Railway Loca-tion and Construction, B.C.

Not an uncommon thing to make estimates from time to time of the probable expenditure necessary to complete the work-but no such estimates.

23303. Is it the practice in your Department to make estimates from time to time of the probable expenditure requisite for the completion of the works ?-Yes; it is not an uncommon thing at all.

23304. Last summer shortly after we commenced this investigation. we asked for estimates at that time of the probable expenditure for the completion of the works upon the different sections then under construction. We have never got that estimate: do you know whether there was any estimate of that kind made ?-I know of nothing prior to the date you speak of, June. I have made estimates subsequently.

23305. It was during our investigation we wanted to know the probable future cost of some works, and we still think such estimates would be useful to us: are there any such estimates in the custody of the Department?-Not prior to that date.

23306. But immediately afterwards; I think they were asked for about August?—I do not think it will be difficult to get them. I think you will find them published in connection with the discussion on the Pacific Railway last Session, in the Hansard, I think.

23307. Is there any other matter connected with the Pacific Railway upon which you can inform us concerning matters which happened before the 16th June, 1880 ?-No; as I told you, I know nothing whatever prior to the date I was connected with the road, nothing whatever, and I think you have questioned me upon everything subsequent to that date that I know of.

HON. A. MACKENZIE.

OTTAWA, Monday, 26th September, 1881.

ALEXANDER MACKENZIE, sworn and examined :

By the Chairman : —

23308. You had charge of the affairs of the Canadian Pacific Railway as Minister of Public Works for some period ?-Yes.

Had charge of affairs of Cana-uian Pacific Railway as Minister of Public Works.

Took office in October, 1878.

When witness took office the Government were not in possession of opinions from the engineers which would justify them in taking decided action.

23309. For what period ?- During the whole period of my Adminustration.

23310. Do you remember the dates ?-I think we took office about November, 1873, and resigned 14th the 7th or 8th of November, 1873, and I think I resigned on the 14th of October, if I recollect right, 1878.

> 23311. Could you describe, generally, the progress which had been made in the undertaking at the time you took charge?-Some surveyors had been out two years before that, or nearly two years. I don't remember the precise expenditure, but it will be found in the Department, of course.

> 23312. What at that time did you consider to be the results of the previous operations ?- Well, I think there were no results.

> 23313. Did the engineers, in effect, inform the Government that any particular results had been accomplished by the previous examinations of the country?-I think not. I don't think the Government were in possession of opinions from the engineers, which would justify them in taking any decided action at that time.

> 23314. Could you say how soon after you had charge of the Department, it was assumed that sufficient information was gathered from the

examinations of the country to justify decided action ?-No; I could Early in 1874, examinations of the country to justify decided action?—No; I could Early in 1874, not at the moment say that. Early in 1874, Mr. Fleming discovered covered that the that the route that he himself favoured at the time, crossing from the route he favoured Upper Thompson River nearly in a direct line to Big Bend, on the ble, and it was Fraser and the Chilcotin Valley, was impracticable, and it was decided the country north to explore the country north of the Cariboo Mountains, following the of the Cariboo line of the Fraser to Fort George, thence following the line laid down Mountains. upon the map to the head of the Chilcotin River, striking the explored line to Bute Inlet. This line was ultimately adopted as far as Fort George east-from Jasper House to Fort George.

23315. As to the particular portions of the country to be surveyed, surveys. did Mr. Fleming exercise his own discretion or was he governed by the Witness declines directions of yourself, or any other Members of the Government?— upon the policy Well, the line of examination must of necessity be confined to questions of the Adminis-of fact in connection with the object of the Commission, and I may say at once that I decline all examinations upon the policy of the Administration, and guarding myself with that declaration, as the question is somewhat of a leading one, I answer it by saying that Mr. Fleming was the sole director of the surveys, he consulting myself Fleming as Minister frequently, of course, very frequently; but I always depended director of the upon Mr. Fleming and upon the best information from his subordinates, frequently con-and he was always allowed most perfect liberty and authority in suiting him as conducting the surveys which were wholly upon his responsibility -we, of course, having the political responsibility as usual.

23316. As you have alluded to the subject of the policy of the The Chairman Government, and decline to be questioned upon it, I think it right to defines the field say that we endeavour to deal with a Government policy, each policy within the scope in its turn—as the most perfect that could be devised, having, no of the Commis-sion. intention to criticise it; but inasmuch as it may happen that in carrying out this policy the officers of a Department may sometimes act not strictly in conformity with it, either by intention or otherwise, we therefore consider it proper to investigate the details of the administration of the Department without intending by that course to question in any way the propriety of the policy of the Government. When I say policy, I mean the principles of government adopted by the Ministry as a whole.. We have not forgotten that under this Commission we are servants appointed by the Crown alone, and as such we have no desire to interfere with the privileges of the people whenever they conflict in any way with the Royal prerogative, and I may say that after considering this subject in order to decide how far we should investigate the acts of a Department, we have concluded that we may enquire into its doings, not only by its subordinates, but by its head, and that we may ask first to be informed whether there was a defined Government policy on any given matter in order that we may see distinctly the line dividing the field of our enquiry from that upon which we may not enter. At present we are seeking to investigate the acts of the Department, the details of its administration, whether between officials themselves or between them and private individuals who were dealing with that Department? Well, I have indicated the policy that I conceive to be the only -Yes. constitutional one, and I intend to be guided by that declaration; but of course I am desirous of giving you the information in my power apart from that.

23317. Could you say whether the Engineer-in-Chief was directed to directed to adopt ont any different method in the second seco adopt any different method in the surveys of the country from that survey different

Bailway Loca= tion.

Surveys.

previously adopted.

The plan upon which Fleming proceeded.

Does not remem-ber when it was line had been obtained.

Railway Location.

Frial location survey from Keewatin to Lake Vermillion, and from Selkirk to Keewatin, and also from Thunder Bay to Lake Shebandowan.

Thinks Fort William and Shebandowan section was located before telegraph contracts were let, though it was afterwards much changed.

Telegraph-Tendering.

Never opened any tenders. Never looked at any antil they were scheduled, and then they were considered by himself, the Deputy Head and the Engineer.

from that he had which he had previously adopted?—I do not think he was. In fact, I am sure he was not.

> 23318. Then, as I understand you, he was left to his own discretion as to the manner in which he would make the different examinations of the various localities ?-Yes; the theory upon which he proceeded was this : to have exploratory surveys in various directions in the first place; and to be guided by those exploratory surveys before making instrumental surveys. By instrumental surveys I mean the trial location line. Of course instruments may have been used, in many places, to ascertain levels and grades for short pieces, where there was no insrumental survey proper.

23319. Do you remember about what time it was first considered thought informa- that sufficient examination had been made of any locality to justify a justify location of the line?-No, I do not remember precisely; but that can be obtained in the Department.

> 23320. Speaking at first of the year 1874, Mr. Fleming, in his official report of 1877, states that some locations had been made, other examinations being only in the nature of exploratory surveys, and he mentions the location survey of the Pembina Branch?—Yes.

> 23321, The trial location survey from Keewatin eastward to Lake Vermillion, and a trial location survey from Selkirk eastward to Keewatin, and a trial location westward from Thunder Bay to Lake Shebandowan ?-Yes; that was the first, I think.

> 23322. They are the only locations which he states to have been made up to the end of 1874?-Yes; I think they were the only ones.

> 23323. About July there appeared some advertisements asking for tenders for the construction of a telegraph line: could you say whether at that time it was expected that the location of any portions of the line other than those I have mentioned was likely to be accomplished within a few months ?-We had pretty well decided upon the location through the prairie country, that is, from Rat Portage west, and it was anticipated that the line would be located as fast as the contractors for the telegraph line could build.

> 23324. Then the general direction over particular localities had been pretty well decided on?-Pretty well decided upon as far as the Yellow Head Pass.

> 23325. I suppose the first act towards positive location may be said to have been the building of the telegraph line, inasmuch as that was to follow the location, and I understand you to say that the telegraph lines were supposed to be located after the contracts were let—that is to say, located with exactness ?-Yes; I suppose part of it was located. I think the Fort William and Shebandowan section was located before they were let, though it was afterwards materially changed when Mr. Hazlewood went there. Mr. Hazlewood superseded Mr. Murdoch.

> 23326. As to the construction of the telegraph lines and the contracts for that construction, could you say whether the schedule of tenders as first ascertained upon the opening was submitted to you for inspection? -I presume they were submitted as all other tenders were. I never opened any tenders myself all the time I was in the Department. I never looked at them until they were scheduled and presented in such shape as to be considered jointly by myself and the Deputy Head and

Telegraph-Tendering.

the Engineer of the Department, and I presume these were submitted in the usual way.

23327. I was speaking of the schedule which was made at the opening ?- The schedule always accompanied the tenders. There was always a schedule made up of all tenders, showing the respective amounts.

23328. 1 intended to ask you whether you had seen this particular schedule which is now presented to you ?- I must have seen it if it is the one that was in the Department at the time. Of course I am not able to identify this particular sheet of paper.

23329. In this schedule, dated on the 7th of August, Mr. Fleming, Contract No 1. and Mr. Trudeau and Mr. Braun purport to give the contents, as they understood them, of each tender, and among others the contents of that of Sifton, Glass & Co., they were the persons who obtained the contract for section 1. I gather from this schedule that at the time of opening the tenders theirs was understood to be only for the whole line, because the schedule so states it, although it mentions a period within which they would finish some particular section or sections : would you look at that schedule and say whether that was the view at the time?-No: I cannot say at this distance of time. I have not had the subject before me once.

23330. You will notice the reference to Sifton, Glass & Co.'s tender marked "A1," which gives the meaning of it as tendering for the whole line at \$1,290,000 ?-Yes.

23331. They give no figures for any particular section, but mention that section 1 would be finished in November, 1874: does that refresh your memory as to what was considered to be the contents of it ?--Mr. Fleming certainly had an estimate of the contract they had obtained, wherever it is. I recollect his calculations showing who was highest or lowest; it depends a good deal on the calculation of the number of acres of wood land and prairie. There certainly is a separate calculation as the tendor finally acted upon.

23332. On the 7th of August, 1874, and about that time. I understand that all the tenders were dealt with as if the proportion of wood land and prairie land was fixed, that is, for the purpose of comparing the merits of the tenders, for instance, section 1 contained 200 miles of wood and fifty miles of prairie, and those data applied to every one's tender for section 1 as well as to Sifton, Glass & Co. ?-Well, I suppose it would.

23333. On the 10th of August, Mr. Fleming makes a full report, giving not only the substance of the tenders in a general form as in that schedule now before you, but also in a detailed statement for each separate section and another one for the whole line; this was three days later than the opening of the tenders. In this he assumes to state the meaning of Sifton & Glass's tender in a different way from that in which it was stated in the schedule : do you remember whether there was such a difference in his opinion regarding the substance of the tender between the 7th and the 10th ?-No; I do not remember.

23334. He assumes in this later return that Sifton, Glass & Co. were The contracts tenderers for section 1 by itself as well as tenderers for the whole were awarded line in bulk; could you say now whether the proposition by Sifton, there of the Glass & Co., to complete that portion of the line known as section 1 as Engineer, and Glass & Co., to complete that portion of the line known as section 1 as

Telegraph-Tendering Contract No. 1.

assumed in every case to be based on the lowest available offer.

early as November, 1874, had anything to do with awarding them the contract ?- No; I cannot say. The contracts were awarded upon the calculations of the Engineer, and assumed in every case to be the lowest available. Further than that I have no recollection.

