction—I mean, had you determined on the location of the line near enough to begin to prepare for construction?—Yes; I think we began then to make the actual location surveys at the Rat Portage end.

Began to make actual location surveys at Rat Portage end.

10627. Who was the engineer in charge at the Rat Portage end?—Mr. Carre.

10628. That part of the line is generally spoken of as section 15, is it not?—Yes.

10629. And between that section and Red River is known as section 14?—Yes. It was during that year also I might say that the exploration was made from Red River eastward to Rat Portage, north of the present line.

Exploration made from Red River to Rat Portage north of present line.

10630. Who made that survey?—Mr. Brunel made a portion of it—a track survey—and a portion of it was done under Mr. Carre's supervision.

**Surveys—
Fourth Season :
1874.**

10631. That was not over the line since adopted?—No; one north of it.

Track survey.

10632. What do you mean by a track survey?—A track survey was, he went through with dogs and snow-shoes, and paced the distance and took bearings as you spoke of with the compass.

10633. Something in the nature of an exploration?—Yes.

10634. Not an instrumental survey?—No. The reason of it was Mr. Hazlewood, District Engineer on the Thunder Bay District, reported great difficulty in getting through by Rat Portage on the line as at present adopted.

**Reason why
north line not
adopted—had
crossing Winni-
peg River.**

10635. Was this northerly line undertaken with a view to escape Rat Portage?—With a view to trying to escape going down to Rat Portage from the east; but the country to the west of the Winnipeg River so far north as where he indicated it would have to be crossed that is the Winnipeg River—was so very unfavourable as to render it impossible to utilize that route for the railway.

10636. Was there another survey during 1874 of the line of section 15, about where it is at present constructed?—Yes.

**A second survey
of section 15 by
Carre.**

10637. Who made that survey?—That was made by Mr. Carre. Our previous line that had been surveyed in 1871 was burned when our office was burned. The record was destroyed.

**Railway Loca-
tion and Con-
struction—
Pemb. Branch.**

10638. You mean the plan of it?—The plan was burned when our office was burned out in that year; also the construction of the Pembina Branch was deemed advisable.

**Contract No 5.
Located under
supervision of
witness.**

10639. Was the location of the Pembina Branch made under your supervision?—Yes.

10640. By what engineer?—I went over the ground myself first and made a preliminary examination, and then an actual location was made by Mr. Brunel. I think he was the engineer in charge.

10641. Was it cross-sectioned?—No.

**Ground so level
not necessary to
cross-section.**

10642. Was the character of the ground so level that it did not require cross-sectioning to get at the actual quantities?—Yes; and even the longitudinal section was so level that there are but very slight variations between one point and another.

10643. Were data sufficiently ascertained to form a fair estimate of the quantities so as to invite tenders upon some reliable information?—I really could not answer that question at this moment. I will give you an answer to it when I refer back to the papers.

10644. Do you remember, as a matter of fact, whether the executed quantities exceeded largely the estimated quantities?—I do not; but I remember that the contractor complained that the executed quantities as returned are very much smaller than what he had actually performed.

10645. Is there any existing dispute on that subject between the contractor and the Government?—I am not aware of any. I do not know whether he was settled with or not. I was under the impression that he had been finally settled with.

**First contract on
Pembina Branch
embraced from
nine miles south
of Winnipeg to
first township**

10646. Did the first contract embrace the whole line from St. Boniface to the boundary line of the Province?—No; it did not. The first contract embraced from a point about nine miles south of Winnipeg, to about

the first township north of the boundary line. Speaking from memory I think he was allowed to do the balance at the same price.

10647. Did he do the balance or did not some person follow him and finish it?—No; I think he did the work. There was a subsequent contract entered into with Upper & Co., for the nine miles next to St. Boniface.

10648. Did the Upper contract include the ballasting as well as finishing at the north end of the Pembina Branch?—No; Mr. Whitehead constructed the north end to Selkirk. The Upper contract was to finish the grading from one mile south of St. Boniface Station to where contract 5 terminated, about nine miles south of St. Boniface, and to track-lay, ballast, put in bridges and culverts on the portion which had been graded under contract 5.

Railway Location and Construction—Pemb. Branch.
north of boundary line.

Upper & Co. did grading nine miles south of St. Boniface Station.

WINNIPEG, Wednesday, 6th October, 1880.

WILLIAM F. LUXTON, sworn and examined:

LUXTON.

By the Chairman:—

10649. You have been summoned to appear before the Commissioners because we were informed that you wish to give evidence, concerning some matter which you thought affected you; is that correct?—Yes.

10650. What is the subject?—It is the matter of Mr. Whitehead's evidence. On the 14th, Mr. Whitehead is reported as having said, among other things:

"I also helped the newspaper here. When I first came I knew the *Free Press* was working hard against me, and I was bound to have the help of another paper, so I assisted Tuttle in starting the *Times*. We had no other paper here at the time but the *Free Press*, and they used to get things in the paper about a man being killed on section 15, and then there would be an account of another melancholy accident on section 15, and the paper used to contain sarcastic remarks, so I thought I would get another paper here to advance my own interests. It was not on account of his influence with the Government that I assisted Tuttle, the proprietor of the paper. It was not promised that he would be of any assistance to me in the Departments. In compensation for helping his paper I was not led to expect anything of the kind."

Complaints of Whitehead's evidence of the 14th September, as containing incorrect statements regarding the *Winnipeg Free Press*.

Mr. Whitehead is reported as having given that evidence on the 14th September, and the day before yesterday he was reported, when the matter was more closely enquired into, and he then referred to the same thing: "We had only one paper here at that time, and, for the reasons I gave before, I gave assistance," thereby re-affirming what he had already affirmed. Now I appear before the Commission to contradict Mr. Whitehead in this respect. He says: "I knew that the *Free Press* was working hard against me," and that is the reason that he assisted this other paper. Now I have the files of the paper here, from the time that Mr. Whitehead took the contract—that is, contract 15—up until after the time of the starting of the *Times*, and since Mr. Whitehead gave that evidence I have examined the files very closely, to see if there was any justification whatever for his evidence. I was persuaded there was none, because I knew it was not in accordance with the policy of the paper to do as Mr. Whitehead said we had done. However, to satisfy myself upon the point, since Mr. Whitehead gave that evidence, I have carefully gone through the file, and I have here a

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

reference to every allusion made to Mr. Whitehead in that time; and I find that up to that time, that wherever an opinion was ventured the opinion was favourable to Mr. Whitehead. The facts relate to news items and that sort of thing. When we mentioned that a man was killed on contract 15, and another man killed on the contract, we did it in the ordinary course, and, as a rule, without any observation one way or the other; and I find in several places Mr. Whitehead spoken of in commendatory tones. I have the references all marked here, and I will just refer to a few of them.

Instead of ad-
versely comment-
ing on White-
head's work, *Free
Press* ready to
help him and it.

10651. You may refer to any notices in your paper of Mr. Whitehead or his affairs, at such length as you think proper?—I have stated on my oath that instead of having up to the time that the *Times* was started, instead of animadverting on Mr. Whitehead's work, whenever we commented we commented in the opposite direction, I swear positively to that. A case in point—of course they are not all like this: on the 18th December, 1878, Mr. Charles Whitehead and Mr. William Macdougall, the latter a clerk of Mr. Whitehead's, came to my office with some manuscript. Mr. Charles Whitehead intimated to me that if I would publish it, I should be paid for it. I merely mentioned to Mr. Whitehead that so far the *Free Press* had never published anything in its editorial columns for money, and would not do it this time; but if he would leave me the article I would look it over, and in case it was acceptable I would publish it. He said: "If you can spare a little time I will read it to you now, and you can pass on it now." So, without altering it, Mr. Macdougall read the article, and after hearing it I said: "I will publish it." The article is in favour of Mr. Whitehead. We could not publish it the day that Mr. Whitehead was in, but we published it the next issue. (The witness here read the article at length.) That article is simply two columns of eulogy of Mr. Whitehead.

Published an
article eulogistic
of Whitehead.

10652. Have you a detached number of the paper in which that appears that you could furnish to us?—I have not.

10653. You produce a book which I assume to be the year's file of your paper?—Yes.

10654. And you find that article in your book?—Yes

10655. Would it be convenient for you to leave that book with us?—I do not wish to leave the book as it is the office file.

10656. We think that a general allusion to the tone of the article will be sufficient, but if you wish to leave the book as a matter of evidence you can do so?—I will just simply state that the article is two columns of eulogy of Mr. Whitehead's work. I may say this: at the time I took that article I supposed it was true in point of fact. I had reason to change my mind afterwards. However it was published in good faith. Now I say that so far as prior references to Mr. Whitehead's work are concerned, so far as after references to Mr. Whitehead's work are concerned, at least up to the time of the starting of the *Times*, they were all in accord with that article, so far as the opinions that were offered.

Free Press made
seventy-four
favourable refer-
ences to White-
head up to end of
March, 1879, since
which time, when
the *Times* was

10657. Can you say, in round numbers, how many editorial references you have made to Mr. Whitehead or his affairs, in connection with the Pacific Railway?—Seventy-four references up to the end of March, 1879. Of course that is as far as Mr. Whitehead refers to. After that time I

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started, spoke severely of him and his work.

may state in evidence we have spoken very severely of Mr. Whitehead's work.

10658. Have you lately perused those references, or most of them?—I perused most of them yesterday.

10659. Do you find them in substance to be of the same tone as the article you have alluded to?—Where we ventured an opinion the opinion has always been in accord, but otherwise we simply stated a fact as a matter of news only. We mentioned the accident just the same way we would mention that he had brought in a new locomotive. Whenever we ventured an opinion, up to the end of March—until after the *Times* was started—it was always of a complimentary nature to Mr. Whitehead and his work.

10660. Besides what you say in these articles do you remember well the spirit in which the remarks were made at that time, because of the paper being under your control?—As far as I know, the remarks were always made sincerely; they were not intended to be sarcastic nor were they intended to be ironical.

10661. Do you consider that you have a good memory of the spirit in which you dictated those articles?—Yes.

10662. Then from your memory now of the spirit, and from your having perused the articles lately, what is your opinion of the reason which he has given in evidence for the assistance he offered Tuttle?—My opinion is that it was simply the easiest way he could get out of it.

10663. Do you consider that it was truthfully describing his motive for affording assistance to the *Times*?—No; I do not think that it was truthful.

10664. Do you consider then, knowing what you know about it, you have reason to believe that he mis-stated his motives?—Certainly; I may say, at a certain time there was a strike on the road, and we mentioned simply that there was a strike, and it was stated that the reason was, low wages and bad board. That was simply stated as a matter of fact; but the day following we stated that the men had resumed work. I mentioned that because it might be construed into something else from what I stated. We spoke of the strike, and that is the only thing that might seem hostile during the whole time; we did not give it as a hostile opinion, but gave it simply as a fact.

A strike on road; the fact stated in *Free Press* with motive of it—low wages

This the only thing which could seem hostile during the whole time up to March, 1879.

10665. Did you publish a rumour that the men had left because of bad board and low pay?—Yes.

Published a rumour that men had left because of bad board and low pay, which was found to be true in point of fact.

10666. Was it true?—It was true in point of fact.

10667. Do you mean that it was found to be true afterwards?—Yes.

10668. I produce the article about the strike:

"Intelligence was received this morning that considerable dissatisfaction has prevailed on contract 15, Canadian Pacific Railway, during the past week or so, owing to the reduction of wages having been made, and to the discontent which was increased owing to the inferior quality of the food supplied, culminating in the strike on Friday. It appears that on the 15th instant, the reduced rate of wages came into operation, 25 cts. being struck off the pay of each man. Those formerly getting \$3 a day being paid \$1.75, and those who used to get \$1.75 being paid \$1.50. The men, it is stated, were not so much dissatisfied with the reduction of pay as with the inferior quality of food which it is alleged was supplied them, and for which they were compelled to pay \$4.50 per week. The complaints were, that the pork was at times musty, and the supply of grub inadequate. Failing to secure better terms, the strike commenced at both ends, and quickly spread over the whole contract, until the whole

Article on strike.

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

force of 1,500 men were implicated. No violence was offered. There was only an entire cessation of labour. Since writing the above, news has been received that the men on the eastern end resumed work to-day, but on what conditions have not been obtained. The other strikers, it is said, were also expected to return to work."

Three days after publishing above published the fact that the strike was over.

10669. What date is that?—This appears in November 23rd, 1878. Three days following that, we said: "All the strikers on contract 15, Canadian Pacific Railway, have gone back at the reduced rate of wages," that is on the 26th November of the same year. Those two are the only two that can be by any possible means construed as hostile, and I deny that they are hostile or that they were written in a hostile spirit at all. We simply related the fact and ventured no opinion, and just to show how we dealt with Mr. Whitehead. The dissatisfaction was becoming more general about this time, but I did not know it at the time. I, myself, had frequently had the men about this time coming to remonstrate with me for not saying something about the way in which Mr. Whitehead was ill-treating his men. I remember going down to Mr. Norton, Mr. Whitehead's book-keeper, to see about it, and the men were very much annoyed at my not saying something about it. However, I did not get much satisfaction out of Mr. Whitehead; though I believe he had a good deal of trouble with his men. I stated that on 6th March, I republished a paragraph from the *Globe*, favourable to Mr. Whitehead.

10670. That article about the strike appeared in November, 1878?—Yes.

The article about strike appeared before Whitehead's arrangement with Tuttle.

10671. Was that before his arrangement with Tuttle, as you understand it?—Before; and it was before the lengthy article that I have read you, as the strike article appeared on the 23rd November, and the long eulogy appeared on the 19th December, which shows I may submit, that there was no bad feeling in the matter, otherwise we should not have published these remarks afterwards.

10672. In that article about the strike you made use of the words "it appears,"—did you mean the public to understand that it had appeared there was some authentic information?—I may state that when we use that expression we use it in such a way that we do not assume the whole responsibility of saying it. We use the words "it appears" or "it is alleged."

The publication of rumours and journalistic ethics.

10673. When you say "it appears" does it not mean "it is evident?"—It is a qualified way of saying it.

10674. When you make use of those words, do you not wish the public to believe that you think it is true?—Yes; we incline to believe that it is true.

10675. Do you not wish the public to understand that you have reason to believe that it is true?—Yes; without absolutely saying it is true.

10676. But your object is to create that impression upon the public mind?—Yes; but still in a qualified sense.

10677. If you wished to create that impression on the public mind why do you avoid the responsibility of it?—We say it in the qualified way, so that if anything turns up we can say we were misinformed.

10678. Then do you wish to create an impression on the public mind as to the fact without first satisfying yourself whether it is true or not?—I may say this: a newspaper has to deal with things occasionally of

Contract No. 15.
Helping News-
papers—

which the publishers are not in a position to pass upon the truthfulness or otherwise at the time. They must say something about it, and, on occasions of that kind, we try and relieve ourselves of as much responsibility as possible, yet we must give further currency to the report.

10679. Do you think it is the duty of a public journalist to impress the mind as to the existence of facts while the editor himself is not so impressed?—I certainly say not; but at the same time we endeavour to write in such a way as not to leave the opinion absolute. However, I may say that it turned out to be absolutely true.

An editor when not certain writes in such a way as to make an impression short of absolute.

10680. This is not the question to which I am at present directing attention. Among other things, I am trying to ascertain how that might operate upon Mr. Whitehead's mind, not upon your mind?—I can only answer that in the way I have answered.

10681. Is it your practice, and do you think it to be correct, to circulate a rumour of that kind, accompanied by the words "it appears" without first satisfying yourself as to the truthfulness of it?—No; we are very careful not to do it. Our practice is not to do so. We were just as sure as we could possibly be without being absolutely sure that it was true, and that is the reason we qualified at all.

10682. Can you tell me what you mean by being as far as possible sure without being absolutely sure? Do you think that for such a purpose there is really any comparative to the word sure?—There is; for instance, if I meet a number of persons that I do not know, and they tell me substantially the same thing, that would make me believe it to be true; but I would not take the responsibility. I would really consider it sure without taking the responsibility of it by being absolutely sure. Supposing then I met a number of persons that I was well acquainted with, and knew them to be credible people, if they told me the same thing I would then be absolutely sure.

10683. Do you think that the journalist is justified in stating that a fact appears to exist because he has heard it from several people whom he does not know, and without investigating it further?—Certainly; a journalist is justifiable by properly qualifying it. I made use of the words "it appears." I think that qualifies it enough.

A journalist properly gives currency to a rumour without investigation if he prefixes the account with "it appears."

10684. Do you think it qualifies it so as to make a doubtful impression upon the minds of the people, or only qualifies it to relieve the journalist of the responsibility?—I say this: that, of course, I can fully speak as a journalist and give my opinion, that I believe anything acknowledged in such language as that is does leave a doubt on the public mind whether it is so or not—just a slight doubt.

10685. The reason I am asking you about your opinion on this matter is because you have founded your evidence to some extent on the spirit in which you have written articles, and therefore the spirit in which you seemed to do such things may have some bearing upon the question as far as Whitehead is concerned?—I may say that this article regarding the strike was written as qualifiedly as it possibly could be in order not to create a sensation against Mr. Whitehead, because this was not by any means the first we had heard of it, and we had to put it off and put it off as long as we could; because I say this: my sympathy was with Mr. Whitehead.

10686. You say that you think that article which contained the words "it appears" was written as qualifiedly as it could be?—As it

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

Prior to the Whitehead-Tuttle arrangement all notices of contract 15 which appeared in *Free Press* were favourable.

Object with which witness gives his evidence.

Did not know until informed by the Secretary that the Commissioners were desirous of hearing all who could help them in their investigation.

Suggests names of persons to be examined.

could under the circumstances. There are not many journalists but what would have stated it absolutely if they had had the same information as I had.

10687. I am not suggesting that your views are incorrect, but it is necessary to understand your views upon this subject so as to correctly interpret the spirit in which you say the articles were written. Now, referring again to the general tone of all the editorial remarks, which you say you have perused, are you of the opinion that they were generally found entirely in favour of Mr. Whitehead and his conduct—I mean before the Tuttle arrangement?—I say absolutely that they were.

10688. Then do you wish the Commissioners to understand that you believe there must have been some other motive for Mr. Whitehead giving the assistance which he did, than any motive which he has described?—I do; that is my opinion.

10689. Is it with that object that you wish to give your evidence to-day?—I had two objects: the one was to exculpate myself, and then also I thought it was right that it should not be allowed to pass unchallenged.

10690. Do you know of any other persons who would be able to give us any information upon the subject of Mr. Whitehead's motive besides the witness whom we have examined?—I do not know; perhaps Mr. George Brown, of the Ontario Bank, might. I do not know.

10691. Is there any other person?—Mr. Tuttle ought to be examined himself; he has already been subpoenaed. Mr. McQueen ought to know something about it, he was Mr. Tuttle's book-keeper, and he ought to know something about it; but, of course, I do not know that he did, he was merely the book-keeper in the office.

10692. Are you aware that at the opening of this Commission the Commissioners informed the public that they would be glad of assistance from any person who would help them to prosecute their investigation?—I was not aware of it; I was not in the country at the time; I am only home a few days.

10693. Then it is only lately that you have been aware of that desire on the part of the Commissioners?—I do not know that I knew it until yesterday when I heard Mr. Whitehead, and I did not think I would let it go unchallenged. I did not know until yesterday of the desire of the Commissioners to obtain information, and then I came down and saw Mr. Davin and wanted to be heard, and he said: "all would be heard."

10694. We may remark that we will hear all who wish to be heard, or who wish to give us information as to others who ought to be heard?—Dr. Schultz ought to know something about it.

10695. Dr. Schultz has been named. Is there any other name?—It has been suggested that Mr. Bown might give some information.

10696. Is there any other?—I do not know.

10697. If you know of any other please communicate the name to the Secretary?—I will.

10698. Is there any other matter which you wish to give evidence on in connection with the Pacific Railway, or of any contractor or of any person connected with the works?—No.

**Railway Construction -
Contract No. 5.**

J. H. ROWAN's examination continued :

By the Chairman :—

10699. Were data sufficiently ascertained to form a fair estimate of the quantities so as to invite tenders upon some reliable information for the Pembina Branch at its first commencement—this was the question asked yesterday which you were not able to answer?—Having looked over the correspondence at the date when this work was about to be commenced, I find that we had no detailed data, the line not having been surveyed, because the work was started very hurriedly, as far as I remember, in consequence of representations made to the Government by people of influence in this country that numbers of people were in very distressed circumstances owing to the grasshopper plague, and I was ordered to make an examination in the country and locate a line between Emerson and Winnipeg on which work could be commenced immediately following in the main one of the public road allowances between the two points named.

Could not estimate quantities : line not having been surveyed before it was hurriedly commenced.

10700. I understand that you have described the work of 1874, over which you had supervision : what was the next operation which you directed or took part in?—In 1874, I had, I think, in addition to what I have already stated on the subject, surveys going on from the Red River westward to the neighbourhood of Pelly, on what is known as the northern route.

Surveys : 1874—Line north of Lake Manitoba. Preliminary survey from Red River to Fort Pelly north of Lake Manitoba.

10701. By the Narrows of Lake Manitoba?—Yes.

10702. Of what character was that survey made? Was it a location survey or an exploratory survey?—It was a preliminary instrumental survey, not an actual location for construction. In connection with that I may state, on looking over my correspondence with a view to refresh my memory, I find here a lengthy report which I made myself to Mr. Fleming, after I had made a personal trip up there, up through that country by his directions and through up to the Saskatchewan, which I have never seen published in any of the reports at all; it must have been overlooked.

Witness's report 21st October, 1874, on route to the north.

10703. What is the date?—21st October, 1874.

10704. What is the general tenor of the report?—The general tenor of the report is giving them a description of what I saw in my trip, the nature of the country as far as I was able to ascertain it, its physical character and its peculiarities, and what were the engineering difficulties as far as I could ascertain, to be met with, especially in the neighbourhood of the Narrows of Lake Manitoba, and the kind of country the line would pass through if taken in that direction.

10705. Was it recommending a line by the north of Lake Manitoba, as against the formerly projected line south of it?—No; the facts are these : the line was projected south of Lake Manitoba. I was asked by Mr. Fleming if we could not get a line more direct to the north, and by the Narrows. I replied that from what I could learn about that country, that it would not be as favourable; that it was very swampy and wet, and that we would have more difficulties to contend with by going that way than by the south. That was from enquiries I made from parties whom I thought were qualified to give information in this country, and I reported to that effect. I was asked if I had seen any of the country myself, and been over it at all, and generally on what I

How survey to north of Lake Manitoba came to be made.

Surveys: 1874—
Line north of
Lake Mani-
toba.

based the conclusion I had arrived at. I said I had not been through the country myself, and it was only from what I could pick up from people who professed to know something about it. I then received instructions to the effect to know positively whether what I said was the case or not. We must have some proper examination of the country made, and I was instructed to have a line run through that way, and also to go and see for myself, as far as my time would admit, what difficulties there were to be met with at the crossing of the Narrows of Lake Manitoba.

10706. Were your instructions only to examine the neighbourhood of the Narrows, or the line further east and west?—My instructions were to have a line run from Red River, at the crossing at Selkirk, in as direct a line as practicable to the Narrows of Lake Manitoba, and from thence westward to the neighbourhood of Pelly, on Swan River; but I was at the same time to make a trip myself, and report what I thought of the country and of the crossing of the Narrows of Lake Manitoba.

The report—personal observation and opinion of witness.

10707. Is the report to which you have alluded of October, 1874, based upon your information obtained upon the trip of which you speak of now?—Yes; it is a record of my personal observations and my views on the subject.

Reported that the Narrows presented no serious difficulty and the country superior to what was anticipated.

10708. Can you describe shortly the general result of the inspection upon your judgment?—I think so. As regards the Narrows of Lake Manitoba, that there was no serious difficulty whatever in constructing the railway across at that point; and that the country generally, as far as I could see it, from my trip by the lakes up to the Saskatchewan, was very superior from what I had been given to understand. I also made recommendations in that report.

10709. Have you a copy of that report which you could leave with us?—I have the report here, and I can have a copy made for you.

10710. Did you examine the lands for purposes of ascertaining whether they were fit for settlement or likely to be settled?—No; I did not. My examination consisted altogether of the journey up the lakes, and what I could see from the borders of the lake. I did not penetrate far into the interior. The time at my disposal would not admit of my doing that personally.

Time when examination made: 3rd September to 18th October, 1874.

10711. At what season of the year was the inspection made?—It was in September and October. I left here on the 3rd of September and returned on the 18th of October.

10712. During that inspection you did not consider it necessary to ascertain the probability of the settlement of the country through which the railway would pass?—The engineers who were employed under me running the lines would report on the nature of the country as they went through.

Witness did not consider the country from the point of view of settlement.

10713. I am speaking of your duty?—Personally I did not.

10714. Is that specially alluded to in your report?—Yes; the character of the country is alluded to in my report, as far as I saw it.

Red River Crossing. Selkirk fixed on as crossing in 1874.

10715. Was it during the year 1874 that Selkirk was fixed upon as the point for the crossing of Red River?—I fancy it must have been about that time.