23335. In awarding contracts at that time, did you take a part in deciding who was to have each contract ?--Oh, as a Minister. of course I had nominally to give the decision, but my decision in such cases was invariably in concert with the principal officers of the Department, and I have no recollection of any case during my whole incumbency of office where there was any difference.

23336. It was in concert; the decision was not with them alone?-They would recommend, of course. The price, in accordance with the Public Works Act, invariably governed the decision unless there was some other thing that came in incidentally that had to be considered.

Did not take any more part in awarding con-tract to Sifton, Glass & Co. than in awarding any other contract.

The decision invariably not only in concert with but in acquiescence with the views of the officers of the Department.

Cannot say whether he has ever seen the tender of Sifton, Glass & Co.

His impression that there was a distinct tender for the

23337. Could you say whether in this, the first contract after you took charge of the Department, it was left entirely to your subordinates, or whether you yourself took a part in awarding the contract to Sifton, Glass & Co. ?- I do not think I took any more part in awarding the contract than in awarding any other contract. I am sure I did not.

23338. Do I understand you to say that it was not left entirely to subordinates?—Well, I thought I had sufficiently explained that. However, I will do it again fully.

23339. I understood you to say that you took no more part in this than in the others; not knowing what part you took in the others, I confine my question to this one?-The decision was invariably not only in concert with, but in acquiescence of the views of the officers of the Department. In other words, I never pressed any decision upon them about contracts.

23340. Do you think that you saw the tender itself, of Sifton, Glass & Co. before the contract was awarded? -I may only have seen the schedule of contracts made up.

23341. Here is the tender of Sifton, Glass & Co.: upon looking at it now, can you say whether you saw it before ?- No, I cannot say. It is quite impossible years afterwards. I could not identify any particular document unless my signature was upon it.

23342. There is a question whether that document amounts to a tender for any particular section, or whether it is a tender only for the whole line : I wish to know whether that matter was ever brought to your attention, and whether you exercised any judgment upon it?--particular section I have no recollection of any question arising about that. My impression is there was a distinct tender for the section.

> 23343. Could you say how you arrived at that impression ?-Of course I could only arrive at it from the report of the officer of the Department.

> 23344. You might also by reading the tender ?-I do not think I read the tender. It is possible I may have, but I think not.

> 23345. Do you remember whether, before awarding this contract to Sifton, Glass & Co., you yourself had any negotiations upon the subject with any of these parties ?-I do not think so. It is possible that

some of them may have called at the Department and asked to see me, that was very frequently the case, but I have no recollection of anything of the kind.

23346. You do not remember dealing with them distinctly on this matter ?-I do not.

23347. Proposing any terms ?- I am quite certain I never dealt with any contractors any contractors except through the officers of the Department. Any the officers of the person desiring to see me, of course, I would see them and hear what Department. of course saw they had to say, but further than that I could have no dealings.

23348. As to whether you were called upon to place a construction on this tender, I may mention that after making their offer for the whole line, Sitton, Glass & Co. intimated that although they had given a certain rate for the wood land through the whole distance, they did not expect it all to cost as much as that, and they proceed to mention that between two points, first Fort Garry and River Winnipeg, and also between Fort Garry and Fort Pelly, they place the wood land at certain sums, naming them, which are lower than the rate placed over the whole line, and that in consequence of those allusions to these particular localities, the tender subsequently was construed as being an offer for one of those smaller localities: does that refresh your memory at Positiveheplaced all on this subject?—Oh, I am positive I placed no construction upon no construction on any tender. any tender.

23349. It appears that it was not decided to award this contract to Sifton, Glass & Co. until somewhere about October, some three months or more after the tenders were received, and that at that time the Department placed a construction upon their tender as to another item -I mean whether they should receive a price for maintenance beyond what was assumed to be their price both for maintenance and construction, and that Mr. Fleming, as Engineer, and the member of the firm who was then in Ottawa differed upon the proper interpretation as to that item: do you remember any matter connected with that interpretation-that is their claim for separate price for maintenance ?- No. Recollects the I recollect the question came up, but in what shape I cannot say. I question of mainthink that contract was awarded, in the first place, to another party but cannot say in what shape. who declined it.

23350. It was awarded in the first place to Fuller, who asked an extra price in consequence of clearing through wood land ?-It was awarded to somebody, and it was on their declining the Department passed on, as usual, to the next.

23351. It was awarded first to Fuller who declined, except on the condition that he should be paid for wood land clearing, and secondly to Mr. Dwight, who declined to take it ?-Yes.

23352. Waddle & Smith had already been awarded another con- reached Silton, Glass & Co. it tract, and it appears to have been suggested that there was a decision became a ques-concerning these telegraph contracts to the effect that no person could tion whether the get more than one contract, and they were passed over, and it reached in their tender Sifton & Glass. After reaching them it became a question as to the struction and terms upon which they should receive it—I mean, whether the sum whether they are a construction and maintenance. or mentioned in their tender should cover construction and maintenance, should get so or whether they were to get a price per mile for maintenance in much a mile ad-ditional for main-addition to any sum specified by them, and a difference of opinion tenance, where-upon arcses a arose between them and the Department. It was discussed and correspondence

Te'egraph Tendering. Contract No. 1.

Quite certain he never dealt with He people who want-ed to see him.

When contract

Telegraph— Tendering. Contract No. 1.

which was subinitized to Minister: this witness thinks likely, and refers to a possible report of Fleming on the subject.

Remembers there was a question about this claim for maintenance, and the question might take two shapes: (1) If their tender was construed as leaving them able to claim \$15,83 per mile for maintenance in addition to the sum stated in tender, it might bring it higher than a competing tender.

(2) Whether though getting more than their tender asked for that sum in excess would not yet leave tt less than the next tender.

Sifton, Glass & Co. made a further claim for profits; of the details witness has no memory.

a correspondence ensued, and I understand that correspondence was submitted to you?—It is likely it was. I recollect the question was raised vory well. I presume there is a report from Mr. Fleming upon the subject.

23353. Do you remember whether you gave your personal consideration to the construction to be placed on their tender concerning that subject?—I do not think I did.

23354. The correspondence from their firm suggests that although they made their offer in a gross sum for the whole line which was to include construction and maintenance, enough could be gathered from their figures for mileage and the rate per mile for wood land and prairie to show any person who analyzed their tender that they intended to ask \$15.83 per mile for maintenance of the whole, and therefore they asked that same rate for the particular section which was under discussion : does this bring the matter to your recollection?—No, I cannot remember the details. I know there was a question about it, and the question, I presume, would take this shape : if their tender was construed that way it might bring it higher than another one, in which case their tonder would be passed, and it would be awarded to another one. To ascertain that we may have referred to the report of the Engineer.

23355. That might be one shape the question would assume, but it might assume another shape—whether they were getting more than their tender asked for, though this sum might still be less than the next lowest tender ?—Yes, it might.

23356. Do you remember whether any question in that shape was suggested ?—I do not.

23357. Then there is one more matter in which they appear to have asked for terms better than those stated in their tenderthat is, as to the profits of the line. As far as the correspondence which has been submitted to us shows, they, for the first time, in October, 1874, in a letter to Mr. Fleming, claim that besides the price for maintenance, based upon their price to be gathered from an analysis of their first tender for the whole line, they were to receive the profits of operating the line: do you remember anything about that item in the transaction ?—No; I do not. I know there was a question as to the profits with two or three of the contractors, but I do not remember the details of the discussion.

23358. This is a letter of the 14th of October, 1874, from Sifton, Glass & Co. to Mr. Fleming. I also hand you the letter to which that is an answer. Perhaps, if you look at these, they may call some part of the transaction to your mind?—They appear to be both written on the same day.

23359. Have you any further recollection now since reading the letters than you had before ?---No; nothing further than I remember the question having been raised in some shape.

23360. Could you say whether you expressel any opinion at any time in connection with this transaction, as to the proper interpretation to be put upon their tender and this correspondence in connection with it?— I could not but my conviction is I was guided solely by the Engineer's opinion.

Believes in this matter he was guided solely by the Engineer's opinion.

23361. It is suggested by an endorsement on some of the papers Contract No. 1 connected with this contract of Sifton, Glass & Co., that before entering the memoran-into it it was necessary to get an Order-in-Council. That memorandum the necessity of is signed by Mr. Fissiault : do you remember whether the necessity of Council may

such an Order was brought to your attention, or whether you gave any have been brought to his decision upon it?—It may have been, but I do not think that an Order- attention, but he in-Council would be necessary under the law in such case. It is only does not think an where you pass a tender and take a higher one that you require to set was necessary in this case. out the reasons in an Order-in-Council.

23362. In this case that was done. Fuller had made a lower tender and had afterwards asked something more for his wood land clearing, and that was perhaps what Mr. Fissiault alluded to when he said it had not been given to the lowest tender; however, you do not remember having given any decision upon that subject?-I do not.

23363. The next contract, No. 2, is with Fuller, and embraces contract No. 2. the western portion only of what was advertised as section 3. Contrary to wit-Section 3, if you remember, was from Fort Garry to Edmonton, and it ness's recollection that any portion embraced section 1 and something more, as well as section 2 and some- of line was not thing more, section 1 being to Fort Pelly, section 2 to a point further submitted to west, and section 3 to Fort Edmonton, all of them starting from tion. Now, this contract to Fuller was for the balance of Winnipeg. the distance of section 3, not included in the contract to Sifton, Glass & Co. for section 1, and, as I understand it, was for a portion of territory which was never submitted to public competition by itself : do you remember that circumstance ?- I thought it was all submitted to public competition?

23364. Yes, certainly all; but not this particular portion of one of the sections ?- That is contrary to my recollection.

23365. It arose in this way, according to the explanations given by different witnesses: Mr. Fuller made the lowest tender for the whole of section No. 3 from Winnipeg to Edmonton, but he said that he understood the line was going near the Riding Mountains, and he had not provided in his price for clearing any considerable extent of wood land, but, finding that the line had to go by the north of Lake Manitoba, and that a large amount of clearing had to be done, he claimed that a price for clearing should be paid to him, or he should not be obliged to take the contract. It was finally agreed that instead of giving him that additional amount for the wood land, Sifton, Glass & Co. might take the section No. 1, which included most of the wood land, and that Fuller should take the balance of section 3 at his original price for section 3, deducting what he had offered for section 1: do you remember those features of that transaction ?-- I remember something of that kind, but the object of myself and the Department was always to get the work done in the cheapest way, and I presume it was divided on that ground.

23366. That leads me to the main question--whether the pecuniary Pecuniary results

23367. Then there was no intention to give any preference to any one which was not called for by the contracts ?--Certainly not.

23368. In deciding whether that whole contract for section 3 should be given to Mr. Fuller alone at his price, with an addition for clearing

Telegraph Tenderin

Telegraph-Tendering. Contract No. 2.

wood land, or whether it should be divided into two contracts, seems to turn upon this: whether it was better to give Mr. Fuller \$900 more than to him and Glass together, without any of the profits of working the line, or to give the profits of the line to Sifton, Glass & Co. and save the \$900: was the matter presented to your consideration in that It was presented to me shape ?-I do not remember; I think not. solely in the interests of economy, I think.

Impossible for him to remember if an alternative was presented to him.

Only remembers that the contracts were let so as to secure the cheapest to the country.