10716. Do you know whether, about the time that the crossing was fixed upon at that point, any Members of Parliament or any engineers were interested in the lands in the neighbourhood?—I do not; I know that in making the examination of the river—when I was instructed to make an examination of the river, with a view to deciding upon what point would be most favourable for the crossing—that I had to be very careful, because numbers of people were on the lookout, thinking that wherever the line was located would be a favourable point to speculate in lands; consequently I made the examination the whole way down from here and to a considerable way below Selkirk, stopping frequently and making sketches the whole way along the river, and every effort was made to keep private from anybody, except the Department of the Government, what was contemplated as to where the crossing was to be. When we got the line surveyed to the edge of the river, and the parties coming from the east came out and struck the river, there could be then no longer any doubt as to where we were going to cross.

Red River Crossing—Alleged Improper Influence.

Knows no Member of Parliament or engineer interested in land where line crosses Red River.

Surveying parties from the east struck Red River in fall of 1874.

10717. About what time did that happen?—I think that was in the fall of 1874. If I remember rightly, some time in the fall of 1874.

Railway Location—Line from Red River to Fort Pelly.

10718. Did you proceed along the located line to Fort Pelly yourself?—Not at that time.

10719. Did you at any time?—Subsequently I did; not the whole way to Fort Pelly.

10720. Did you walk over it?—Yes.

10721. How much of it?—About fifteen miles west of Lake Winnipegosis to this side of the Duck Mountains. I did not go around the Duck Mountains at all.

10722. Was there any difficulty in getting over that portion of the country?—No; merely some portions of it were swampy muskegs, like what you saw in section 14 the other day. There was no serious difficulty.

Surveys.

10723. Was any work done during the winter of 1874-75 in the field?—Yes; those very surveys were carried on all through that winter.

Winter of 1874-75 the same surveys carried out through winter.

10724. We have got down now, as I understand you, to the end of the winter of 1874-75; what was the work next undertaken on account of the railway?—The next work undertaken then. I think I went down to Ottawa in the early part of 1875, and assisted in getting up reports and getting the work in shape. The plans and office work generally and the general charge I had, under Mr. Fleming—outside of what I was personally looking after—that I attended to while in Ottawa. Then I came back, I think, about June, 1875, having been offered—as construction was about to commence, and it was considered impossible that any one engineer could look after such extended work under construction—my choice as to what district I would prefer to take on construction, and I selected this Manitoba District, and came up here about June, 1875, to take charge of the works of construction.

Railway Construction—1875.

Early in 1875 went to Ottawa and assisted in filling up reports and putting work in shape.

10725. Then over what extent of country did your jurisdiction extend?—From that date my jurisdiction was extending from Rat Portage to Fort Pelly and the Pembina Branch.

In June, 1875, went to Manitoba to take charge of district from Rat Portage to Fort Pelly.

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

In 1874, contractors began to build a line from Winnipeg to Selkirk and Pelly.

10726. I think you made no allusion to the telegraph construction during 1874, or the beginning of 1875; do you remember whether any of that work was proceeded with?—It was. I think it was in the fall of 1874 that the contractors came here (Sifton, Glass & Co.) to build a line here from here to Pelly, with instruction to me from the Secretary of Public Works, that they were also to connect this place with the line by building a line of telegraph from here to Selkirk on the public highway.

Witness specially instructed as to line from Winnipeg to Selkirk that being no part of their contract.

10727. West of the Red River?—On the west side of Red River. I may mention that Sifton, Glass & Co.'s contract was to build a line of telegraph from a point on the west side of Red River, along the line of the railway, to Fort Pelly, or Livingstone as it was subsequently called, to the longitude of Pelly. I had special instructions as to the building of the line from here to Selkirk, as I do not understand that to be a part of their contract.

10728. It was done under Sifton, Glass & Co.?—Yes; I think in October, 1874, and the beginning of November, they commenced operations to build this piece of the line.

10729. Was the building of the telegraph line beyond Livingstone westward, under your jurisdiction?—To a limited extent only.

Witness the channel of communication between Fleming and contractors.

10730. What responsibility had you in connection with that work?—I was made the channel of communication. Mr. Fleming occasionally instructed me in reference to the matter, but the details of it were not under my charge at all. I occasionally gave general instructions regarding it as they were communicated to me by Mr. Fleming.

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

Divisional Engineer sent to commence location of contract 14.

10731. Will you proceed with a description of the works after the time you have named—the end of the winter of 1874–75—which were under your direction?—A division engineer with a staff of assistants was appointed in Ottawa, and sent up here to commence the location of contract 14, at Selkirk, and to work easterly. That is the actual final working location on which the work was to be constructed. Business connected with the office detained me in Ottawa for some time later, and I did not get up here until sometime the latter end of June, 1875. In the meantime Mr. Thompson, the engineer—who was appointed as divisional engineer for contract 14—under me, was at work with his assistants locating and laying out the work which was let and known as contract 14; and generally speaking then the work of construction proceeded on contract 14; and the survey and location of contract 15 was also going on under Mr. Carre.

Witness arrived in Manitoba June, 1875.

Survey and location of contract 15 going forward under Carre.

**Preliminary Survey—
Pelly to Edmonton.**

Survey from Pelly to Edmonton a preliminary railway survey.

10732. Could you say whether the telegraph was located from Pelly to Edmonton on a preliminary survey or on a railway location survey?—It was on a preliminary survey.

10733. Was not a line located—the railway line?—Yes; it was located, but it was not located for construction. That is to say, all the curves were not laid round in 100 feet lengths as we would do it if it were a final location; but it was located sufficiently close to admit of the telegraph being constructed.

10734. Quantities were not ascertained, but the locality was determined on?—Exactly.

**Telegraph—
Maintenance
and Construction.**

10735. Have you considered whether it would have been more profitable to the Government to assume and work the telegraph in connection with the railway, or allow it to be controlled as it has been by other parties?—I have.

10736. What is your opinion upon that subject as an engineer, knowing the management of the business?—My opinion is that it would be much better in the hands of the Government; that is to say, the operating of the line. The construction, in my own opinion, would be better done under contract, under proper supervision; but the operating of it and maintaining of it, in my opinion, would be much better in the hands of the Government.

Operating telegraph line better in hands of the Government.

10737. What advantage could the Government have reaped, which they have not reaped, if they had undertaken the maintaining and operating of the lines?—It would have been in better shape, and of more use to the Government and the public generally, than it has been under the present management.

10738. Has there been trouble about the efficiency of the operating and business generally?—Yes; it has not been properly maintained.

10739. What sort of trouble have you experienced?—The line being down and unable to get communication over it.

10740. For short intervals or long intervals have you been deprived of the opportunity of communication?—To what part do you now refer?

10741. To any part?—Say between Red River and Livingstone, it has been down, if I remember correctly, for as much as a month at a time. I think I am safe in stating that it was as much as a month at a time. I might say further, in connection with this subject, that a contract was let for the erection and maintenance of this line that we are now speaking of, from Red River to Pelly—the erection of it and maintenance of it for a certain number of years, and also the operating. I think that this was the only contract on which the operating was let. Where the mistake, in my judgment, occurred was that too much reliance was placed on the fact that the contractor had to maintain the line for five years, and it would be, therefore, his object to erect a good line in the first place so as to save expenses in maintaining it afterwards. The contractor foolishly for himself, in my opinion, did not take proper steps to see that that was done.

**Contract No. 1.
Between Red River and Livingstone line down a month at a time.**

Too much reliance placed on the view that contractor having to operate line five years it would be his interest to erect a good line.

10742. Then the inducement which was supposed to be held out to him was not sufficient to make him erect it of a permanent character?—No; but I think he was very short-sighted not to have taken more trouble to have erected it well in the first place.

10743. You mean that the inducement was not sufficient, because it had not the effect of making him erect a permanent line in the first place?—I think hardly that. I think the inducement was good; but he did not see it right—he was blind to his own interest. If he had used proper judgement in the matter, he would have seen that it would have been better for him to exercise close supervision in his first construction of the line, in order to save subsequent expense. The result has been, in my judgment, that the contractor has expended as much money in trying to keep that line in repair as would have built a line of double the length properly in the first place.

Inducement adequate if one could be sure that every contractor would be far-seeing.

10744. In what respect was it not properly built?—The poles were not properly put down in the ground. I suggested that an efficient

Poles not put far enough in ground

**Telegraph—
Maintenance
and Construc-
tion.
Contract No. 1.**

inspector should be sent along with the contractor during the work of construction, who should himself, on behalf of the Government, see that every pole was put down the proper length in the ground, and the line put up in proper order, in the first place, as it was impossible I could, in connection with my other duties, personally see to this matter myself.

10745. To whom did you make that suggestion?—To the Chief Engineer.

10746. Was that before the construction of the telegraph line had been commenced, or while it was in progress?—To the best of my recollection, both.

10747. Then you made the suggestion upon more than one occasion you think?—I think so.

**Suggestion that a
Government
officer
should oversee
the sticking the
poles in ground
rejected by
Fleming.**

10748. Was it adopted either wholly or in part?—It was not adopted, and the reason assigned was the one I tell you : that it was considered that the contractor, having to maintain the line for five years, would be at pains to put it up substantially in the first place, to save expense in maintenance.

10749. Were these suggestions in writing or verbally do you think ? —I cannot at this moment say ; but I will be in a position, by looking over my letters, to give you a decided answer. I think that they were made in writing.

**Contract No. 4.
Line between
Winnipeg and
Thunder Bay
badly main-
tained.**

10750. As to any other section of the telegraph line have you any evidence to give upon the maintenance and upon the efficiency of the operating?—I have further to say, in reference to telegraph construction, that the maintenance of the line between here and Thunder Bay has been very poor, especially that portion of it east of Rat Portage.

10751. Has the defective maintenance interfered with its business in connection with the railway?—Very materially.

**Serious delays
causing loss.**

10752. Do you mean that delays, inconvenient and long delays, have occurred?—Serious delays—a loss to the work.

10753. Have you any means of communicating directly from your own office over that portion of the line?—Yes.

10754. Then has the manner in which it has been operated been under your own supervision continually—I mean within your own knowledge as to its efficiency or otherwise?—Yes ; that portion between here and Rat Portage has been directly under my own knowledge, and from the fact of it being connected through with the Thunder Bay portion generally.

**Messages repeat-
ed at Rat Portage**

10755. As a matter of fact I understand that your messages are repeated at Rat Portage?—Yes.

10756. So that if the line should be down between this and Rat Portage you would know it immediately by not being able to communicate?—Yes.

**Defects exist up
to present time.**

10757. As to the points beyond that you have to be informed from some other place?—From Rat Portage ; except occasionally when they make what is called a through connection, then we can hear Thunder Bay ourselves in my office ; we can hear communication direct from Thunder Bay ; but owing to the fact of the line not being kept in proper order this through connection is not at all continuous. I may

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

state that these defects of which I am speaking are up to the present hour; in fact, within the last few days it has involved us in very serious inconvenience, if not loss.

10758. Could you form any opinion as to the proportion of time during which the maintenance has not been made sufficiently; for instance, has it been one-third of the whole year from time to time, or less or more?—Speaking in the lowest approximation, I should say that over the whole distance it would be probably one-sixth of the year.

Line one-sixth of year out of order.

10759. Out of order?—Yes; out of order.

10760. Is there any other matter connected with the telegraph business which you think necessary to explain?—I might mention, for the information of the Commission, that the contracts for the telegraph were let, one from Thunder Bay to Red River, to the east bank of the Red River, and another was from the west bank of Red River to Pelly. These lines were unconnected. There was a break at the crossing of Red River. I reported on this fact to the Engineer-in-Chief, and also of an offer that was made by Mr. Sifton to complete this gap, or to build a line across Red River connecting the two lines, which offer and the report which I made on it was accepted, namely, that he would connect the two lines, stretch a line across the river at Selkirk, and connect the two lines together for \$300, I think, and for maintaining it for the length of time that he had to maintain his own line at the rate of \$60 a year, or \$300 more, making a total of \$600.

**Construction—
Connection
across River.**

Sifton completed gap between lines one running to west bank the other to east of Red River for \$300 and agreed to maintain it for \$60 a year, total \$360.

10761. Is there anything further relating to the telegraph?—I do not at this moment think of anything further.

10762. If anything further occurs to you as being material, please let us know before you end your evidence. As to section 14, do you remember generally what work had been done by the Government towards ascertaining the probable quantities before tenders were invited?—By the direction of the Engineer-in-Chief I sent him down from here, in the fall or winter of 1874, or spring of 1875, the rough plans—field plans and trial location that had been run over the proposed line.

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

Sent to Fleming in winter of 1874 or spring of 1875, field plans and trial locations, &c.

10763. Where had those plans been prepared?—In the camps on the line. They were the rough field plans and field profile. The Government were anxious, I believe, to get the work started, and I received instructions from the Engineer-in-Chief to forward what information I had to Ottawa, which I did; and, from the information thus given, I believe an approximate profile of the line and approximate quantities were made out in the head office in Ottawa. I was myself at the time here in the field.

Approximate profile and approximate quantities made.

10764. Do you think there was a profile sent among the plans at that time?—I am satisfied that there was.

10765. That was a profile taken in the camp?—No; a profile run under Mr. Carre's supervision—his field work.

10766. But it was made at his camp, as I understand you—the profile?—The rough copy was made with all the figures and everything necessary for them to plot a clean copy of it in Ottawa, because we could not make a good copy in camp.

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

10767. As I understand the matter, a profile will show the elevation and depressions of the centre line of the location?—Over which the profile was run?

10768. Yes?—Yes.

Profile sufficient to calculate quantities where country is level.

10769. Would that be sufficient to enable them at Ottawa to calculate the quantities?—Yes; where the country was level. I am speaking now of at right angles to the railway where it was level. At right angles to the railway it would be unnecessary to make cross-sections.

Considerable portion of contract 14 level.

10770. Was the line on this section level?—For a considerable portion of the distance it was; but other parts were very rough.

First forty three miles east from Red River level.

10771. What proportion of the distance would you so describe?—Speaking approximately, the first forty-three miles going eastward from Red River.

10772. You think that would be so nearly level that the centre line would afford sufficient data to make an approximate estimate of the quantities?—I do.

And the greater portion of what remains over level muskeg.

10773. And from that point further east would there be any proportion of level country—I mean level enough for that purpose?—Yes; in broken stretches the line runs for a considerable portion—in fact, the greater portion of the remaining part of section 14—across muskegs which are quite level.

Only two-fifteenths would require cross-sectioning to arrive at exact quantities.

10774. What proportion of the distance of the whole length of 14 would be of a character where it would not be level enough to admit of fair estimates being arrived at without cross-sectioning?—Probably out of the whole length of seventy-six miles there would be about ten miles of cross-sectioning in order to obtain the exact quantities.

10775. I believe, as a matter of practice, it is not expected to give exact quantities, therefore I do not ask the question with reference to exact quantities; but I mean approximate quantities in the ordinary sense of approximate quantities?—I only answer the questions just as you ask them. I do not volunteer any statement at all. There is something I would like to say. I do not know whether it should go down in evidence or not.

10776. Yes; you can explain?—Have you gathered from what I said to you, that the location survey was made on the line that the railway was to be built eastwards from Red River towards Cross Lake?

10777. Yes?—Then that was not what I wished to convey.

A location survey not made on line on which the railway was to be built east from Red River to Cross Lake, but a survey and line run by Carre not to be the line to be followed, it being one from which deviations would be made. Line actually made, laid down and another line thought more desirable dotted.

10778. What did you mean?—A survey and line had been run by Mr. Carre, but it was not (as was stated at the time it was sent to Ottawa) to be the line that would be followed when we came to make the road—that deviations would be made from it, and what was called an approximate profile was plotted from that of the line that was intended to be followed, as laid down on the map. The line actually surveyed was laid down on the map, and then another line was shown, dotted where we thought it would be a desirable place to make the final location; and what was called a compiled profile, I presume, was made in the office at Ottawa, intended to represent approximately what would be a section of that dotted line.

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

10779. Explaining the object for the present of the question which I am asking you, there has been a good deal of discussion about sufficiency of the data which were within the knowledge of the Government at the time that the tenders were invited for this work, some persons contending that it is not necessary to have anything like accurate data, and others that data such as were offered in this case were altogether inadequate; and I am endeavouring to ascertain from you the amount of information which was given to persons tendering, and whether it was reliable, or altogether or principally a matter of guessing?—I would say, in reference to that, it could only be an approximation; but I cannot say, specially by the light of experience now, that it could be then considered a close approximation, from the fact that, as I say, the line was not located on the line intended to be followed when we came to actual construction, and that these surveys, information and data forwarded to Ottawa, were all made in winter when the ground was frozen. No one connected with the surveys here in the field, as far as I am aware, had at that time any idea of the depth of some of the muskegs that were to be crossed. In making up the quantities from the profiles, the approximate quantities in Ottawa, it is probable that sufficient allowance was not made for shrinkage and subsidence. These quantities were not made up under my supervision, but I think it is not at all improbable that had they been, I could not have given very much closer approximations than were given under the circumstances.

Only an approximation to quantities could be arrived at.

The line not located on line intended to be followed. Data forwarded to Ottawa, all made in winter. None any idea of the depth of muskegs to be crossed.

10780. Have you been examined at any time upon this subject—I mean the difference between the quantities as executed and the quantities as communicated to tenderers?—I have been asked about it in Ottawa.

10781. Has there been a great discrepancy between the amounts communicated to tenderers on section 14 and the works executed?—There has been a considerable difference. The amount of work executed is considerably in excess of the original figures that were submitted to parties tendering for the work.

Work executed on section 14 largely in excess of quantities submitted in tenders.

10782. Did you attribute that difference to the deviations of the line, and the extra depth of the muskegs only, or was there some other matter to which it could be attributed?—No; I attribute it to those two things, to deviations made on the line, and to the nature of the material, as it subsequently turned out.

Discrepancy due to deviations and muskegs.

10783. Had the deviations been in the direction of increasing the quantities or of diminishing them on the whole?—On the eastern end, I think, they have tended to increase the quantities; on the western end to decrease.

10784. Could you say upon the whole, whether the quantities have been increased by the deviations?—I think upon the whole they have probably been increased. In fact, it is not only probable, but they have been increased upon the whole.

10785. Have you at any time considered to what extent the deviations have increased the quantities?—Not in detail.

10786. By percentage or any other method of informing us?—Yes; I think I have.

10787. By what percentage have the deviations increased the estimated quantities?—I could not say at this moment. I will make a note of it. I think I have some figures bearing on the question.

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

10788. In preparing the progress estimates, do you state the different points along the line at which the quantities are ascertained, or only the aggregate?—The aggregate.

10789. In order to arrive at this aggregate, I suppose you have first some data as to the particular localities?—The assistant engineers have all the detail measurements of each particular locality.

10790. So that it would be possible, by comparing those quantities with the quantities ascertained before tendering upon the same localities, how much they differ, if they differ at all, in each locality?—Yes; I believe that has been done.

Result of comparison on portions where possible between final estimates and measurements.

10791. Are you able to say whether any such comparison has been made so as to ascertain what increase in quantities is due to muskegs?—I am; generally from information I gathered. I learned from those who were engaged in the work, that in those portions of the line where it was possible to re-measure the work with any degree of accuracy, the re-measurement substantiated the final estimates as returned of the work; but that on the swampy portions, especially the Julius Muskeg, that they could get no such quantities out of the re-measurement as the original measurements when it was measured at the time it was done, show.

10792. Do you mean that at some time estimates of the executed work have been made too large?—No; but a ditch was dug in the muskeg, and it was measured when it was dug; subsequently the sides closed in and the bottom rose, and to measure that after these things had happened, it would not give the same cubical contents as it did when first completed.

All information respecting details of quantities sent to Ottawa.

10793. It does not occur to me that that is material to the question I ask, but I will explain, so that you may see whether it is so or not. I am endeavouring to ascertain the cause of the difference between the quantities actually executed over the whole work and the quantities originally estimated. Now you say that this difference is due to two causes—first, deviations of the line, and secondly, the increase in the quantities required to fill the muskegs. You say that the deviations in the line increased the quantities to some extent, and that extent can be ascertained by calculations which you have made. Now I am endeavouring to find out how much more the quantity was increased, because of the extra filling required for the muskegs, and you say that estimates have been taken from time to time, at each locality, so that one could ascertain the increase of quantities due only to the muskegs. Then by putting these two increases together, we can see whether the whole increase upon the original estimate is mainly due to this particular cause which you have given. Now, as to the muskegs, and the increased cost of them, have you means at your disposal by which you can inform us how much was due to that cause?—I find all that information is in Ottawa.

10794. Do you think that information has been sent to Ottawa, showing how much of the increase is due to muskeg filling?—The whole of the detail measurements of the work as completed were sent to Ottawa.

10795. Giving each locality?—Giving each locality.

10796. Not only the aggregate result?—Not only the aggregate, but every book and paper connected with the work of the assistant engineers, and the division engineers' returns, books and papers were sent

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

to Ottawa, and they give in detail the exact place where every cubic yard of earth was taken from. As regards the increase of quantities that is due to two causes, namely: deviation of line and nature of the material on the muskegs. The difference between that and the quantity as published for the information of contractors is the excess that those two causes give rise to.

10797. Then your opinion is that on section 14 there was no defective estimate at the beginning—I mean no serious errors?—I think the quantities were under-estimated.

10798. Yes; but only because of the extra amount required for muskegs and the extra amount required for deviations?—Exactly.

Allowing for extra amount required for muskeg and deviations, original estimate would be nearly correct.

10799. Allowing for this, the original estimate would be nearly correct?—I presume so.

10800. Is that the conclusion at which you have arrived after considering the subject?—The conclusion at which I have arrived at is that the excessive quantity is due to the nature of the material through which the line was constructed and the deviation that it was found desirable to make.

10801. And making the allowances which are actually occasioned by these, as far as you can understand the original estimate was about right?—Yes.

10802. You have mentioned the Julius Muskeg. Now, as to the ditch at that point, which is not, I believe, on the line, and for which a claim is made by the contractor because it is not on the line, and because he was required to haul material a much longer distance than he would if it had been on the line; can you explain the reasons for putting the ditch in the place where it is, and the effect upon the contractors claim?—It was found necessary to drain the Julius Muskeg in order to build the railway across it; profiles and lines were run in different directions, with a view of ascertaining how this could be done most economically, and with the least expense, both to the Government and to the contractor, and upon due consideration of the advantages and disadvantages of all the lines, the one on which the ditch is now dug was selected as giving a less amount of work to be performed, work which would be at the same time easier for the contractor to do, and it would be more permanently useful to the railway than if carried out in any other direction.

Julius Muskeg.
Reasons why ditch chosen.

Best for Government and contractor.

10803. I understand that the main object of this ditch is to take water from the line in the same manner that off-take ditches are intended to remove it?—Yes; it is an off-take ditch.

An off-take ditch.

10804. The direction of it is one not usually adopted for off-take ditches; that is, it is parallel to the line while off-take ditches as a rule are not parallel?—As a rule they generally run more directly away from the line.

10805. It was found in this case to be more effective to make it in a parallel direction?—Yes; more advantageous in every way. If it is thought necessary I can explain the reason.

10806. As far as the work itself is concerned, without respect to the cost either to the Government or the contractor, would it have been as effective if it had been in the locality of ordinary ditches, namely, within the line—I mean at a shorter distance from the formation or

Reasons for placing ditch outside line.

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

road-bed?—It would not have been desirable to have placed it there for engineering reasons, which are that the bank would probably have forced the material out into the ditch had the ditch been made as close as the ditches usually are, nameiy ten feet from the line of railway.

10807. The material is easily moveable?—Yes; before the ditch was dug it was almost liquid in some places.

**Contractor no
ground for claim
in respect of
Julius Muskeg.**

10803. A claim is made by the contractor for moving the material from this ditch, upon the ground that it cannot be considered an off-take ditch, and that therefore he ought to be paid for moving the material a greater distance than he would have been obliged to if it had been within the ordinary distance of common ditches from the road-bed. Can you explain anything in relation to that matter?—Yes; I have reported on that claim. I consider that the contractor has no grounds for any such claim, for several reasons. In the first place, the contractor has no right to claim extra pay for hauling the material from any place to put it into the road-bed until a certain distance is reached, which is defined in the specification; but it is only when the engineers oblige him to haul material beyond that distance that he is entitled to pay for extra haul, and then the pay that he is to receive is distinctly specified.

No extra haul.

10809. Do you mean the distance beyond 1,200 feet?—Yes.

10810. And at a fixed price according to the distance beyond that?—Yes.

10811. Has the contractor the option of wasting the material taken from off-take ditches, if he wishes?—In off-take ditches it is specified that he will take the material and cast it back from the ditch so many feet on each side.

10812. But it is wasted, as far as the building of the road-bed is concerned, if he wishes. He is not obliged to remove it into the road-bed?—He is not in most cases; but the engineer could compel him to put it in if the engineer thought it desirable in the interest of the work to do so; but it is specified in the specification distinctly what is to be an off-take ditch, and what is to be done with the material, and it is pointed out that that class of work will probably be of a more expensive character, than the ordinary side ditch of the railway. I might mention in connection with this subject, as you have asked me, that the whole matter was brought before the notice of the acting Engineer-in-Chief, Mr. Marcus Smith, during one of his visits here, and in my office, by the contractors, when the whole matter was discussed between them, myself and Mr. Marcus Smith, and he decided that they had no claim nor no right to claim extra payments for that work, and, as I understood a member of the firm who brought the matter under his notice—Mr. Farwell—the thing was then definitely settled.

**Grade lowered in
order to reduce
cost.**

10813. Would it not have been possible when the bank through the muskegs was found to shrink so much more than was expected to lower the grade of the road-bed in order to reduce the cost?—That was done.

10814. Was it possible to have been done to any greater extent than was done without injuring the efficiency of the road?—It might possibly in some places.