If it was considered there

Contract No. 3. This contract not given to the lowest, because the lowest was too low.

Contract No 4.

Offer of contract first made to Waddle & Smith.

Does not believe that Waddle & Smith were left without notice that a day was fixed before which they must put up their security, because Mr. Trudeau is very careful.

23369. Was your attention called to this: that the question of economy depended upon whether it was cheaper to the country to give any particular amount to Fuller, or the profits of the line for five years to Sifton & Glass ?-It is impossible for me at this distance of time to speak of amounts. If Mr. Fleming made such a report, the reports would be in the Department.

23370. Without mentioning the amounts, do you remember that these two sides of the question were presented ?-I only remember the one side: that the contracts were let so as to secure the cheapest to the country.

23371. They were let with that intention, at all events ?-Yes; of course, and, as far as I can recollect, with that result. I can speak only from memory.

23372. There is no report upon that particular feature of this transaction, and I think Mr. Fleming said, in giving his evidence, it was then called to his attention for the first time ?-Yes; I have not read Mr. Fleming's evidence.

23373. I only mention that because you thought possibly there would be a report. might be some report bearing on this ?- If it was considered there certainly would be.

> 23374. Contract No. 3 was with Mr. Barnard, in British Columbia. We have not proceeded with any investigation about that contract, for the reason that evidence appears to have been given upon it before some tribunal in British Culumbia, and it is now under consideration by the Government, and I mention it only to ask whether there is any fact which you think proper to give ?-I cannot remember any fact. That contract was not given to the lowest.

> 33375, Macdonald's tender appeared to be too low ?-Yes; it appeared utterly useless to deal with him.

> 23376. Mr. Fleming reported, in effect, that the time was so short and the price so low it was not worthy of consideration ?-Yes.

> 23377. The next contract was known as section 5 in the advertise-The order in which the tenders were made, taking the lowest ments. in the first place, was as follows: Waddle & Smith, first; Sutton & Thirtkell, second; Sutton, Thompson & Co., third. The offer to take the contract seems first to have been made to Waddle & Smith ?- They were the lowest.

> 23373. They complain, and Mr. Waddle has given some evidence on the subject, that they were passed over without being informed by the Department, or any one on behalf of the Government, that there was a day fixed before which they must give their security or lose their chance; have you any recollection of that ?-I have no recollection of that particular statement of an alleged fact, but I do not believe it.

Telegraph-Tendering Contract No. 4.

I think Mr. Trudeau is very careful about giving such notices as that. I think it extremely unlikely.

23379. Then your belief is founded upon Mr. Trudeau's carefulness? --Well, the usual practice. We were always in the habit, indeed, of waiting when they asked for further time if it was a reasonable time. Waddle's state-

23380. Mr. Waddle does not say he asked for further time because he never knew the never knew the time was limited ?---I am satisfied that was not correct. time was in not correct.

23381. It appears his firm was passed over, at all events, and an offer Quite certain the made to the firm of Sutton & Thirtkell. Mr. Waddle gives his evidence cribed by Waddle here under oath to this effect: that while the matter was pending in his evidence between the Government and the Sutton & Thirtkell firm, he himself place between came to Ottawa and saw you and conversed with you, and that he himself and Minister, when complained that he had been passed over in the way he explained, and the latter, in that you then said if Sutton & Thirtkell did not take it up he could complaints that have a further chance before any one else : do you remember any such he had been he had been have a further chance before any one else : do you remember any such have bad such a con-conversation?—I am quite certain I never could have had such a con-versation. It would be a very absurd conversation.

23382. You are aware that this contract was given really to persons it up he would who were no tenderers themselves-Oliver, Davidson & Co?-Yes.

23383. Do you remember what their standing was and how it was that they came to get the contract ?- I suppose because they made an arrangement with the real parties who tendered. I knew their starding well enough. Their standing was quite good.

23384. Is it usual to deal with persons upon their own representation that they are the assignees of the rights of the tenderer ?- Not unless they satisfy the Department that they are.

23385. Do you recollect that they did satisfy you that they were? -No; I had no personal satisfaction, but I have no doubt it was done.

23386. There is no record of that, and Mr. Trudeau cannot explain No record : it, and Mr. Fleming cannot explain it. Mr. Trudeau says the transaction explain it; Flemwas arranged by you individually, and that he did not enquire into ing cannot ex-plain it?—I do not think I ever arranged any transaction myself in regard to deposed that the contracts. There must be some correspondence in relation to it in the arranged by Min-Department.

23387. It has not been forthcoming, and has not been explained by him: To this by person connected with it ?—It has frequently been the any person connected with it ?-It has frequently been the case that a that he does not tender has passed into the hands of another person before the work has think he ever commenced. That was the case in the Whitehead contract, for instance. thing himself He was not the original tenderer at all. It was this same Sutton and in regard to contracts. some other person, I think, and he arranged with them to take up the contract before commencing.

23388. That, of course, is an ordinary transaction. It was the case ber the grounds in the Georgian Bay Branch contract, which was transferred to Mr. on which the Department. Foster, by Mr. Munson; are you aware of the reason why the Department assumed these persons to be the assignees of the tenderers ?--No, I am not; but they must have been perfectly satisfied with the assignees of the evidence, I think; and I recollect I was very glad to get Oliver, Davidson derers, but derers, but believes it must

23389. Were you personally acquainted with Sutton & Thompson, or either of them ?-No; I have seen Sutton. I have no acquaintance with him.

ment that he time was limited

conversation de kell did not take have another chance-never took place.

Department assumed that Oliver, Davidson & Co. were the have been sufficient.

Telegraph-Tendering. Contract No. 4.

Perfectly satisfied he never so that Oliver, Davidson & Co. should get the contract on the tender of Sutton & Thompson instead of Sutton & Thirtkell.

23390. While the matter was pending between the Government, on the one hand, and Sutton & Thirtkell on the other, it appears, from the managed matters evidence, that Sutton, before the time was up which was limited for finding security, went to Toronto and arranged with some member of the Oliver & Davidson firm to take their rights, and that it was concluded between them that they should take the contract upon the Sutton & Thirtkell tender, and both he and Sutton, and some member of the new firm came down to Ottawa before Sutton & Thirtkell's that before they went away it was arranged was up; time should take it, not upon the Sutton & Thirtkell that they tender, but upon the higher one of Sutton & Thompson, about \$28,200 higher. That is the arrangement which I understand Mr. Trudeau to allude to when he says it was managed by the Minister; do you recollect anything of it ?- No. I am perfectly satisfied I never managed any such transaction.

> 23391. Could you give us any information now as to the negotiations which led to the displacement of Sutton & Thirtkell, and the acceptance of Sutton & Thompson at a higher price ?-- I can give no explanation whatever, further than what would be contained in the records of the Department.

> 23392. There is not the slightest record of any such transaction in the papers that have reached us ?-If Mr. Trudeau cannot give you the explanation, I cannot.

> 23393. Do you remember whether you had any interviews with Oliver or Davidson upon the subject of this telegraph contract?--I have no absolute recollection of interviews; but 1 think it extremely likely that I had, as rearly all the contractors came here.

> 23394. You could scarcely, then, give us the details of any conversation or negotiations on the subject between you and any of them ?-No; I have no recollection.

> 23395. We know of nothing concerning contract No. 5 upon which we consider it necessary to take any evidence from you, but if you know of any fact that would be useful to us, we shall be glad to have it-this was the first contract of the Pembina Branch?-The contract given was to Mr. Whitehead as the lowest tenderer, to the best of my recollection.

> 23396. I think a man named Peach tendered a cent lower per yard. but he failed to comply with the requirements of the Department, and it went to Mr. Whitehead ?---I think so.

> 23397. The next contract in order of time is for steel rails. The advertisement inviting tenders for rails appeared about the end of September, 1874; could you say whether it was about that time that it was first considered necessary to purchase rails ?-Yes.

> 23398. Could you say whether any action of the subordinates in your Department or the Engineer's led to that opinion?-Mr. Fleming first brought the matter to my notice, and sa d that it was absolutely necessary, in his opinion, that rails should be had as soon as possible, as it would take a long time to get them up, and construction could not go on without them being on the ground, and, besides, he said he thought the price of rails had then reached the lowest rates they were likely to reach, and we should secure as large a lot as possible. He was very . urgent in his representations on the subject.

Tendering-Contract No. 5.

Purchase of Rails Contracts Nos. 6-11.

The subject of rails first brought to witness's notice by Flem-ing, who said rails should be got as soon us possible, that they had reached the lowest rate, and that as large a lot as possible should be secured.

Purchase of Raiia-Contracts Nos,

6~11.

23399. Did you yourself weigh the reasons which he gave before adopting a conclusion?-I think I did to some extent. Of course it was a more matter of speculative opinion as to the price being at the lowest point. It was at the lowest point actually that had been reached up to that time, and I thought his representations were likely to be correct as to that. They certainly were correct, in my opinion, as to the necessity of having rails there very soon.

23400. Irrespective of price?—Irrespective of price.

23401. What did you consider to be the necessity of rails there at that time, irrespective of price?-It was impossible to go on with con-truction without rails.

23402. Then, in that case, the quantity required would be a material element ?--- That depends upon how fast you went on with the work.

23403. Therefore the quantity would be a material element?—The The quantity a quantity would be material, of course, in proportion to the extent you materialelement wanted to go on.

23404 Could you say what proportion of the work was expected to be proceeded with so as to require rails immediately?-No; I could not say precisely, but there was every probability at that time of several hundred miles being placed under contract within a year.

23405. Would not the line be placed under contract some time before track-laying? — A short time. It takes a long time to get rails into that country.

23406 What I mean is that neither the time of asking for tenders nor the time when the work was placed under contract, would of itself give a correct idea as to the time when the rails would be required for track-laying. The time between giving the contract and preparing the road-bed would have to be allowed for ?-Oh, the road-bed, to a great extent, is prepared after you get the rails. You lay the rails first before the road is anything like completed, and fill up with the cars from particular points where your borrow-beds and pits would be.

23407. At all events, a large portion of the works would have to be let before the rails would be required?-That depends, to a great extent, on the nature of the country to be traversed. Making the road west of Winnipeg since I left office, the ties were laid on the grass and ballasting was done afterwards with the trains.

23408. Did the consideration of that circumstance weigh with you in sometimes late itimating the time at which these rails would be required ?--What the surface of recumstance? estimating the time at which these rails would be required?--What -circumstance?

23409. The fact that rails are sometimes laid on the surface of the ing the time at which the rails ground without any preparation ?--- I really do not know.

23410. Because my recollection is the first necessity for these rails was between Thunder Bay and Red River, excepting the Pembina Branch ?-Yes.

23411. Then only the quantity for the Pembina Branch would be required for Pembina Branch would be remained Branch required immediately ?--It would be material as to the argument in would be material to the argument favour of making the purchase then.

23412. Keeping in mind always the quantity required for that Branch ?--Yes.

533*

Does not know if the fact that rails are would be required.

in favour of purchasing. Purchase of Rails--Contracts Nos. 6=11.

23413. I only wish to know what the fact was—whether the fact of the rails being likely to be laid immediately on the Pembina Branch weighed at all in the decision as to the quantity required at that time? — I have no doubt it did.

23414. About what quantity do you understand to have been required for the Pembina Branch ?—It requires on an average about ninety tons a mile.

23415. That would account, then, for the necessity of providing something under 10,000 tons at most; as to any further quantity, do you say that the time at which they would be required for use weighed in the decision to purchase?—Certainly; the necessity of procuring rails if we were to build the road, and the necessity of taking advantage of the market while it was low.