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

10815. Was the expediency of doing so considered and decided upon from time to time?—Yes, I think it was; and it was done. The banks were not made up across the muskegs to the height shown on the profile.

10816. I mean was it considered whether it might be done to a greater extent than has been done?—I cannot call to mind that it was.

10817. Would it have made any material difference to the cost of the road, if they had been lowered to the lowest possible point?—I do not think they could have been lowered much lower than they are with advantage. Grade could not have been made much lower with advantage.

10818. You said that the ditch at the Julius Muskeg was not made as close to the road-bed as in ordinary cases, because the road-bed would displace its sides?—In places, yes. Reasons why ditch and Julius Muskeg not made as close to road as ordinarily.

10819. Would that have happened if the ditch had been as shallow as ordinary ditches?—It might, but not to the same extent, of course.

10820. Then there is another reason which has not been stated. Is not the ditch made to a much greater depth than ordinary ditches?—It was laid out with that view.

10821. Was not that one of the reasons—I mean the extra depth—why it was placed so far from the road-bed?—Partly. Extra depth and width of ditch.

10822. Would it have been safe to place a ditch of the size that was necessary to perform the work which that did as an off-take ditch so near the road-bed as an ordinary ditch?—No.

10823. Then it was because it was wider and deeper than ordinary ditches that it was placed so far from the road-bed among other reasons?—Yes.

10824. I think you said that you had examined the surrounding country to see if off-take ditches, in the ordinary direction, could be made with effect?—Yes.

10825. And you decided that this, the one now made, would be more effective and less costly?—Yes; and easier for the contractor too.

10826. Would you explain what would have been the character of the ditch if made in the ordinary direction from the road?—The ditch would have been as long, if not longer, and considerably deeper. The depth to which the ditch would have been obliged to be cut in order to get through the intervening ridge which hems in the muskegs from the fall to the north where the ditch would have passed through that ridge, would have been considerably deeper than it is through the ridge which it passes through, thereby entailing considerably more expense on the contractor in making it. If ditch made in ordinary direction must have been deeper and larger.

10827. What would have been the greatest depth if made through that other ridge?—I think twenty or twenty two feet.

10828. Where would that ditch have emptied?—Into Whitemouth River. Would have emptied into Whitemouth River as does present ditch at point further south.

10829. Where does the present ditch empty?—Into the Whitemouth River at a point further south.

10830. Was that difficulty explained to the contractor before you decided upon the present site of this ditch?—It was, and a profile of Before site of present ditch decided on the matter discussed with

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

contractor who seemed to acquiesce.

the two things was shown to him, showing the advantage there was in taking it on the present route.

10831. Do you mean the advantage to him?—Yes.

10832. Then was there any arrangement or understanding entered into between you and him on that subject?—Nothing further than that he acquiesced. Of course, he had to do whatever I ordered him; but he seemed to think we were doing the best thing for him.

Directions to contractor regarding ditch.

10833. Now as to the removal of the material from this off-take ditch to the road-bed, did you give him to understand that you required him to do it, because of your right to remove material from any distance as if from a borrow-pit, or was it a matter of negotiation or compromise with him that he might do it instead of the ordinary line ditch close to the road-bed?—What actually did occur, to the best of my recollection, is this: I told him: "There is a ditch. Such of the material as is required to make up the road-way you will put into the road-way, and I will pay you road-way price for it. Such as is not required you will waste in the ordinary way, like for an off-take ditch, and you will get off-take ditch price for it." That was the understanding. I conceived that I had a right to put any quantity I liked of it into the road-way.

10834. Did he assent to that?—I think so, because there was no difficulty made about it at the first at all.

10835. Had he the opportunity if he wished to take the material from a smaller line ditch in the ordinary way closer to the road-bed, so as to make the haul shorter, if he had preferred it; I mean on the south side of the road?—I cannot speak positively on that point now. I believe that Mr. Jefferson Thompson, the engineer in charge of the division, and who resides at Kingston, and whom probably you will examine before you get through, will be able to speak more positively on that point than I can.

Reasons why quantities required to make road through muskeg were in excess of estimates:

10836. As to the quantities required to make the road-bed through the muskegs, was there any more than one reason why they were much in excess of what was originally estimated?—Yes.

(1) Softness of material.

10837. What were the different reasons?—One reason was that the material was softer than it was supposed to be at the time the survey was made.

(2) Large portion of stuff taken out at first spading containing stumps and roots, wasted.

10838. And by compression would fill less space?—Yes; by compression and drying the water filled less space in the bank than it did *in situ*, and even if it filled as much space as expected. Besides that reason there was another reason that a considerable portion of the stuff that was taken out of the top of the ditches—the first spading—had to be wasted owing to the character of the material being full of stumps and roots. This, according to the specification, we were not permitted to put into the bank. That had consequently to be thrown to one side, and with it, of course, adhering to the roots of the stumps, was a quantity of the material and moss taken from the excavation, which was wasted on one side of the road, forming a very considerable portion of the material taken out of the ditches.

(3) Depth of muskeg, subsidence.

10839. Is there not another reason that the depth of the muskeg itself was much greater than was expected?—Yes; that caused it to subside and settle down.

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10840. So that even if the excavated material had been firm there would have been a great excess in the quantities in order to reach a firm bottom?—Yes; not only that, but there would have been an excess owing to the ditches draining the muskeg and making the material settle down so as to form a solid bottom. It would then require a greater amount of material to bring it up to the line called the formation level.

10841. Was not the bottom of the muskeg much farther from the surface than was expected?—Yes; a long way—nineteen feet instead of three or four, as was anticipated in the case of the Julius Muskeg.

Muskeg nineteen feet deep instead of three or four as anticipated.

10842. Do you remember whether there had been any attempt made to ascertain the distance from the bottom before giving quantities in the estimates?—Such an attempt as was practicable with the means at our disposal at the time the surveys were made.

10843. At what time of the year were the surveys made?—In winter.

Survey made in winter; no boring tools.

10844. And what means were at your disposal?—An axe, a spade and shovel and a pole. We had no boring tools with us at the time the surveys were made; it was with difficulty even we had to transport our supplies, which had all to be done on men's backs, and there was nothing carried that could be possibly done without. Boring tools would be very cumbersome to transport, nor was it thought necessary to have them.

Boring tools cumbersome and (as thought then) not necessary.

10845. Were the tests made with these materials at your disposal considered to be satisfactory on the subject?—They were at the time.

10846. What is your opinion of the road-bed, as it is now constructed over muskegs, as affecting the wear and tear of rolling stock and rails?—I have the opinion that it is very much easier; that that portion of the road which crosses muskegs makes a very easy road-bed for rolling stock to run over; will be easier to keep in repair, and will not be so injurious to the rolling stock as harder portions of the line of more firm material.

Muskeg-road easy for rolling stock and easy to be repaired.

10847. So it will save in working expenses something of the ordinary expenditure of the railway?—Yes; no doubt of it.

10848. Of what character is the material in the road-bed as now made through these muskegs; is it a peaty substance, or spongy, or earth, or what?—It is peat, and moss, and sod and pine roots.

10849. Is there much wood fibre in it?—I think there is, in some places.

10850. Have you considered the probability of fire injuring it?—Yes, I have.

10851. What is your opinion on that subject?—I cannot now say whether I have reported in writing about it; but I am positive, in conversation with the Chief, I have mentioned my views on the subject, and that it is desirable to give the banks a slight coating of earth or ballast, gravel or sand, in order to protect them from the risk of fire. We have found from experience now that the banks have taken fire on several occasions, whether from the locomotive or from fires passing in every dry season, from the very fact of the men lighting matches to smoke, igniting the bank, and if the wind is blowing it smoulders right

Banks being largely made of peaty substance containing much wood-fibre, desirable to give them coating of earth, gravel or sand.

Fires have occurred.

Railway Construction - Contract No. 14.

Fire in some cases makes holes in bank.

over the whole bank a small fire and burns off a thin coating of the bank. As that becomes an ash it smothers the fire and it goes out. But in some places where the peat is lumpy in the bank, with interstices in the bank, it is apt to burn there and make a large hole in the bank where there are air passages.

And injuries ties.

10852. Do these fires injure the ties?—They do in some instances.

10853. Have they heretofore?—In a few instances; and once, as far as I remember, burnt or partially burnt at any rate the stringers and cap timbers of one of our culverts.

10854. You spoke of a distance of about ten miles on section 14 being of a character that merely centre-sectioning would not give sufficient data to form anything like an approximate estimate; have you any idea what time would have been required to have cross sectioned that portion of the line, if it had been intended to get more accurate information?—That would have depended entirely on the force that would have been available to have done it. With the force we had it would have probably lengthened the survey by a month.

10855. I think I understand you to say that, as far as this particular section 14 is concerned, the absence of that cross sectioning made no material difference in the estimates, because all the difference is now otherwise accounted for, that is by the deviations and muskogs?—I think so. I think it did not materially affect the quantities, the want of that information.

Contract 5 A.

10856. Do you remember whether you made up an estimate of the work probably required upon contract 5 A, that is the Pembina Branch, north of St. Boniface, before the Order-in-Council was passed by which Mr. Whitehead was authorized to proceed with it?—My impression is that I did give Mr. Fleming some information on the subject; whether it was before or subsequently, I am not now in a position to state, but I will make a note of it and be able to tell you.

Judging by Fleming's report of April 19th, 1877, Fleming had himself made calculations of the work on 5 A from preliminary profile.

10857. Here is a document from which you can refresh your memory (handing witness a paper)?—Having looked at this departmental document number 13,602, being a report of Mr. Fleming dated April 19th, 1877, I think that he has made all these calculations himself from the preliminary profile made of this line; but I am still under the impression that I must have given him some estimate, at some time or other, of the probable cost of this portion of the work, of which I will be able to inform you to-morrow.

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10858. Have you considered whether it would have been expedient to make a deviation at the eastern end of section 14 by locating the line a little to the southward of the present line. or what effect such a deviation would have had upon the efficiency or cost of the work?—Yes.

No deviation to south could have been made on eastern end of contract 14, so as to make the work as efficient at less cost.

10859. Do you think any deviation could have been made, so as to make the work as efficient and at less cost, at the eastern end of 14?—No; with the grades which we were instructed to follow no improvement could be made. We made efforts, we ran several trial lines, a plan of which I will produce, and profiles, before the Commission if it is thought desirable. We ran a number of trial lines, commencing as far west on contract 14 as station 3900.

10860. Was any trial line made commencing in the neighbourhood of station 4000?—Yes.

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

10861. Was that made so as to avoid the bay in Cross Lake?—Yes.

10862. About what station east of Cross Lake would that strike the main line again?—It would strike it somewhere in the neighbourhood of the present line.

Trial line made to see if Cross Lake could be avoided.

10863. About what station on the present line?—We did, closing in again on contract 15, at about station 1900. I may mention, when I say station 1900, that the drainage on contract 15 runs from the east westerly, and closes almost immediately on the west shore of Cross Lake, whereas the drainage for contract 14 runs from the west easterly closing at the same point.

10864. Can you remember the nature of the difficulties which you met on that proposed location?—The difficulties were commencing about the point you name, about station 4000; it threw us into very much heavier rock cutting, while the curvature that it required to get round the south end of the bay, to get back to the high ground at about station 4018, was greater than we were permitted to make on the line. If we had attempted to run across further south, thereby avoiding this curvature, we would have been thrown into very much heavier embankments on the low peninsula, which cuts the high wall over which the line is, in connecting with the main line.

Bending south would mean heavier rock and greater curvature than was permissible.

10865. Then as to the crossing or embankment over Cross Lake proper, did you meet with difficulties there as to the length or depth?—The length of the crossing over Cross Lake proper, had the line been swung down to the course which I have just mentioned, would have been considerably increased and the distance across the water would have been considerably increased. Owing to the nature of the country immediately east of Cross Lake, on contract 15, it was found impossible to get the grades which had been decided on as the maximum, without going into very much heavier cuttings. In order to endeavour to overcome this difficulty two trial lines were started: one commencing about station 3990 on contract 14, the other about station 4005, and running down towards the south-westerly shore of Cross Lake, crossing at the narrow point of the lake, and was attempted to be carried from the eastern shore of the lake at this point eastward to connect with a point on contract 15, several miles east of Cross Lake; it was found after a trial section had been run over this line, that the grades required could not be obtained without a very large increase of cost.

And length of crossing would have been increased.

Owing to character of country on contract 15 impossible to get the grades which had been decided on without heavier cuttings.

10866. Then as to this subject of locating lines south of the adopted line, do you say that you have given the subject considerable attention, and have come to the conclusion that the present line is the best?—I do; and I might further state in connection with what I have just said about these lines, that this trial line of which I have just recently spoken, joining in several miles to the east, was made at the suggestion of the acting Engineer-in-Chief, with a view to seeing whether an improvement could not be made of that line, after he had personally visited the spot himself.

Present line better than any south one.

Trial line spoken of above made at suggestion of Marcus Smith.

10867. Were the results of this inspection submitted to him?—Yes; and as I received no orders, after that had been done, to change the line, I concluded that the acting Engineer-in-Chief had made up his mind also that it would not be an improvement to shift the location to that point. This profile and plan were forwarded to him at Ottawa.

**Railway Location—
Contract No. 14.**

Existing line as good as could be found with the grades.

10868. Are you at this day of the opinion that the line adopted is as good as any that could be found on that part of the work?—I am, with the grades that we were called on to follow.

**Railway Construction—
Contractors' Claims.**

Expense in consequence of delay in moving men and supplies when work was stopped east of Julius Muskeg, more than compensated for by the extension of time given them.

10869. The contractors upon section 14 make a claim for the expenses of moving men and supplies, when the change of line was contemplated and the work stopped east of the Julius Muskeg; do you remember anything about that matter?—I do. I am of opinion that the delays to which reference is made, and which only extended over three or four months, were more than compensated for by the extension of time which was given to the contractors for the completion of their work. I have, however, submitted my views on the subject to the Chief Engineer, in a letter dated 10th January 1879.

Change of line between Brokenhead and Whitemouth advantageous.

10870. There is also a claim by the contractors for the change of line between Brokenhead and Whitemouth, because the character of the soil was different and more costly to work; do you remember about that item?—I do. A report is made in reference to this claim also in my letter of the date which I have just named. I may here state briefly that the change was made owing to the fact that it would have entailed considerable additional cost to have made the railway on the first line to which the contractors refer, if we were called upon to carry through the grade, of twenty-six feet to the mile, running eastward; by changing to the present location the difficulties in this respect were removed.

10871. Was the change more advantageous to the Government, do you mean?—Yes.

And in no way injurious to contractors.

10872. How did it affect the contractors?—I fail to see that it materially affected them at all.

10873. Are you still of the opinion that the views expressed by you in the letter referred to, are correct?—I am.

Claim for coffer dam for the pier of the bridge over Whitemouth River without foundation in witness's opinion.

10874. Is there any dispute about coffer dams with the contractors?—I can hardly call it a dispute; they made a claim for an extra payment on account of putting in the coffer dam for the pier of the bridge over the Whitemouth River. I did not feel that I had any authority to entertain such a claim with the specification before me. When the acting Chief-Engineer came along, they submitted their claim to him, or stated it to him; they thought they were entitled to consideration. The acting Chief-Engineer read over the specification. I cannot call to mind now exactly what he said on the subject, further than he desired me to have a note kept of what the actual cost was in making this coffer dam and send it to Ottawa, when I was making my return of the final estimate. This I did, and my remarks on the subject will be found in the same letter to which I have already referred, and to the views therein stated I still adhere.

Acting Chief Engineer directed him to have a note made of actual cost and send it to Ottawa.

Claim for loss consequent on delay in locating east end of the line.

10875. There was also a claim made on account of delay in locating the east end of the line, by which it became necessary to team plant and supplies from Fisher's Landing at an extra cost to the contractors; is that subject mentioned in your letter?—Yes; that is item No. 6. I have reported on that.

10876. Have you anything further to add to what you have reported?—No; I think what I have reported in that letter covers the subject fully.

10877. I understood from Mr. Sifton, one of the contractors, that you favoured their claim to some extent for roads, made use of by the Government, which the contractors had constructed?—Yes; I find that the last clause of my report on that subject, in this same letter, winds up with the words: "I consider the contractors entitled to some consideration under this head."

10878. The contractor led us to understand that a portion of the claim was for the use of this road by the contractors for 15, and not alone for the mail service or any work of the Government; have you formed any opinion as to the proportion of the whole expense of repairing which the Government ought to pay?—I have not, and it would be a very difficult matter to decide.

10879. I think he gave some evidence, which was to the effect that the work for the Government alone would be about one-ninth of the whole cost of repairing, and that four-ninths would be for the contractors themselves, and the other four-ninths for the contractors of 15. I do not know whether you have reason to think, without careful consideration, that these proportions would be nearly right; if so we would be glad to hear you on that subject?—I would say, in reference to that, it would be difficult, even impossible, to arrive at anything like a correct conclusion as to the proportions; the figures you have stated seem to me, speaking in a very uncertain manner on the subject, to be pretty fair, except the one for the Government, about their one-ninth. I do not know that the Government are entitled to pay anything. That the contractors for 15 did use his roads there is no doubt, and put him to considerable expense; but in my engineering experience I never knew that a company or the Government has been called upon to pay for the use of contractors roads, which he had to make over his work, for them to pass backwards and forwards over their line.

10880. Is there any reason within your knowledge why the Government should pay for the use of this road by the contractors of section 15?—No; none whatever, that I know of.

10881. The contractors also claim an item for extra price of work at Selkirk Station ground: is that one of the subjects upon which you have reported in the letter alluded to?—Yes; item No. 9.

10882. Are you still of the opinion that your report is a correct one on that item?—I may read the last part of my report in reference to that question; I also reported in a letter above referred to. The concluding portion of the report on the subject is as follows:—

"The matter was brought under the notice of the acting Engineer-in-Chief here [not Winnipeg] by the contractor. He directed the division engineer and myself to determine on what proportion of the material removed the contractor might lay claim to extra remuneration, and also what price per cubic yard would be a fair allowance. The quantity we make to be 19,364 cubic yards, and the price 50 cts. per cubic yard, which would amount to the sum of \$9,682; or, in other words, if this meets with approval, the final estimate would be increased by the sum of \$4,647.36, the difference between the contract rate of 26 cts. and 50 cts. per cubic yard on the above quantity of 19,364 cubic yards; that is to say, the total estimate as by enclosed return, \$636,853.59, increased as per item, page 17 of this report, \$2,850, and as above \$4,647.36, total \$644,350.95."

10883. Have you made any estimate, or procured any estimate, of the work yet to be executed from the 1st of August on contract 14, or is it considered to be finished?—I am having such an estimate prepared for you, and will submit it in a few days to the Chief Engineer.

Railway Construction—Contract No. 14. Contractors' Claims.

Claim for compensation for use of roads worthy of consideration in witness's opinion.

Proportion of liability for repair of roads estimated by contractor fair except the one-ninth charged to Government.

Claim for extra price at Selkirk Station ground: witness recommended an extra price.

This would increase total estimate by \$4,647.36, which with item of \$2,850 would bring it up to \$644,350.95.

**Railway Construction—
Contract No. 14.
Contractors' Clauses.**

Work not completed under contract with Sifton, Ward & Co

About two miles of contract 14 transferred to Whitehead.

Agreement with Whitehead made in Rowan's office in presence of and at suggestion of Marcus Smith, acting Chief Engineer.

10884. Has the work been fully completed under the contract with Sifton, Ward & Co., on section 14—I mean irrespective of the eastern end, undertaken by Whitehead?—No; it has not. I reported the fact that such was the case in the letter to which I have made frequent reference of late, and submitted an estimate of what it would cost to do the unfinished work at the contractors' rates, stating at the time that it was difficult to say what it really would cost. I submitted an estimate of what it would cost if done at the contractor's rate, but it was difficult to say whether it could be done at contractor's rate or not, or what it would cost.

10885. Was there any other portion of the line which was originally contract 14, which was afterwards transferred to Whitehead to be finished?—There was.

10886. About what length of the line was that?—About two miles.

10887. Did the work undertaken by Whitehead, by that arrangement, include detached fills, or did he undertake other work for the whole length of the line at that time unfinished?—It was a specified work remaining unfinished between a certain point on the line on contract 14, which I think was specified in an agreement.

10888. Then was it that he should do all the work on that portion of the line which it would be necessary to do to fulfil the contract, whatever the work might be?—I think so; that is my recollection of it.

10889. Do you know how the arrangement was brought about?—I do. It was brought about in my office and in my presence, by an arrangement effected by the acting Engineer-in-Chief, and a written agreement was drawn up and signed by both parties, if I remember right, which the acting Engineer-in-Chief undertook to submit to the Department for approval.

10890. Was Mr. Smith the acting Engineer-in-Chief at that time?—Yes.

10891. Was he present?—Yes.

10892. Was he present when the agreement was signed, or when the arrangement was made verbally?—Yes; it was all done under his supervision and suggestion and conversation, and he handed it over to me.

10893. Was a writing made, do you think, at the time the verbal agreement was completed?—I think so.

10894. Was it arranged altogether at that one meeting, or had there been previous meetings on the subject?—I think they had several meetings before they could come to an agreement.

10895. When you say they, do you mean the contractor for 14 and Mr. Whitehead, or do you mean Mr. Smith also?—The contractor and Mr. Whitehead had frequent discussions about it; and if I remember right, there were discussions at which all three—that is Mr. Sifton, Mr. Whitehead, Mr. Smith and myself—were present, before the conditions embodied in the agreement were arrived at.

10896. Who represented the contractors on those occasions?—Mr. Whitehead was present to speak for himself, and the contractors of section 14, and I think, I would not be quite positive, whether it was Mr. Sifton or Mr. Farwell—I am not quite positive—or both. My impression is that it was Mr. Farwell.

10897. Could you describe the progress of the negotiations without reference to the wording of the document; for instance, we would like to ascertain whether the verbal arrangement was the same as that which was embodied in the writing?—As to that point I can state that it was, because I was present. As I understood, the thing was finally arranged, and the written agreement was handed over to me as the basis on which the thing was to be carried out, when I received notification that it was approved of by the authorities at Ottawa.

10898. You mean, of course, that it was intended that the writing should embody their agreement?—Yes.

10899. But it might be a question of legal construction what the proper meaning of the written document is, and I am endeavouring to ascertain, without reference to the words in the document, what the verbal agreement was?—Without seeing the document I could hardly speak at this moment as to what the verbal agreement was; but the impression conveyed to my mind was that the document embodied what was agreed between the parties; that is to say—I may be wrong—but my recollection is that Mr. Whitehead was to complete what work there was to do on the eastern end of contract 14, left unfinished by Sifton, and that he was to haul the material from where he liked, and that 40 cts. a yard (I think that was the price) was to cover the total cost. Mr. Whitehead was also to take out a small quantity of rock that was left in the most eastern cutting of contract 14, with the view of using it for rip-rap on the side of the bank across the bay.

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Verbal arrangement identical with that embodied in writing.

Whitehead to complete what work there was to do on east end of contract 14, to haul material from where he liked, 40 cts. a yard to cover total cost to Government.

10900. When you say the total cost was to be 40 cts., to whom do you refer—the cost to whom—the Government or to Mr. Sifton?—To the Government. Sifton was quite clear of the thing altogether, as I understood it. He had nothing to do with that part of the work. The work was to be taken off his hands, if the Government would assent to this agreement. Mr. Smith, who was acting Engineer-in-Chief, predicated all his consent to this arrangement on the understanding that the Department would approve of it.

Sifton & Co. understood to be entirely out of the work in this part.

10901. Was it mentioned whether Sifton, Ward & Co., after that time, were to have any part or claim concerning that portion of the line which Mr. Whitehead undertook to finish?—I cannot remember whether it was or not, but my impression is that Sifton was to have nothing more to do with the work at all, because the matter was discussed as to their not having the proper kind of plant to do this work. They made a claim why they should not be called upon to do it at this late period—that they had not the proper plant to do it.

10902. But their not having the proper plant to do it would be no reason why they could not have employed sub-contractors for their benefit. That, as a reason, does not show why they should have no claim?—I do not know that it does.

10903. Then that is not a reason?—My distinct recollection of the matter is that they were not to have any claim at all.

10904. Is your recollection that it was expressed to that effect among any of them, or that it is only your understanding without an expression?—No, no. It must have been expressed, because I drew that conclusion from it. Mr. Whitehead was not taking this work at all in the light of a sub-contractor from Sifton. It was a direct transaction to be handed over to the Government, and he was to draw his

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pay directly from the Government. I think that Mr. Whitehead would not have anything to do with it if the work was to be done and Sifton was to get the pay, or Whitehead had to trust to get his pay from Sifton afterwards. Mr. Whitehead declined to have anything to do with the work on these conditions. It was to be direct between himself and the Government, without any intervention between Sifton and the Government at all.

Marcus Smith insists on the work being placed in hands of persons with means to carry it out.

10905. That might only be arranging a channel by which the sub-contractor might be sure to be paid; but notwithstanding that arrangement as to the channel of payment, the foundation of the claim might still remain with Sifton, Ward & Co. ?—The facts, as well as I remember them, were that Mr. Smith was here. He was pitching into the contractors for not having completed their contract in proper time. That is my recollection of what occurred, now that I have tried to think over the thing: and they put in plea after plea why they had not finished—that the Government had not fulfilled their part of the contract; and Mr. Smith said that any claims they had, had been more than met by the leniency of the Government, and that the thing could not go on dilly-dallying in this way; that he did not see how they could complete this part of the work—that they had not the necessary plant and material—and that the best thing that they could do was to make an arrangement with Mr. Whitehead, who had the necessary plant, to finish that part of the work, and that their connection with the work should terminate at some definite point. If I remember rightly that point was where the bridge is over the last crossing of Willow Creek, somewhere near station 390 or 395: that Mr. Whitehead should take that part of the work and finish whatever there was to do in connection with it.