23416. For the present we may keep out of sight the cost; I suppose if the price was even higher than it was at that time, and the rails were actually needed, they would have been procured. I am endeavouring now to see whether the necessity of having them for use at any particuliar period was a reason for the purchase irrespective of price ?—In other words you are endeavouring to see if you could find fault with the policy of the Government. As I said before, I decline to answer any question as to the policy of the Government; but as so many falsehoods were circulated regarding the purchase of those rails, I have answered every question that was put to me, not that I have any right to do it, but because I choose to do it.

23417. On behalf of the Commissioners, I may state that, if you will say now it was the policy of the Government, to purchase rails, irrespective of the time at which they would be used, I will ask you no further questions respecting them ?—I prefer that you go on with your questions.

23418. Then, if there was such a policy, please understand that the responsibility of our asking the questions on the assumption that there was no such policy, rests with you ?—The responsibility of what ?

23419. The responsibility of our putting the questions?—You have no right formsk the questions.

23420. I repeat, that if you say it was the policy of the Government to purchase those rails irrespective of the probable time of their use, I will ask you no further ?—I have already told you what were the true reasons for purchasing. What more do you want ?

23421. If you had the two reasons, must you not of necessity have had the one: the greater would include the lesser number ?---Which is the greater ?

23422. Of the reasons—price and necessity for use. The number two is greater than the single one?—I don't understand you.

23423. We will speak of one first ?-- One what ?

23424. One reason for getting them—the reason that they were required for use; now, as to the requirement for use, I am asking whether that was a matter of departmental administration, or whether it was one of the principles adopted by the Government on this matter ?—If it was one of the principles of Government, you have no right to ask.

Two things influenced decision to purchase: (1) necessity for procuring rails if the road was to be built and (2) of taking advantage of the market while it was low.

Declines to answer.

Purchase of Rails-

33425. I understand that we may not criticise it; I only ask to Gentracts Note know whether it was so or not?-I decline to answer. The act of Declines to every Department must always be assumed to be the act of the Gov- answer. ernment.

23426. I understand you to suggest that every act, every detail of the administration of the Department must, in a constitutional light, be considered to be part of the policy of the Government ?-- I am not here to discuss constitutional questions.

23427. I understand that you are discussing them ?-No; you are quite mistaken.

23428. Do you decline to say whether the necessity of having the Necessity for the rails at that time in view of the period when they would be used was one of the eleone of the elements in the decision for their purchase ?-- I have ments in decision to purchase already said it was one of the elements. them.

23429. But do you decline to give the particulars of that reason ?---I have already answered.

23430. I am endeavouring to ascertain where the necessity for the purchase existed ?- There were 2,000 miles of railway to build.

23431. When ?- According to the bargain of 1871 it was to be built within ten years.

23432. And was that the reason that you thought it necessary to Declines to purchase in 1874 ?- I decline altogether to answer questions respecting answer. the policy of the Government, and you may as well understand that sooner or later.

23433. I don't want you to state the reason for any policy of the Government, but I wish you to make it clear whether it was then the policy of the Government to purchase those rails ?- Unless it was their policy they would not have been purchased, of course.

23434. We think the Commissioners are entitled to assume that the details of the departmental administration may be inconsistent with the principles of government adopted by the Ministry, and that those details may be enquired into ?-- I have nothing to do with the assumptions of the Commission.

23435. I only wish to state them clearly so that you may understand the position we are taking, and may bear the responsibility of refusing to answer or not as you think fit: do you decline to give any evidence apon the particulars of the necessity for the purchase of those rails on account of their probable use ?-I have already said all that I have to say about the reasons for their purchase.

23436. Will you say as to the price, whether that was a material The price a ma-terial element in the decision to buy them ?—I have already said so. element in the decision to buy them ?-I have already said so.

purchase.

23437. Are you willing that that should be investigated ?- That what should be investigated?

23438. The reasonableness of that conclusion that the price made it proper to buy ?-I cannot hinder you from investigating anything you please.

23439. Will you say, then, what appeared to be the reasons in support of the view that that was a good time to buy because of the price ?- I know of no reasons except the statement of fact.

Purchase of Bails— Contracts Nos. 6–11.

The price had reached a lower point than it had ever reached, and Fleming thought it was likely to rise.

Witness adopted Fleming's reasons. 23440. And what was that?—That the price had reached a lower point than it had ever reached, and that Mr. Fleming thought it was likely to rise.

23441. Did you not consider it expedient, as administrator of the Department at that time, to enquire into Mr. Fleming's reasons more deeply than merely by hearing that that was his conclusion ?—Well, of course, I adopted his reasons.

23442. At the time that it was decided to make the purchase of rails, can you say whether it was considered expedient to attract English. competition as well as Canadian competition ?—To attract English?

23443 English competition on the prices?-As to that—I did not understand your question at first—there were no Canadian manufacturers of steel rails that I am aware of.

23444. But there were Canadian dealers?—I am not aware of any. There are Canadian agents for English dealers. I am not aware of any Canadian dealers for themselves.

23445. You were aware of Canadian agents for English dealers: was it considered advisable that the competition should not be restricted to Canadian agents of English dealers, and that English agents and English dealers should compete?—I supposed every one should have an opportunity of competing.

23446. Did you consider that eight days was a sufficient time to give English agents and English dealers an opportunity to do so ?—If 1 had not thought so the advertisement would not have been issued.

23447. Were you afterwards led to the conclusion that it was not sufficient time?—Some parties advised me to extend the time so as to enable dealers, instead of telegraphing to their principals, to write to them, and the time was at once enlarged as soon as that desire became known.

23448. At the time of the reception of those tenders in November, 1874, would you say what quantity it was considered expedient to purchase?—I think the first quantity spoken of was 40,000 tons, by Mr. Fleming.

23449. Did you adopt his view ?-Yes; I have already mentioned that.

23450. This was a very large transaction, and it may be assumed that you took a part in considering the effect of the tenders and awarding the contracts ?—Perhaps you had better, instead of assuming anything, ask any questions you desire to ask.

23451. I will ask it in another way if you prefer it: did you take any part in considering the tenders and awarding the contracts ?—It is the usual course in awarding all contracts.

23452. Did you take the usual course ?-Yes.

23453. Do you remember, at this distance of time, the relative rank of the tenders, giving the lowest price to the first rank, and so on ?— No, I do not; but I presume the reports in the Department will show that.

23454. Can you say whether there was any intention to give any preference to any party in contracts beyond what would be called for

Thought every one should have an opportunity for competing.

Advised to extend time from eight days, so as to enable agents to write rather than telegraph to their principals.

First quantity spoken of by Fleming 40,000 tons.

Usual course for Minister to take some part in awarding contracts; usual course taken.

Purchase of Rails— I Contracts Nos. 6=11.

by the tenders themselves ?-I am not aware of any such intention. I cannot conceive how there would be.

23455. Then, I understand you to say that the tenders themselves will point to the persons who should have got the contract according to the prices. There is the schedule by Mr. Fleming showing what he understood to be the contents and substance of the different tenders on this subject. If you wish to look at it, I shall be glad if you will say whether it shows that this is the rank of the tenders for delivery at Montreal?—I suppose the paper will speak for itself.

23456. I only wish to know whether you find any construction applicable to it which I have not found; we might differ on the meaning of it?—Ask me any question you like.

23457. I understand that the West Cumberland Co. were the lowest Tenderers in tenderers for 5,000 tons ?- That is Guest & Co.?

23458. Cox & Green were their agents; 5,000 tons at \$53.53 ?-Yes.

23459. I have also understood, from the papers in evidence, that the 40,000 tons were all contracted for to be delivered at Montreal?—Well?

23460. Is that as you understand it ?-- I think so; I am not quite certain of that, however.

23461. Not only contracted, but advertised for to be delivered at Montreal. The next lowest tender, or rather it is equally low, is that of the Ebbw Vale Co. for 5,000 tons, at \$53.53; the next lowest is Guest & Co. for 5,000 tons, at \$54; the next lowest is 10,000 tons by the Mersey Co. at \$54.26; the next lowest is by the Aberdare Co., 5,000, tons at \$54.75. Now, that quantity reaches only 30,000 tons, and still the Aberdare Co., who were the lowest tenderers for the portion of the first 30,000 tons, got no contract: can you explain why that was?—That the lowest tender got no contract?

23462. The Aberdare Co., were among the lowest tenderers for the first 30,000 tons, and still though 40,000 tons were ordered they were omitted ?—I suppose it was because they were higher.

23463. That could not be if they were among the lowest for the first 30,000 tons?—The question is, what did it cost the Government.

23464. That is all. For the first 30,000 tons the tenders, as far as I can construe them, and according to that schedule which is now before you, show that the West Cumberland Co., the Ebbw Vale Co., Guest & Co., the Mersey Co. and the Aberdare Co, were the five lowest tenders for the first 30,000 tons?—The lowest first tenderers were offered more than what they had put in their tenders. Cox & Green, for instance, had only 5,000 tons in their tender, and they were offered more.

23465. So far we have had no other direct evidence of that ?-I cannot help it. 1 am making evidence of it now.

23466. How were they offered it?-They were offered it by Mr. Trudeau with my knowledge and consent.

23467. Is not that a mistake ?-No; I think not.

23468. There is on record the fact that they wrote to you on the 18th of December offering another 5,000 tons, and on the 22nd you telegraphed them back: "No further steel rails wanted, thanks?"—

Purchase of Rails-

Contracts Nos. 6-11.

Witness's recollection that West Cumberland Co.

were offered a larger quantity than 5,000 tons.

Presumes that Guest & Co were

offered an oppor-

tunity of supplying a larger

quantity.

They had declined in the first place, and offered, subsequently, after the transaction was completed.

23469. There is no evidence of that offer ?—I cannot help that. The offer was made, nevertheless, and Mr. Trudeau informed me that they declined. It must have been so.

23470. Then your recollection is, that before arriving at the quantity of 40,000 tons, the West Cumberland Co. were offered a larger quantity than 5,000 tons?—Yes; that is my recollection. My recollection is that every tender was dealt with that was the lowest, in order to get the quantity we decided upon at the lowest possible prices.

23471. Were Guest & Co. offered an opportunity of supplying a larger quantity ?—I presume they were.

23472. Then, you have no positive recollection ?—No, I have no positive recollection. What makes my recollection in the case of Cox & Green is, that the newspaper correspondence brought out the fact that they stated themselves that they were offered it.

23473. What correspondence ?- Newspaper correspondence.

23474. And the Mersey Co.; their offer was 10,000 tons at Montreal: do you remember anything about that amount being increased? —I think so. It was increased to 20,000, that being the best arrangement the Government could make as to price.

23475. Then the Aberdare Co., do you know anything about them? —I do not recollect anything about them. I presume we never reached their figure.

23476. It appears that their figures were reached, and that 5,000 tons—the second 5,000 tons—were given to Guest & Co., at the price of \$55.24, while the Aberdare Co. had offered to supply the same quantity at \$54.7, giving Guest & Co. the preference and 49 cts. per ton more than the Aberdare Co. had offered to furnish them for?—I have no recollection of it.