10906. Do you remember whether in the contract for section 14 there was a maximum limit of haulage, without extra price ?—I do.

1,200 feet maximum limit of haulage without extra price.

10907. What was the limit as far as you remember ?—I think it was 1,200 feet.

10908. Was the extra haulage beyond that limit to be according to distance—so much extra for every 100 feet ?—Yes.

10909. Was there any limit to which that extra haulage should apply ?—I think not, in that particular sub-section.

10910. Then, after 1,200 feet he might claim extra haulage for any length, however great it might be, over which he hauled the material ?—Sifton might ?

10911. Yes; I mean Sifton ?—Yes; if he was permitted by the Engineer-in-Chief to haul it.

Whitehead hauled from two to two and a-half miles.

10912. In doing this work by Mr. Whitehead, in the finishing of this eastern part of section 14, was there an unusual length of haulage ?—There was a very considerable length of haulage—something like two miles, or two and a-half miles, I think.

10913. On other contracts was there a maximum limit for which the contractors could claim extra haulage ?—Yes; and beyond which he will get paid no more. I mean to say he gets paid for every yard beyond that distance—he gets paid the same price as at that maximum.

10914. What is that maximum ?—I do not remember.

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10915. Assuming for the present that it is 2,500 feet, do you know whether that limit, as to other contracts, had been fixed and known to yourself and Mr. Smith, before the arrangement made between Sifton, Ward & Co. and Mr. Whitehead, as to taking this work off their hands?—Yes, that was known.

10916. Has the haulage upon this finishing of the job been for a much greater distance than 2,500 feet?—Yes.

10917. Do you think that either you or Mr. Smith would have consented to any arrangement for the completion of that job by which extra haulage beyond 2,500 feet would have been possible to be made by the contractors: Sifton, Ward & Co.?—We would not have assented to any such arrangement.

Neither Smith nor witness would have assented to any claim for haulage beyond 2,500 feet.

10918. Does not this claim, at present, of Sifton, Ward & Co., depend on their being entitled to a very much longer haulage than these 2,500 feet?—I do not know to what claim you refer.

10919. Are you not aware that Sifton, Ward & Co. are claiming for haulage for all that filling done by Whitehead, beyond the price of 40 cts. which the Government paid him?—I am not.

10920. The rest of it being upon the basis of the extra haulage for the whole length from the borrow-pit to the filling?—Until now I was not aware that any such claim was being made.

10921. Upon that subject have you anything to say?—I have a distinct recollection that when this agreement was being discussed between the parties already named, that the whole question of haulage, in all its bearings, as regards Sifton, Ward & Co., Whitehead & Co., and the Government, was very fully and thoroughly discussed by Marcus Smith.

Question of haulage thoroughly discussed in meetings preliminary to agreement.

10922. In the presence of the other parties?—In the presence of these other parties and in my presence; and that the conclusion arrived at then and there, whatever the agreement made, was that the price—I think it was 40 cts.—was in lieu of everything. There was not to be any charge for anything from anybody. Mr. Whitehead was to do all that was remaining to be done on 14, to the satisfaction of the Government and their engineers, at the price of 40 cts. per cubic yard. Mr. Sifton was to have nothing to do whatever as to getting any price at all. There was no question in the matter at all as to any further claim of Sifton, as I understand it—that he was wiped out of the thing altogether.

Distinctly agreed that Whitehead was to do all the haulage at 40 cts.

10923. Sifton, Ward & Co. are now making a claim against the Government upon this basis: that they are entitled to be paid for all the filling that was done according to their contract rates, including haulage from the distance which the material was hauled, and without any maximum limit, as obtained in other contracts, in the way you have mentioned; and they say that the Government are entitled to deduct from that only the 40 cts. per yard which they actually paid to Whitehead. Now, it is in reference to this matter that I asked you, some time ago, to try and remember all the negotiations which led to the written agreement, and this last evidence of yours touches the point?—That is exactly what I have said. My recollection is distinct that, as regards the extra haulage in all its bearings as to the Government and the two other parties, that matter was fully and

**Railway Construction—
Contract No. 14.
Contractors’
Claims.**

Sifton, Ward & Co., were to have no claim for extra haulage under agreement with Whitehead.

thoroughly discussed by Marcus Smith, and that Sifton, Ward & Co. were to have no claim whatever.

10924. Do you say that we are to understand that Sifton, Ward & Co. were to have no claim, whatever was the basis of this agreement?—I do distinctly; but I say, without any knowledge of what I have told you, if Marcus Smith is asked the same question, he will bear me out. That is my recollection of it, and I think you will find that that is his, and I have had no communication whatever with him on the subject. I had no idea that any such claim would be made. I may state for your information that quite recently, since you came here or since there was word of your coming here, Sifton came to me and asked me if I had any objection to telling what were the quantities of material that had been put into those banks by Mr. Whitehead. He did not tell me what it was for, nor did I ask him, nor did I want to, but it was a matter I had no objection to giving him. It was a patent fact that so many yards had been put in, and I said: “If you want to know how many yards have gone into those banks, I will tell you,” but I was not at all aware that he was going to make a claim; nor has he the slightest claim. I am satisfied, after the discussions that have taken place in our office, that he has no claim whatever against the Government on that plea. After the way the matter was discussed by Mr. Smith I am clear on that subject.

As engineer in charge would have considered it inexpedient to make the fillings in question at \$1 a yard.

10925. As the engineer in charge of this matter, or having jurisdiction over it, would you have considered it expedient to make that filling with earth, at the price of anything like \$1 per yard?—No; I would not. I would have considered it very inexpedient.

10926. What other plan could have been taken to get over the opening; would it have been trestle or iron bridges, or was there any other way which would have been less expensive than earth, at \$1 a yard—in that particular instance—that is the fills which Mr. Whitehead did at the east end of 14?—Yes; there are.

Witness confident that 40 cts. per yard was to cover everything.

10927. It seems to us improbable that Mr. Smith or you would have consented that this work should go on, and earth taken at two miles distance, without any maximum for extra haulage restricting the claim, if it could have been possibly done in any cheaper way; that is the reason why I ask you, whether you, as the officer having jurisdiction, would have consented to such an agreement?—I swear most positively that, as far as my understanding of the arrangement or agreement that was come to, that, as regards the Government, 40 cts. per yard was to cover everything in connection with the making up of that part of the work.

The subject mentioned by Sifton, and any such claim put out of the question by Smith and witness.

10928. I am asking you whether, as an officer having a voice in the matter, you would have agreed to have it done if it had been likely to cost anything like \$1 a yard?—I would not, for this reason: that we discussed it in that bearing, if we had to pay for the extra haul. Sifton urged it as a plea, when we were discussing the matter, and said words to this effect: “There is no maximum to my haul, and if you compel me to haul the stuff away from the borrow-pit, we will get a big figure for it.” “Yes,” we said, “but we will not allow you for it from there, we will make you scratch it up from the ditches and from holes in the rocks wherever you can get it.” That brings something further to my mind. We went to work then and sank test pits all over that peninsula immediately close to the shore of the lake,

to see if we could not get this material there ; but when we found that a large amount of material could be got there, the contractors then said : " It was very hard to get, and that they would rather give it over to Mr. Whitehead " We all went to this peninsula that I have spoken of together ; that is to say, Sifton and a brother of his, I think, who used to look after the work (William Sifton, I think), and when we showed them these test pits and said : " There you can get the material," they objected that it was of a very hard character, and would be very difficult to work, and we said : " We cannot help that, you will have to take it from here, and put all that can be got into the bank."

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

Showed Sifton and his brother where they could get material ; but they said it was very hard and would rather give work over to Whitehead.

10929. Then do we understand that, upon the part of the Government, you and Mr. Smith consented that it might be hauled from a long distance because there was to be nothing more than 40 cts paid for it?—Yes ; that was the understanding.

Upon the part of the Government Smith and witness consented that material might be hauled from a long distance because no more than 40 cts. was to be paid for it.

10930. And that was the reason for consenting to the locality from which it was afterwards hauled by Mr. Whitehead?—Yes. I remember that Mr. Marcus Smith said to Mr. Whitehead : " Well, where are you going to haul it from ? " and Mr. Whitehead said : " I will get it some place." Then Mr. Smith said : " Well, no matter where you get it, or what the haul is, this is to be the maximum figure it is to cost ; " and he said : " Yes ; that is to be the maximum figure—40 cts. will cover everything. I will make up the banks and finish them complete for 40 cts. a yard."

10931. Do you remember whether Sifton, Ward & Co., or any member of the firm, were present at that discussion?—Some one on that behalf, and some one in Mr. Whitehead's behalf, and Mr. Smith and myself, on the part of the Government, were present.

10932. Do you remember whether Farwell was ever present with you down at that point—the peninsula?—I think he was. I think he was one of the parties that was present.

By Mr. Miall :—

10933. Only one of the Siftons or both?—I am not quite sure ; certainly the one to whom I have referred ; but I am not quite sure whether they were both there ; certainly the one who is the working man.

By the Chairman :—

10934. Is there any other matter pertaining to section 14 which you think desirable to explain to the Commissioners ; of course, if you think of anything afterwards, you may return to it?—Yes ; statements have appeared in the papers as to what I should have done and should not have done on contract 14, which I have hitherto thought it unnecessary to take any notice of ; but to show the character of them, for what applies to this one applies to all the others, a criticism was made stating that at a particular point on the line culvert openings had been closed which should have been left open, and no ditches dug, and consequently the country for miles on each side of the road was covered with water. This point on contract 14 is the very driest on the whole section.

Newspaper criticisms on witness.

10935. There was a contract for the transportation of rails with the North-West Transportation Company?—Yes.

Transportation of Rails—
Contract No. 34.

10936. Have you any papers connected with that?—I have.

**Transportation
of Rails—
Contract No. 24.**

Will produce
papers.

**Nixon's Pur-
veyorship.**

Nixon took his
orders from
witness.

During surveys
engineer in
charge had power
to requisition
from Nixon, but
during construc-
tion this requis-
ition had to be
submitted to
Rowan.

No control over
Nixon's book-
keeping.

Complaints of
delay in furnish-
ing and as to
quality of goods.

No serious
grounds for such
complaints; but
witness does not
know whether
proper accounts
were kept or
whether goods
were bought
cheaply.

10937. Will you please produce them if you have them now?—I have not got them with me, but I will produce them to-morrow.

10938. Was the purveyor under your jurisdiction at any time in the management of the Pacific Railway affairs?—Yes; Mr. Nixon.

10939. Was he considered subordinate to you?—Yes; to a certain extent.

10940. Had you control over the system in which he kept his books?—No; he used to take his orders from me. I had to approve of things before he could get them.

10941. Everything or only of certain things?—Things connected with my district.

10942. Would not the engineer in charge—Mr. Carre, for instance—have power to requisition for things without your supervision?—During the surveys he would, but on construction they were generally submitted to me first.

10943. Then was there any time while Mr. Nixon was purveyor during which you had not the duty of always certifying or ordering things?—I think there may have been times when they did not come through my hands.

10944. Do you say that you had no control over the manner in which he kept his books, and explained the transactions of his department?—None whatever.

10945. Then you are not able to say whether they were satisfactory in that respect?—In what respect?

10946. The system of exhibiting the affairs in his department: in his books or papers?—No; I had nothing whatever to do with that. I declined positively to have anything to do with the accounts or commissariat whatever, up to the time when they were taken out of his hands.

10947. So far as you know, were requisitions made by yourself and members of the staff generally filled within a reasonable time, so as not to occasion inconvenience or unreasonable delay?—No; sometimes they were not satisfactorily filled; there was considerable complaint occasionally as to the things not being to hand on time and not being of the quality that they ought to be.

10948. Was it your duty to investigate any such complaints?—When they were brought under my notice I did so.

10949. I suppose it was difficult at that period of the settlement of the country, to get supplies and other materials through rapidly?—There was considerable difficulty, and large allowance had to be made on that account. Sometimes the purveyor was accused by those in the field of not using due diligence, but when I came to investigate the matter I found that in most instances he had done his best; but there were some few occasions when things were not as well done as they ought to have been.

10950. Upon the whole do you think there was any serious cause of complaint against him as purveyor, so far as you were able to judge from your own experience?—No; taking everything into consideration, I do not. Of course that answer means as to what I looked to as my portion. As to whether the supplies were well purchased or proper

**Nixon's Par-
veyorship.**

accounts kept, I know nothing whatever, or that it was cheaply done, I do not profess to know anything.