23477. The way that happened was this: Guest & Co. offered one 5,000 tons at \$54, and another 5,00) at \$55.24. Both offers were accepted, which reduced the average to \$54.62. That average would be below the Aberdare Co.'s offer, which was \$54.75?—My general view, as expressed to Mr. Trudeau, was that each tender should be followed up, beginning at the lowest, giving them as much as they would take, and proceeding upwards only when forced to do so by rising prices.

23478. Taking 10,000 tons—not from Guest & Co. alone, but half from Guest & Co. and half from the Aberdare Co., would have reduced the rate for the whole 10,000 tons. I do not know whether that circumstance was called to your attention; please state if it was?— I do not think it was.

23479. There is no tender and no correspondence upon the subject of this increase in the Mersey Co.'s supply: could you say how the negotiation was carried on ?—It was carried on by Mr. Trudeau, and probably referred to me as Minister.

23480. When you say probably, I suppose you mean that you are not able to say positively?—I have no precise recollection, but I

Has no recollection of the fact that the Aberdare Co. was passed over, Guest & Co being given a preference though 49 cts. bigher.

The increase in the Mersey Co.'s supply carried out by Trudeau, and probably referred to witness as Minister.

Purchase of Raifs-

have no doubt that that was the mode. I recollect of Mr. Fairman Contracts Not calling upon me once or twice, but I referred him to Mr. Trudeau, through whom all business was transacted of the kind.

23481. After this 40,000 tons had been bargained for, there seems to have been a halt in the transaction. That was about the 3rd of December, 1874, and subsequently a change of tactics early in January, and a further supply was procured; could you say what led to, the necessity of the further purchase ?-That is for the Pacific coast ?

23482. I think the new lots amounted to 10,000 tons-of that, 5,000 second pur tons went to Vancouver?—About that time we were about entering a view to build on the obligation to build the Island railway, and it was with the view ing the railway to have iron rails sufficient for that that the second purchase was made. Island.

23483. You think that was what led to the changed position and the purchase of the further lot?-I think so.

23484. Was that change, do you think, after the refusal to take the West Cumberland Co's second offer of 5,000 tons at £11 in Montreal -equivalent to £10 sterling in Liverpool ?-I have no recollection of dates.

23485. The circumstance happened somewhat in this way, as far as disclosed by the Blue Book reports and the evidence before us: on the 20th of December, or about that date at all events, the West Cumberland Co. offered 5,000 tons more at £11 sterling in Montreal, which I understand to be equal to £10 sterling in Liverpool, because the freight across was £1. That was refused immediately by telegram, stating no further rails were required. On the 4th of January, Cooper, Fairman & Co. write to you. That is the first letter upon the subject, as appears by the reported correspondence, and they use this language: "With reference to the 10,000 tons required f.o.b. Liverpool"apparently pointing to some definite 10,000 tons, and suggesting that Thinks conversabetween you and them mention had been made of 10,000 tons: do you tions may have tween you and them mention had been made of 10,000 tons: do you tions may have taken place with recollect the circumstance of any allusion to such a quantity being Cooper, Fairman made before that letter—I mean any allusion in any correspondence would account for

between you and Cooper, Fairman & Co. ?- I think there was no cor- the way they write on the 4th January.

23486. Between you and some of them ?-There may have been.

respondence. There might have been conversations.

23487. Do you say that there was ?-I really cannot say. I have a recollection of an interview with Mr. Fairman once or twice while the main tenders were pending, but I have no recollection of any subsequent one.

23488. On the same day, that is the 4th of January, a telegram was sent to you from Montreal, by some persons using this signature: " Agents, Mersey Co."

"Mersey Co. having signed tender deliver at Montreal, cannot now deliver west."

Did you understand this title to mean Cooper, Fairman & Co. ?-I do not recollect of the telegram at all.

23489. It is reported on page 38 of this Blue Book concerning correspondence on the steel rails ?-There are three telegrams apparently the same day.

23490. From Cooper, Fairman & Co?-Yes. there are some on the previous page.

Purchase of Bails--Contracts Nos. 6-11.

Supposes the phrase "agents, Mersey Co." meant Cooper, Fairman & Co. Never any public competition for the 5,000 tons for which the tender of Cooper, Fairman & Co. was accepted at £10 108.

23491. That is the letter to which I allude; it is a second telegram? --What is your question about it?

23492. I ask whether you understood that title "Agents, Mersey Co." to mean in fact Cooper, Fairman & Co?—I suppose it must have been. They were the agents.

23493. On the 7th January you accept their tender for 5,000 tons at Liverpool at the rate of £10 10s. storling; can you say whether there ever was any public competition or any kind of competition as to any purchase of rails f.o.b. at Liverpool?—No; I don't think there was.

23494. You think not ?-I think not.

23495. At the time of accepting their offer, a spontaneous one, as I gather from the reported correspondence, were the following circumstances taken into account, that two days before you were able to purchase from the Cumberland Co. at £10 sterling in Liverpool, or equivalent to that, because it was only £11 at Montreal, that on a previous occasion the Department had communicated, before the reception of tenders, that they were receiving no tenders or entertaining none for the delivery at Liverpool, and that in fact Crawford had offered them there at £10 5s, and the offer was not entertained ?— I have no recollection of Crawford's offer.

23496. It is reported on page 25 of the same Blue Book?—It was during the summer of next year.

23497. That would be for delivery in the summer of 1875 ?-Yes.

23498. That would be quite as early as you wanted them or got them ?-No; I don't recollect our reasons for declining that.

23:99. Then, do you say that the acceptance of Cooper, Frairman & Co's offer was made without the consideration of those circumstances? —I do not think so; I have no doubt they were all considered.

23500. Was it considered that rails at £10–10s. from Cooper, Fairman & Co. was better than at £10–5s. from Crawford ?—I cannot tell. It may have been. It would depend altogether upon inspection and a quality.

23501. Are you able to say that any such matters were considered; that there was such a difference as you describe; that one firm had **a** better quality or was more desirable?—The fact that there was **a** decision in the case implies consideration. I have no recollection of discussions respecting the matter.

23502. No one else of those who have been before us has touched upon any such comparison between these offers—Crawford's and Cooper Fairman & Co.'s, and the other gentlemen in New York, who were informed that their offer would not be entertained. That refusal to entertain the offer is found on page 3 of this same Blue Book?—This has reference to the original tenders.

23503. Yes; I am asking whether afterwards in January, before accepting the offer of Cooper, Fairman & Co. those circumstances were considered ?—Which circumstances ?

22504. The circumstance that Mr. Justice had been told that no tenders for delivery at Liverpool would be accepted, and the circum-

Cannot tell whether it was considered that £10 10s. from & Cooper, Fairman It may 1 & Co. was better than £10 5s. from Crawford.

Purchase of Rails-

stance that Mr. Crawford had offered them at £10 5s. : I ask whether these were considered before deciding to award the contract without competition ?-It was a subsequent transaction altogether.

23505. Can you say if they were considered, or why it was not worth while to ask for the competition of Urawford or of the Cumberland Co. who had two days before accepted £10 as a price ?- I know of no reasons whatever, except what are in the public documents in the office. I have no documents.

23506. Is there any fact connected with any of those contracts about steel rails which you think it proper to offer by way of evidence, that has escaped our attention ?-I know of no fact.

23507. There is a circumstance upon which we do not think it C. Mackenzie's necessary to take further evidence, but I mention it in case you should desire to state anything upon the subject. Mr. Chas. Mackenzie, in his evidence before us, said that he was a member of the firm of Cooper, Fairman & Co., and that after they got the contract for those rails, and before he informed any of them that he intended to retire. he had a conversation with you on the subject; is there anything connected with that which you think ought to be explained by evidence from you ?- Well, I have no objection, as it is a personal matter, to answer any questions you like to ask.

23508. We do not ask for any; we wish to afford the opportunity Telephed to Chas. if you think it desirable ?- As soon as I saw the statement in a paper Mackenzie to know if he might -I think it is the Montreal Gazette—that Chas. Mackenzie, or myself, say he had no or some connections, were interested in that contract, I telegraphed to Cooper, Fairman him asking if it was so, if he had any interest, and if I might state & Co. that he had not. I received his answer promptly to say that he had not any kind of interest, good, bad or indifferent I then telegraphed to some newspaper denying the allegation made. I recollect well his speaking to me about Cooper & Fairman being concerned as agents for some English companies, and that it would never do for him to remain in connection with them on that account. What precise date that was I do not remember.

23509. Your telegram to him, as I understand it, was the first communication with him on the subject ?-Yes.

23510. That was before an interview ?-Yes; I think so. It may this telegram not have been before the interview. I hardly think it could be.

23511. Then do you think you telegraphed him, notwithstanding a Telegraphed to previous interview at which you learned his standing in the matter ?- him after an I presume so. I wanted a definite statement from himself whether he which he learned had any interest in it or not.

23512, Was the telegram to usk whether he had consummated his ed a definite intention of retiring, because at his interview he informed you that he statement. had that intention?-No; the telegram was to ask him whether 1 might state that he had not any interest in that contract. I have no objection that you should get that telegram-I mean from the Department. if it can be got.

23513. We do not consider it necessary to get such particulars; we only wish to learn if there is anything about it that you think desirable should be put in the evidence?-Of course I am perfectly aware of the falsehools circulated in the country about it at the time. I

Contracts Nos. full.

> retirement from firm of Cooper, Fair-man & Co.

Hardly thinks could have been before an interview.

because he want-

retir-ment from firm of Cooper, Fair- man & Co.	թ th
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Georgian Bay	

C. Mackenzie's

money might be

paid.

resume that no one, though used for political purposes, ever believed at I had any connection with anything that was improper, and I erely mention what I have done because of those statements.

23514. It is for the purpose of affording an opportunity to make Contract No. 12. any desired explanation that we mention the subject. The next contract in the order of numbers is the Georgian Bay Branch; that was made with Mr. Foster in February, 1875, and about the end of the year, or the beginning of next, it was cancelled ?-Yes.

> 23515. Not speaking just now of the Canada Central extension, but of the Georgian Bay Branch proper-a payment of about \$41,000 was made ?--Yes.

Astothe payment 23516. It seems that this was the whole amount part of \$11,000 to Foster, can only Government, and his deposit was returned to him. The only matter say that Fleming about this which we desire to enquire into is whether the fact that moved the second the second have been ascertained for a smaller this line was impracticable could have been ascertained for a smaller sum if the Government had undertaken the explorations and surveys and for which this was which Mr. Foster made, intended to reimburse him : can you give us any information upon that subject? -We have simply Mr. Fleming's report, in which he says that the amount expended would be useful in continuing the explorations westward, and if properly certified might be paid to that extent. I forget the precise amount he suggested.

> 23517. Mr. Fleming, as we have gathered from a report which be himself puts in, made very strong representations to the Government based on letters of Mr. Hazlewood, that such a route as that adopted by the Government would certainly be feasible? - Yes.

> 22518. And that that turned out to be a mistake; so that the only circumstance about it was that the Government was misled into this contract upon incorrect information from the Engineering Department?-Yes; of course.

> 23519. Is there anything else about it which you think worthy of mention?-Nothing occurs to me, but I would be very glad that you should ask me any question that occurs to yourself.

> 23520. There is nothing else about it that we think requires explanation ?—I have been told lately that the route selected by Mr. Hazlewood would have turned out to be the best after all.

> 23521. Mr. Shanly and Mr. Fleming, at a later date, state that the gradients could not have been secured. At first Mr. Fleming did not agree with Mr. Shanly's proposition, but on the latter occasion he admits in effect that his first information was not well founded : is there anything connected with it which you think ought to be mentioned ?-No; I am not aware of anything as far as explanation is concerned, but I will be very happy to give any if required.