10951. We understand that was not a matter over which you could have exercised any jurisdiction?—No; I declined to do it.

10952. Do you remember who located the line of section 15?—Mr. Carre. **Railway Location—
Contract No. 15.**

10953. Do you know about what time the plans were ready, so that quantities could be taken out for the information of the tenderers?—Is that the first ones?

In 1874, first plans ready whence quantities could be had on which to call for first tenders.

10954. Yes; I mean for the present the first ones?—I think it was in 1874. It was just before they were advertised for.

10955. What system had been adopted for the work at that time—I mean was it to be made with solid embankment or trestle work?—Solid throughout, everything complete. **Work to have been solid throughout.**

10956. Something of the same character as at present completed?—Yes; only there would have been more rock in the bank and less earth.

10957. The grade was lower than at present as originally intended; that is, at first asking for tenders?—Yes. **Grade as at present.**

10958. Was any work let upon that basis?—No; I think the Government came to the conclusion that they would not accept any of the tenders that were received at that time; there was such a great discrepancy between the tenders; that was one reason; but I think principally, because even the lowest tender amounted to such a large sum of money. **None of the first tenders accepted.**

10959. Then were new tenders asked for on a different basis?—Yes.

10960. Upon what basis?—On the basis of raising the grades so to make only a small amount of rock cuttings, which would make up a small amount of bank, and leave it in that state. **New tenders asked on raised grades, but no contract let.**

10961. With the void unfilled?—Unprovided for in any shape.

10962. Did those tenders lead to any contract?—No. I think not.

10963. Were fresh tenders asked for on a different basis?—Yes. **Fresh tenders asked for on still another basis.**

10964. Upon what basis?—The basis that the rock cuttings were to be taken out, I think, pretty much as before in the second tenders, but making up the voids for which there was ^{not} any material to be obtained from the cuttings, or from borrowing pits in the neighbourhood, with trestle work. At that time it was thought that the borrow-pits were all earth, because there was no rock-borrowing contemplated at all, so it was supposed to amount to very little.

10965. Do you remember what amount of information had been obtained by the Government before the tenders for that last method were invited?—There was nothing but the longitudinal sections of the line, and a plan of the longitudinal section. **Profile and location line: this all the information Government had before calling for tenders the third time.**

10966. That line exhibited on the plan is called the profile?—Yes.

10967. And the plan to which you allude is the location plan?—Yes; the location plan and the profile along the centre line.

10968. The location showing the surface, and the profile showing the section?—The location showing the alignment upon the surface, and the profile the section of that alignment.

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

Country rough and rocky, with lakes.

10969. What was the nature of the country through which this section 15 was to be made?—Very rough and broken rocky country, interspersed with lakes; not mountainous, but very hilly—all rock.

10970. Was it possible, upon the information which you describe, to obtain anything approaching an accurate estimate of quantities?—It was not.

Quantities could not have been approximately, accurately calculated without cross-sections.

10971. I think you mentioned, when speaking of the last section, that the surface of the country being level made it unnecessary to take cross-sections to any extent, but where it was not level it was impossible to form any reliable opinion as to the quantity without cross-sectioning wherever the ground was not level; is that the correct idea?—Yes; that is especially the case on contract 15.

10972. Have you any opinion as to the time which it would have been necessary to obtain cross-sectioning on that line?—With the force we had then on?

Cross-sectioning contract 15 impracticable.

10973. Yes?—Yes; it would take quite a length of time had the country been in the shape for a cross-sectioning, but it was covered with timber, and to have cross-sectioned it while it was in that state would have involved very heavy expense indeed, in dropping lines at right angles to the longitudinal sections.

10974. Had the line not been opened for telegraph purposes?—I think not, at that time. No; I am pretty sure it had not—not thoroughly cleared at any rate. The longitudinal section of contract 15 is about thirty-six miles. I think that the cross-sections that we have made over the line now, with a view to arrive at the correct quantities, are pretty nearly 200 miles.

10975. So that they must have been taken at very much shorter intervals than the breadth of the line: is that what you mean?—The country is so broken that they are taken at very frequent intervals. They extend say approximately from 200 feet on one side of the line to 200 feet on the other, at right angles to the longitudinal profile, and the aggregate length of these would probably amount to nearly 200 miles.

10976. Have you considered carefully whether it is expedient to ask for contracts when no better information can be given to tenderers than could be given, or was given, in this case?—Yes, I have.

10977. You are aware that there has been a good deal of discussion upon the subject, and that engineers of standing have differed on the matter?—I am.

Desirable to get more information before tendering than was had in this contract; but there may have been reasons, other than engineering, for pressing on the work.

10978. What are your views on the subject?—My views are, it is most desirable that considerable more information should be obtained before the work is advertised to be let by tender, than we had succeeded in obtaining; but in this particular case, there may have been circumstances with which I, as an engineer, have nothing to do; which may have rendered it expedient for the Government to think it desirable to push on the work, without waiting for the delay which would be occasioned by the getting of that necessary information.

10979. Do you mean that the reasons to which you allude would be other than engineering reasons?—Certainly.

10980. Then there are no engineering reasons which would make it advisable to let the work upon such insufficient information?—No; none.

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

10981. When the contractor came upon the ground, had further data been obtained, as to the exact quantities, than were available at the time of the tenders?—I think so. Yes; certainly.

When contractor began work more information existed as to quantities than when tenders were called for.

10982. You are aware, no doubt, that the contractors complained that they were delayed by not being able to get all the information that they asked for from the Government engineers?—Yes; I am aware that they made such a claim, but whether it is well founded is another question.

10983. I am asking you just now whether you are aware of it?—Yes.

Contractors not justified in complaining that certain information was withheld from them by Government engineers.

10984. Have you considered carefully whether they are justified in making that assertion?—I have.

10985. What is your conclusion?—I do not think they were.

Unreasonable conduct of contractor

10986. For what reasons have you come to this conclusion?—Because, as a matter of fact, they were not delayed by the want of information to my knowledge, that I can recollect. Whenever a contractor asked to have work laid out for him at any particular point, and he was running about from one place to another, wherever it was easy to do, putting the engineers to very great inconvenience, my assistants and subordinates always went wherever they were asked, although they were put to a great deal of unnecessary inconvenience by the way this was done. I am further aware that they were asked often, and frequently asked, to set out work, and did set out work, where it was not begun after they had set it out, and that they were obliged to go over and over again setting out work at such points, because the works that they had put in were destroyed through lapse of time, and fortuitous circumstances.

10987. Do you remember whether you gave any special instructions to the engineer in charge, or any of his assistants, not to furnish particular kinds of information to the contractors?—Yes, I do. That is to say with regard to estimates, but not as to anything bearing on the prosecution of the work.

10988. Do you mean estimates of work not to be done?—No; estimates of work done. That is to say, what his estimate would amount to—the value of the work done.

10989. Did you think that that ought not to be communicated to him?—I had orders from headquarters as to what I was to communicate, and what I was not.

Ordered from Ottawa not to give contractors estimates of what the work would amount to.

10990. And if you did refuse it was in obedience to these orders?—Yes; and the instructions I gave to my assistants were in obedience to those orders to carry out the instructions I had received from headquarters.

10991. Originally the intention was to fill the voids with trestle work where earth could not be obtained; or do you mean although earth could be obtained by borrowing?—Under the last contract?—Yes; that was the intention—that we should use the rock from the cuttings as far as it would go, and any borrowing that we could get in the neighbourhood of the work.

Original intention to fill voids with trestle work, the rock from cuttings and any borrowing to be had in neighbourhood to be used.

10992. Off the line as well as on the line?—Yes, off the line; in borrow-pits in the neighborhood of the work, without going any great distance for it. The quantity of material to be obtained under that

Railway Construction—Contract No. 15.

head—that is to say, borrowing of earth—was expected to be very small indeed from what we knew of the country at that time. The balance of the spaces left then, after taking the rock cuttings to borrow what earth we could in the neighbourhood, was to be made up of trestle work.

Plenty of earth discovered.

10993. Was it early in the progress of the construction that you discovered more earth than you had expected, or was it as the work went on that those borrow-pits were developed?—It was as the work went on, and as the means at our disposal enabled us to make discoveries; when we had men on the ground—contractors' men—whom we could employ to sink test pits and make examinations with a view to ascertaining the nature of the material and the depth, and then we discovered that there was more earth on one spot of the line than we contemplated on the whole section—thirty-six miles.

Some truth in Whitehead's theory that to have filled voids with trestles would have taken a considerable number of years.

10994. Mr. Whitehead has some theory that it would be impossible in a great number of years to have finished the work with trestles in the way that was originally contemplated, because it would have been necessary to fill up one void with trestle work, before he got to another, and to another excavation beyond that, and that he would never have been able to get in the rock with reasonable despatch for the foundation for the trestles?—I think there is some truth in that.

10995. It would have been then, in your present opinion, more difficult to have carried out the original trestle system than was contemplated at first?—I think it would.

Change to embankment advantageous in point of time as well as in point of permanence.

10996. Therefore the change to solid earth embankment was advantageous in point of time as well as in point of permanence of the work?—Yes.

But trestle was to have been put in in such a manner as looked to their being ultimately changed to embankment.

10997. I mean the time at which the work would be finished?—Yes. I would like to give a little explanation. Our original instructions as to the way the work was to be carried out, was that the work at the cuttings was to be placed in the water stretches so as to form a solid base for trestle work, broad enough and across the whole water space, on which to place the trestle work, and to be at such a level as to keep the trestle work out of the water.

10998. Was that to be broad enough so as to hold eventually an earth embankment if required?—I think so.

10999. So that the base merely for trestle work was not nearly so wide as the one contemplated in the contract; would you not require a much wider base for an earth embankment than for trestle work?—Yes.

11000. Therefore the base which was contemplated from the beginning was a wider one than would have been required if trestle had been intended to be a permanent arrangement?—Yes.

Witness explains the difficulty of making trestle work throughout.

11001. In other words, you were providing, as far as the base was concerned, for a solid embankment at some time?—At some future date. I was going to give an illustration: To make that base as required by the specification it would have been necessary to bring the rock not from the cuttings alone immediately adjoining that water stretch, but from a number of cuttings, and a long way both to the east and west of the particular opening that was to be filled—that water stretch. In some instances, in fact in most, but in some specially, the quantity of rock required to make such a bank would have extended for a mile,

Railway Con-
struction—
Contract No. 15.

probably over two miles, of the cuttings of the road. To do that would have delayed the work, in this way: that the contractor could not begin to take the rock out of cuttings next but one to the place where he was making the bank until he had done the first one; because, if all the rock was to come from cutting after cutting along the line to be put into this space, he must do the first cutting next the water and put it in, and then put in the next and so on until he had cleared out sufficient rock cuttings to fill up this particular space. To go from one cutting to another, the intervening voids must have been filled up with trestle work. Therefore as the contractor, instead of working a number of cuttings as he did subsequently, at the same time, if he had had to do it in that way he could only have worked one cutting at a time, one cutting on each side of the water stretch to be filled. I therefore think that there is some ground for the remark that you are telling me the contractor has made.

WINNIPEG, Thursday, 7th October, 1880.

SCHULTZ.

JOHN SCHULTZ, M.P., sworn and examined:—

Contract No. 15.
Helping News-
papers—
Alleged impro-
per influence.

By the Chairman:—

11002. Where do you live?—At Winnipeg.
11003. How long have you lived here?—Twenty years.
11004. Have you been connected with any transactions pertaining to the Pacific Railway?—No.
11005. Are you a Member of Parliament?—Yes.
11006. Which Parliament?—The House of Commons.
11007. Do you know Mr. Charles Whitehead?—I do.
11008. And Mr. Joseph Whitehead?—I do.
11009. You are aware that Mr. Joseph Whitehead was connected with one of the works of the Pacific Railway?—Yes; he was a contractor for section 15.
11010. Do you know of any assistance or gift given by him to any one in any way connected with the Pacific Railway?—I do not.
11011. He is mentioned as having assisted a Mr. Tuttle: do you know anything of this arrangement?—Except his own statement to me.
11012. Whose statement?—Mr. Whitehead's.
11013. What was the substance of that statement?—The substance of that statement was that while doing his best to promote the work on section 15, the opposition journal, the *Free Press*, had constantly endeavoured to throw discredit upon his management, by publishing false reports of accidents, and not giving a fair account of the progress of the work, and that he determined to assist some person, and to establish a good daily newspaper here, for the reason that he felt very much annoyed at these false reports of the *Free Press*, and that he was quite willing to assist any competent person who would undertake the publication of a good daily newspaper here.
11014. Did you know Mr. Tuttle?—I had met him and knew him slightly at that time.

Whitehead stated to witness that owing to the discredit thrown on his work by Winnipeg *Free Press* he determined to assist in the establishment of a daily paper.