23522. The Chairman.-Nothing occurs to us.

23523. The number of the next contract is 13, which was for the Contract No. 13. portion of the railway next west of Lake Superior; could you say whether any definite policy upon the question of building a line through that section of the country had been adopted by the Government?-Well, the objection that I previously raised as to discussing the policy of the Government comes in, but as the matter was really explained in some of my speeches, I need not have any hesitation on

Fleming turned out to be mistaken in his belief that the route adopted by the Government would prove feasible.

Railway Loca-

that point at present. The policy of the Government was to obtain Contract No. 13. the best and shortest line as to grades and curves between Thunder ment to obtain Bay and Red River, or Rat Portage, which was the objective point the shortest line between Thunder between the two. The policy of the Government looked to the possi- Bay and Rat bility of the road east of Thunder Bay not being constructed for many Portage. years, and to use the water as the means of communication between the Ontario system of railways and Fort William, and possibly to utilize the small lakes in the interior of this country also for a term. The Government might, perhaps, have chosen not to commence any building at all until the entire line was surveyed and decided upon, but we looked upon it as very important to have an immediate entrance into that country through our own territory for the summer, if not for the whole year, and therefore decided to construct this portion as fast Decided to con-struct this portion as we could get it put under contract, the two ends at least, that is, as fast as it could between Red River and Rat Portage, and between Fort William and be got under contract. the interior line of lakes at Port Savanne.

23524. You have answered the question at greater length than I intended when I asked it, because you have been good enough to inform us of some of the reasons for the policy. My object in asking the question was to ascertain what the policy was (or if there was any policy) as to the mode of building that link. That being now established, I would like to ask whether it was so decided, without reference to the state of the examinations by the engineers, or whether it depended upon any conclusion as to the sufficiency at that time of those examinations. This is asked with a view only of ascertaining whether the engineering staff were then considered efficient ?-- The line was Line run in the run in the first place from Nipigon Bay up by the Sturgeon River first place from Nipigon up by the route, keeping far north of the present line, but was exceedingly rough Sturgeon River route far to north of the present line, but was exceedingly rough Sturgeon River route far to north of the present line, but was exceedingly rough Sturgeon River route far to north of the present line, but was exceedingly rough Sturgeon River route far to north of present line, Government to give up the idea of taking it by that line. In 1873 and but was so rough as to lead to its the early part of 1874 it seemed probable that the Nipigon Bay line being given up. would be the one adopted; but for the reasons stated and the other reason not stated, but which I may state, that we found it quite practicable to obtain the minimum grades upon this line, and very straight curves, we proceeded with that. As to the engineering staff, it is a very difficult thing for a staff, scattered over a country like that, to obtain in one year or two an accurate idea of the difficulties to be encountered.

23525. Perhaps I ought to have put my question in this way: Does not think whether, before entering upon any contract for section 13, it was under stood that the Engineering Department had acquired such information instrumental instrumental as would enable quantities to be mentioned with something like accu- survey as would racy?—Well, I do not think there was such an instrumental survey of have made it the whole line at that time as made it possible to do that. It was a quantities with matter of calculation by observation simply, as any engineer can tell in accuracy. passing through a country what it is likely to amount to as to quantities. The east end and the west end were ascertained at the time.

23526. I think as to section 13 it appears that no location, properly so called, had taken place, but what Mr. Fleming designates a trial location, and that the quantities had not been even approximately ascertained ?-That was not my impression.

23527. Do you remember that at the time the contractors went upon the ground to commence this work they were not able to proceed, and

Railway Loca. tion

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Contractors delayed while a location was being made.

Contract No. 13. remained some weeks while the actual location was taking place ?-That is while a deviation took place. Mr. Hazlewood ascertained that there was a better route for many miles, both as to quantities and as to grades, and it appeared that Mr. Murdoch had never examined the country as a whole as Mr. Hazlewood did, and that part that was changed had to be gone over again. That is my recollection of the circumstances.

> 23528. Mr. Marcus Smith has said, I think, among other witnesses, that this contract was let upon a trial location; and it appears that the specifications were dated January, 1875?-It was let upon precively the same data as the other contracts were let, I think.

> 23529. It would be convenient to deal only with this one at this Mr. Fleming, at page 9 of his report of 1877, in 'describing moment. all the surveys that had taken place up to the end of 1874, says a trial location survey from Thunder Bay to Shebandowan had been made, and he distinguishes between a trial location and a regular location by saying that the first mentioned, namely, the trial location, is the first attempt at staking out a line for construction, the tangents being laid down, and, when necessary, the curves being set out, and he proceeds to describe the location survey as a more exact examination of the ground ?- Well, I understand it was an exact survey of the ground, that the quantities were calculated from actual data. Indeed, it could not have been anything else.

23530. You think it must have been a regular location ?—I think so.

23531. Is it because the specifications purported to give quantities that you come to that conclusion?--Yes.

2353?. That brings us back to the question that I first intended to ask-whether the Government, at the time of deciding to build the line, considered that they had means of arriving at accurate quantities ?means of arriving So the engineers reported.

> 23533. Then it was upon that representation that the policy was adopted, as I understand ?-Undoubtedly; partly as to quantities and partly as to grades. The question of grades was a governing one We decided on a policy of having a minimum grade coming always. east and one going west, the one going west of forty and coming east of twenty-six, and even if it had made a serious difficulty in cost, we probably would still have persevered in carrying out the line.

> 23534. Shebandowan was at first the western terminus of contract No. 13?-Yes.

> 23535. That was abandoned and the line was deflected north-westerly at some point nearer Thunder Bay?—It was supposed at first that the best line lay by the Shebandowan and Sturgeon Falls joute, with a possibility of crossing by the Narrows, but having in any case the The country west of Sturgeon Falls objective point of Rat Portage. was found too rough to be considered practicable, and the deviation was made northward without lengthening the line at all.

> 23536. All the other questions that have occurred to us concerning section 13 appear to be engineering ones, and it is not necessary to trouble you further unless you think of something that ought to be mentioned ?-No; there is nothing that I know of.

The quantities were calculated from actual data.

At the time of deciding to build the line the engineers reported that the Govern-ment had the at accurate quantities.

Country west of Sturgeon Falls too rough, and a deviation northward made with-out lengthening the line.

Railway Location

23537. The number of the next contract is 14. That was from Red Contract No. 14. River to Cross Lake. In order to proceed with the construction of Setkirk as the that, it was necessary, of course, to settle a terminus on Red River. Red River ter-Selkirk seems to have been selected for that : can you say whether Engineer. you, as Minister of Public Works, took any part in that selection, or was it left to the Engineer ?- It was left to the Engineer.

2,538. As to whether it was desirable to let the contract at the time that it was let for practical purposes, I would ask whether you are aware that a portion of the line next the Red River could not be proceeded with, and that when the contractors arrived on the ground they were not able to go on, and were put to large expense. Please look at this answer to question 1742 by Mr. Sifton, I do not know whether it will refresh your memory ?--If there was any remonstrance made by the contractor, it will be in the Department, I suppose. I have no recollection of anything of the kind.

23539. I am not speaking as to the position he afterwards took on the subject, but as to the knowledge the Department had at the time of the real state of affairs in that neighbourhood ?- I am not aware of any special state of affairs.

23540. Were you aware that at that time there was no located line Not aware at the next the river, and that the contractors would be obliged to transport was let that there their supplies for some distance into the country before they began was no located line next the their work ?- No; 1 was not.

23541. There was a change from the original contract made respect- Railway Coning a portion of the line just at the east end by which Mr. Whitehead undertook to finish that instead of the original contractors, Sifton, Whitehead to I have here a written agreement which was made finish the work at the east end. Ward & Co. between the parties subject to the approval of the Minister at the time? -What is the date?

23542. 13th of September, 1878. This is a copy of the contract, and I may refresh your memory by stating the difficulties that seemed to exist at the time. The work at the east end of section 14 was over a much rougher portion of the country than that west of it ? - Yes.

23543. That seemed to involve the necessity of using machinery, Understood that ongines and cars, &c., to transport the earth from one part to another whatever White-to do the filling. Mr. Whitehead, the contractor for section 15, had this the contractors machinery. Mr. Sifton had not, and some arrangement was made would get. machinery; Mr. Sifton had not, and some arrangement was made between them, subject to your approval : can you say whether you assented to that on the understanding that Sifton & Ward should, nevertheless, get their original prices, or whether it was an abandonment on their part of so much of the line and the assumption of it by Mr. Whitehead ?- 1 certainly had no intention it should be anything else but that.

21544. But what ?- That Mr. Whitehead should do the work.

23545. For the Government or for them ?-For them.

23546. Did you understand they were to get their original prices ?--Of course not. Whatever Mr. Whitehead was to get they could not get.

23547. Were they to get anything else beyond his contract price ?--He was to get what their contract called for. They could get no more, and if Mr. Whitehead did part of the work that their contract covered,

river.

Railway Con-

Contract No. 14.

he was entitled to be paid, of course, according to the agreement between them.

23548. I wish to ascertain now whether the particular nature of this assent on you part, or the result of it rather, was discussed or considered at the time, and I would like to explain more fully the nature of the dispute which has since arisen. I am not doing this with a view to ascertain whether their claim is a good or a bad one, but whether the action of the Department was expedient. They had no limit to the price which should be paid for haulage. The usual condition, at all events, in subsequent contracts was that after 2,500 feet contractors got no additional haulage, but that between 1,200 and 2,500 feet they got 1 ct. per 100 feet. The hanlage in this case was some two miles. Mr. Whitehead undertook to do it for 40 cts. and find his own implements, and no extra charge. Sifton & Ward say he was their sub-contractor. that they did not give it up entirely to Mr. Whitehead, that they were to get their price for haulage which amounts to some \$150,000 above Mr. Whitehead's price, that Mr. Whitehead's price should be taken out of that sum and that they should be paid the difference: Ι The contract with wish to know if these features of the transaction were submitted to you and considered by you?-I do not think they were. It was the of one contractor substitution of one contractor for another as to that particular work; for another for that is my procellection. However, I was somewhat he work is that is my recollection. However, I was somewhat busy about the work in question. time this arose.

> 23549. We have no further questions concerning section 14, but if you think of any other fact which would be material we should be glad to know it?-I know of nothing concerning it, only what is in the Department.

23550. There is another matter that has occurred to us, and which may be worthy of consideration, but which is perhaps more of an engineering question than a Departmental one. It is this: that this substitution of one contractor for another upon that end might have been prevented if that portion of the country had been thrown intosection 15, because it was the same character of country. I may ask you whether you took any part in deciding that the terminus of section 15 at Cross Lake should be where it is instead of a mile and ahalf further west?-No; it was wholly the Chief Engineer. I knew nothing of the country personally, except what I could glean from reports.

23551. There is a circuumstance connected with the expenditure at Fort Frances Lock which has not been dealt with, I understand, by any Parliamentary Committee-it is this: not whether it was an expedient thing to build it, but whether the money actually paid out by the Government was fairly accounted for and fully spent in the interests of the Government?-I know nothing to the contrary.

23552. Do you know whether it has been investigated in any way by the Department ?- I presume the same investigation takes place with regard to all payments. I know of no special investigation. The matter of payments is always a matter between the engineers and the Deputy Minister.

22553. Then no question has arisen specially to call your attention. to the subject ?- No; I never investigated accounts unless my attention was called to it specially by the Deputy.

Whitehead was the substitution

Fort Frances Lock Expenditure.

Knows nothing contrary to the view that the moneys paid out had been accounted for.

Tendering— Contract No. 15:

23554. The next number is section 15, upon which a great deal of discussion has taken place regarding the engineering and financial features, and I hardly think it necessary to ask you anything about that. It has been very fully dealt with, but as to the letting of the contract, it was let to Mr. Whitehead nominally in conjunction with Sutton & Thompson ?-It was let to Sutton & Thompson, and they took Mr. Whitehead in as a partner, and he afterwards bought them out altogether. That is my recollection of it.

23555. But was not the original contract in the name of the three? -I think so unless the sale was made before the contract was signed. I am not quite positive about that. There is a printed return, I think, somewhere, an Order-in-Council, which explains the whole of it.

23556. It was let to the three apparently together ?- That is my Contract let to three contractors. recollection.

23557. That is what I intended to say when I said it was let to him Not sure whether in conjunction with them; my question about that is whether at the time he was aware it was actually let apparently to the three of them, you were aware that that whitehead he was, by arrangement with the others, the single person interested ?- interested I am not sure that I was at the time. I was aware afterwards-very soon afterwards-that he was to do the work himself.

23558. It was before the contract was really awarded to them that he arranged that he alone was to be interested ?-He may have.

23559. My question was intended to ascertain whether you or any one in the Department was aware that he alone was interested ?-- I do not think so, then.

23560. Were you aware that Senator McDonald or his son had any Was not aware interest in the contract at the time it was let?—No; I was not. Perhaps McDonald or his you would allow me to look at that Order in Council; I think there is son had any We were dealing with Sutton & Thompson contract. a narrative there. altogether in letting the contract, and I observe, as I thought, they answered telegrams that were sent to them as to whether they had paid Mr. Charlton or any one on his account a sum of money for withdrawing.

23561. I understand you to say that at that time you were not aware that Senator McDonald had any interest, or was taking any part in the matter ?--Senator McDonald called at the Department on behalf of Mr. Whitehead, and told us that he was to furnish the security, but we knew nothing of any arrangements between the two. I supposed, being a relative, that he was doing it as a matter of favour to Mr. Whitehead.

23562. Was there any reason to suppose, at that time, that they Asked Senater and effecting the withdrawal of Charlton ?- I saw it stated somewhere. were effecting the withdrawal of Charlton ?- I saw it stated somewhere, was in his office or had a letter sent me, I forget which, that they were instrumental in whether they had doing that, and Mr. McDonald was in my office and I asked him the getting out of the question. He denied it very explicitly, and said it was wholly untrue, way, and Senator MoDonald denied but I thought that a formal letter should be addressed to themselves. it very explicitly, Accordingly this telegram was sent :

"OTTAWA, 5th January, 1877.

"Messrs. Surron & Thompson, "Brantford, Ontario.

"I am directed by the Minister of Public Works to say that the Department has been informed by parties interested, that the firm of Sutton & Thompson, or some 54*

745 alone

Tendering— Contract No. 15.

person acting on their behalf, has paid Charlton & Co., or Mr. Charlton individually, a sum of money for withdrawing their tender for the construction of section 15 of the Canada Pacific Railway, and to ask if there is any truth in this matter.

"F. BRAUN. (Signed) "Secretary."

On the morning of the 6th, that is the next morning, the following reply was received :---

"(Private.)

"By telegraph from Brantford, 6th, to F. Braun, Esq., Secretary Public Works

Sutton & Thomp-son deny that any money was paid to Charlton.

Department: "No truth whatever in the statement that we, or any person on our behalf paid Charlton & Co., or Mr. Charlton individually, a sum of money for withdrawing their control of the statement of the Connede Pasific Pailine tender for construction of section 15 of the Canada Pacific Railway.

> "SUTTON & THOMPSON." (Signed)

I assumed, upon Mr. McDonald's representations, which were very strong indeed, as well as this direct denial of Sutton & Thompson, that they were maligned in the matter. I never ascertained whether there was any truth in it or not.

23563. Do you remember that before the matter was finally closed Mr. Martin, who had been a partner of Charlton's, and whose name was mentioned in the original tender, claimed that he had rights which should not be overlooked ?- Oh, yes, I remember it quite well; I think it is dealt with there in that Order-in-Council. I will find it if you Here it is: will allow me.

"The letter of Mr. Martin, one of the principals of the firm of Messrs Charlton & Co. already referred to, contains a statement that he is prepared to proceed to give the necessary security. But he did not tender any security, and as he had been given the opportunity for two months to do so, it would have been evidently useless to wait longer on his account, setting aside altogether the matter of the rupture of the firm of which he was a member."

23564. The report which contains that matter is dated on the 6th of January; Mr Martin's letter is on the 29th of December; would you say whether after the 29th of December you declined to negotiate in any way with Mr Martin, or declined to recognize his standing ?- I do not remember the precise date, but I presume from the memorandum that we made, the tender of the work to other parties, and we ceased. negotiations with him as a matter of course.

23565. Then, at no time after receiving his communication did you. recognize his standing, or deal with him ?-We should not; I am not aware that we did. I do not think it is possible that we could.

23566. I am not sure whether you gave as one of the reasons for not dealing with Mr. Martin, that you had already offered it to the next. highest tenderers ?-I do not know that I did.

23567. Or do you understand that, as far as the next lowest tenderers were concerned, the matter was open ?-It could not be open if we offered it to those parties.

23568. I am only asking whether it was open or whether it had then been offered ?-- I presume it could not be open, and after examining the Charlton & Martin tender we were tolerably well satisfied it was not a bona fide tender at all. It was a matter of contract jobbing, I think.

23569. Is there any other circumstance connected with section 15 which occurs to you as being proper to give in evidence ?- You have not asked anything about the other tender.

The way Martin, Charlton's part-ner, was dealt with.

1810

Tenderinte-

23570. Which ?-Kane & Macdonald's.

23571. We have not considered it necessary to ask anything about that; but if there is anything beyond what appears in the reports that you think material, we should be glad to hear it ?-Well, I understood from an extract I saw of your proceedings, that Mr. Macdonald made certain representations here.

23572. That did not lead us to think it necessary to ask anything Kane & Mac-further?—Very well. I have merely to say that Mr. Macdonald and but they wanted Mr. Kane (I think the other party's name was) tendered, and they to impose a con-wanted to make a condition, that section 14 should be finished within tract 14 should be the time mentioned. I could make no condition with any individual finished by a certain time. contractor. I saw that Mr. Macdonald had made certain representations here, and I thought it proper to mention that. We would be making a new contract without advertising, if we had done so. It would be making the Government responsible for implementing their contract, and for damages if they were not through with section 14 within the specified time. They received every courtesy and attention at all times from the Department, and I have a letter of profuse thanks from Mr. Macdonald for the attention he had received at the Department.

23573. The next is No. 16, which was an arrangement with the canada Contral. Canada Central Railway for an extension from the vicinity of Douglas. Contract No. 16. There is no question which occurs to us excepting that concerning the rails. There was a loan or an advance of rails; do you remember whether that was returned either in money or in the same quality of rails ?-As you are placing that in evidence it would be better to state the facts, I think.

23574. If you will ?- The Government were bound by the agree- Loan of rails. ment with the Canada Central to pay 75 per cent. upon rails delivered. A quantity of rails were delivered at Renfrew as near the line of the railway as they could be got. An Order-in-Council specified the neighbourhood of Renfrew or Douglas as the beginning of the subsidized road. Mr. Foster proceeded to construct the branch-we supposed then it would only be a branch-to Pembroke, and applied to the Government for a certain quantity, I forget how much, 100 or 200 tons of these rails, as a loan, until he could deliver others. The Government permitted him to get that quantity, he giving in security in South Eastern Railway bonds to the extent of £60,000, if I recollect right. The rails were afterwards replaced, or accounted for rather in the new The rails did not belong to the Government, but to the comcontract. pany, but we had advanced 75 per cent. of their value according to Mr. Fleming's certificate of the value of the rails. Then they became Government property until the contract was fulfilled. After the rails were laid, the Government ceased to have any control over them.

23575. The next contract, No. 17, was for the transportation of rails Transportate from Liverpool to Vancouver Island. It was made by Anderson, of the Anderson & Co. at the rate of £2 per ton, I think, this item amounted Did not seek to to something over \$50,000; do you remember whether any steps were accertain the taken by the Department to ascertain the prices of freights in England before giving the work to Cooper, Fairman & Co., or whether they were allowed to fix the rates ?- No; we had some information, whether it was looking at the newspapers, or getting the rates from some other quarter, I do not remember. That was about the freight. £2 10s. 543*

Transportation of Rails—

Contract No. 17. was what they asked in the first place, I believe. That we declined, and we gave £2.

> 23576. I think their first offer was £2, and after it was accepted they wanted it raised; but you held them to the original bargain? -Was that it ? I had forgotten.

23577. The next, No. 18, is for the transportation of rails from Contract No. 18. Duluth to Winnipeg. That appears to have been let without any public competition. There were two offers made from individuals: one from Fuller & Milne of Hamilton, on the 6th of April, 1875, and another on the 21st of April, 1875, from N. W. Kittson; do you remember anything of that transaction ?-No; I only remember that the contract was given to Kittson & Co.—the North-West Co., I think. it was called, or something of that sort.

23578. The Red River Transportation Co.?-Yes.

23579. Do you remember an interview between Mr. Hill and yourself on the subject, he representing the Red River Transportation Co. ? -I saw Mr. Hill; I do not know whether it was on that occasion or not.

23580. Do you remember any good reason why a higher price should be paid to Kittson & Co. than to Fuller & Milne ?-I think they were the only parties who could do it, for one thing. They had control over all the boats on the river, and they had control of the railway; but They besides that we had nothing for storage giving it to Kittson. were obliged to find storage and wharfage at Duluth, and besides there was a question of currency which made a difference of some cents. We thought it advisable on all grounds that they should obtain the contract.

23582. Then, upon the whole, do you say that there were some reasons why it should be given to Kittson at a higher price ?-The reason I have stated was, I believed they were the only parties who could do it, but I do not believe the price was higher.

23582. If it was higher, was there any reason that you know of?-There could be no other reason than that.

23583. You think there was that reason—that they offered storage, which Fuller & Milne did not ?-The others could not; they had not the storage.

23584. But if they tendered for it?-I do not think they tendered for it; that is my recollection at least.

23585. As far as the currency is concerned Fuller & Milne state distinctly their rates are American currency ?-In their tender?

23586. In their tender. That would dispose of that matter?-Yes; have you their tender there? (Tender handed to witness.)

23587. The offer of Mr. Kittson involved serious difficulties and conditions as to the state of the water in Red River; he offered to carry them only on condition that the water was of a certain depth, Mr. Fuller's offer was unconditional in that respect; and, as a matter of fact, Mr. Kittson did not deliver the rails as far north as was intended. the reason alleged by him being the state of the water ?--Not all.

21588. I think some 29,000 tons used in building the Branch were not delivered ?---That was to be built in any case.

Reason why a higher price was paid to Kittson than Fuller & Milne were ready to do the work for.

Kittson's condi-tions as to depth of Red River.

Transportation Contract No. 18.

21589. I think, in your Order-in-Council you advised the building of that Branch ?-It had to be built at any rate.

21590. I mean built at that particular time ?-Oh, yes.

21591. This is a letter of the 23rd of May, from your Department to Mr. Kittson upon the subject. I do not know that the correspondence shows that particular advantage which you think governed the decision about storage : are you aware whether it was arrived at by conversations and not by writing ?-- I think there is no dcubt whatever that they had control of almost every boat on the river.

23592. And was that a reason why they should get a higher price? -It was a reason why they should have the contract if they were the parties, and the only parties, likely to deliver them.

23593. Fuller seems to have been a responsible party for a contract, because he had a contract for constructing a telegraph line ?--- I suppose so.

23594. And, if a responsible person, I suppose he could be dealt be person aver-theless quite with ?—No doubt. It was quite impossible for him to take them in in impossible for the same time.

Fuller a responsie : time as Kittson.

23595. I notice that in a memorandum of yours in pencil at the foot of Kittson's offer of the 21st of April, you direct some one to write and say that Mr. Hill's offer-I suppose alluding to a verbal offer-covered all charges at Duluth, and asking that this be also put in writing ?--Yes.

23596. He afterwards makes a written offer, but this item of storage which you mention does not appear to be in the writing ?-It should have been.

23597. There is wharfage and dockage, and handling?-Yes; they were responsible for it altogether. The moment they were delivered over the vessel's side they took charge of them.

23598. After getting his revised offer in obedience to your pencil memorandum. I suppose it was assumed that the documentary evidence was complete as to the offer of both parties ?- I suppose so. It ought to be, at all events.

23599. Do you know what the usage was as to the weight of tons in 2,000 lbs. the tom transactions concerning rails where no weight was mentioned ?--- I think of usage. the usual ton with us is 2,000 lbs.

23580. You think that was the usage at that time in dealing with rails ?-- I know nothing about rails. I mean to say that was the current weight of our ton.

23581. I ask whether you considered that applied to rails ?-I do not remember whether we had that under consideration. It was, I think, the long ton at sea-the English ton.

23602. There was a contract (No. 20) with Cooper, Fairman & Co. contract No. 20. representing the Merchants Lake line for the transportation of rails The lowest tenfrom Montreal to Fort William. That was submitted to public com- derer iid not get petition, and a Mr. Samuel appears to have been the lowest tenderer : which was given do you remember any of the circumstances connected with the mat-tor Cooper, Fair-man & Co. He did not get the contract ?-- I do not remember the precise ter? circumstances. I know there was some question arose about it. This

Transportation

Contract No. 20.

mirrest No. 20 memorandum of the 29th of April, 1875, gives, of course, the wholehistory of the transaction.

> 23603. That appears to be based entirely upon the circumstance that Mr. Samuel was not a steamboat owner?—There is a paragraph. to that effect.

> 23604. Do you remember whether there was any other reason?—I know of no reason—at least, I remember of no reason.

Contract No. 28.

23605. Contract No. 28 was also for the transportation of rails; it involves, apparently, an amount of something over \$200,000. It was awarded to the Red River Transportation Co. contractors, and without competition: do you remember whether there was any reason for not submitting it to competition?—What is the date i

23606. 16th of May, 1876 ?—And what is the date of the other ? 23607. The other is just a year before ?—No; I suppose the reasons are given in some departmental document.

Bolts and Nuts-Contract No. 30.

Does not know the reason why this was not submitted to com-

petition.

Made with Cooper. Fairman & Co. without public competition.

23608. A subsequent contract, No. 30, of March, 1875, appears tohave been made through Cooper, Fairman & Co. for bolts, and without public competition. Do you remember any reasons for that course?— Bolts or spikes?

23609. Bolts and nuts ?—That was to fill their contract for the steel rails. There was a certain quantity to be supplied with the steel rails.

23610. The Mersey Co.'s tender had apparently offered to do so; but they informed the Department that this offer by Cooper, Fairman & Co. on their behalf was unauthorized, and they refused to fulfil it, which left the Government open to get the best offer they could. I am asking now whether any steps were taken to get a better offer ?— I cannot say. Mr. Trudeau can tell that.

23611. He intimates that he is not aware of any steps, but the story seems not to be complete, and you may be aware of some steps?—I have no recollection, only I recollect enquiring if they had fulfilled. their bargain as to the bolts.

23612. That was a contract concerning bolts to be delivered at Montreal?—Yes; that is where the rails were delivered.

Contract No. 31. Cannot explain how Cooper, Fairman & Co. came to make a spontaneous offer, or why it should have been accepted without competition.

23613. In addition to that, contract No. 31 was brought about by Cooper, Fairman & Co., representing a firm in England, the Patent Bolt and Nut Co. This offer of theirs, apparently a spontaneous offer, was \$94.77 at Liverpool; but before that, at the time the original tenders were made for rails and nuts and bolts together, several persons had tendered, offering to deliver nuts and bolts in England at very much lower prices—from \$80 a ton down to \$77: do you know any reason why this spontaneous offer should be accepted without competition ?—I know of no reason except to fill the rail contract.

23614. It is not connected with any contract, so far as we can learn; it was an entirely spontaneous offer from Cooper, Fairman &. Co. to supply bolts and nuts?—It must have been connected with some other rail contract, otherwise they would not be wanted.

23615. The nuts and bolts may have been intended to be connected, with the rails, but the nuts and bolts are provided by a distinct con-

The next in order of time is contract 5A. It is the extension of Contract 5A. tract. the Pembina Branch northward to Selkirk. The only point requiring Braun's telegram investigation about that is the authority for a telegram of the 11th prices. of May, 1877, sent by Mr. Braun, which had the effect of giving very large prices for part of the work, although it was in a prairie country-paying as high prices as for similar work on section 15?-The earth work, I think, was the same price as for the South Pembina, and it was on that ground it was given, and it was a question with the Government whether it was not all one contract, the Pembina Branch, the termination of which was uncertain at the time it was let. It was built to the neighbourhood of Winnipeg, but it had to be built to connect with the main line.

23616. Whether it was, or was not, a continuation of the South Branch, was it discussed whether the prices allowed on section 15, that difficult country, should be paid to Mr. Whitehead on the Pembina Branch ?- For earth work?

23617. Yes; ditches-off-take ditches?-The ditches, Mr. Fleming fixed a price for them. The off take ditches were not considered to be in the contract, but the embankments were all the same price, according to my recollection.

23618. There is no evidence of any one fixing a price for off-take ditches; but, on the contrary, it appears to have been founded on a telegram from Mr. Braun, the authority for which we have not so far been able to discover ?-The price was fixed by the Engineer, of course.

21619. Was the Engineer permitted to fix prices not mentioned in Recollects discusthe contract ?-- The prices of off-take ditches, and other work not con- sing price of off-take ditches with templated in the contract had to be fixed by the Engineer. Who else Fleming. would do it? I have a perfect recollection of discussing the price of off-take ditches with Mr. Fleming, but what the price was I could not say.

23620. Having looked at Exhibits Nos. 23 and 24, which are Mr. telegram was Fleming's recommendation and your report to Council, and now looking authorized by him, declares he at the telegram sent by Mr. Braun of the 11th of May, can you say could met au-whether that telegram, in its terms, was authorized by you?—I could and met au-authorize nothing in opposition to my report to Council and the recom-mendation in the report of the Engineer. There must be some mistake.

23621. This telegram is much more comprehensive than Mr. Fleming's report or your recommendation; it embraces all work that was to be done-not the four specified items only ?- Except the earth work. 22 cts. for the earth work is the same in this telegram as in the other.

23622. But it speaks of all other work. Under this, in effect, Mr. Always specially Whitehead has been paid 45 cts. for off-take ditches which he says in thorise noting his evidence, could have been done for 22 cts. if offered to competi- not in Engineer's tion; can you say whether, as far as that kind of work was concerned, this telegram was under your authority or not?—Oh. certainly not. I could authorize nothing but what was in the Engineer's report, 1 was always specially careful about that.

23623. There is one matter which I have omitted to ask concerning contract No. 25. contract 25 on which a tunnel was built instead of an open cutting through some rock locality; it appears, by the evidence, that the contractor had arranged with the engineer on the spot to do the work at

mistake.

Railway Con-

Explanation of paying 19 for tunnel work when a member of the firm was willing to do it for \$8.

Contract No. 25. \$8, but that he came down to Ottawa and had some negotiations with you, upon the strength of which he declined to do the work at the \$8? -It was a different contractor—one contractor making an arrangement about it there while the other was here.

> 23624. You mean two members of the same firm ?-Yes; that is my recollection of it. I recollect very well hearing the price arranged by Mr. Hazlewood.

> 23625. The price afterwards was a higher one ?-I know. We had a correspondence about it.

> 23626. It was paid afterwards on a report of Marcus Smith's for this reason: he said these men had undertaken to do some work on 13, which had been omitted by the contractors of 13, and in view of that they had better be paid the \$9. They got the \$9. What I intended to ask you was, whether, when you fixed upon the \$9 here, there was any reason for concluding that to be a fair price, because one of their firm at that time considered \$0 was enough ?-There was no particular reason, except calculation arrived at of the cost of similar work elsewhere on discussion with the engineers. Making the tunnel saved a mile and threequarters of railway nearly.

> 23627. I am speaking of the price of \$9. It was not arrived at in consequence of any individual negotiation with you?-No. I saw him about it, and Mr. Trudeau and one of the engineers. I forget whether it was Mr. Fleming or not.

23628. Contract No. 34, as described in Mr. Fleming's report of 1879. Contract No. 34. appears to cover two transactions, one accomplished by correspondence with individuals, the other by tenders in the ordinary way. The latter was concerning the transportation of rails from Kingston to Manitoba. and the former for transportation from Fort William to Manitoba. The expenditure under each bargain is given in this report by Mr. Fleming at page 129. He gives the item for transportation from Fort William of 1,500 tons as costing \$27,000. Now it appears that without any competition the same price was thus given for transporting from Fort William as for the whole distance from Kingston; do you remember any of the circumstances connected with the making of that new bargain, and the reason for making it also agreed on the making of that new bargain, and the reason for making it also agreed on without competition?—No. The principal price in transporting rails Kingston to is loading and unloading. The mere matter of a day's sailing does not amount to much. I presume the fact was we had to take some of those rails to supply the want in the west and we want on the verse the source of the source those rails to supply the want in the west, and we were obliged to take them from Fort William instead of waiting for them to come from Montreal.

> 23629. Some of the witnesses say that \$18 was an extravagant price to pay for transporting them that distance: do you remember any reason for giving that price ?-The extravagance cannot be great if \$15 was the price to Duluth, and the \$3 was to Fort William, and that made up the \$18.

> 23630. Do you remember that as a fact ?- No, I do not. I say, if that was the rate, the price, were about the same as usual.

> 23631. Nothing further occurs to us to ask you. If there is anything in addition which you think ought to be stated by way of evidence, we shall be glad to hear it ?-No, I have nothing to state.

Transportation of Rails-

Witness asked for explanation how \$28 a ton was paid from Fort William to Manitoba, that being the price circumstance connected with that bargain.

OTTAWA, Tuesday, 3rd January, 1882.

TOUISSAINT TRUDEAU'S examination continued :

By the Chairman :---

23632. In the progress of your evidence you stated that most of the Not always a decisions of the Department would be recorded by some memorandum be found showing showing that the Minister had instructed them to be carried out : are that the Minister you still of the same opinion, or have you found decisions of any im directed the deportance in which there was no such memorandum ?-There is not partment. always a memorandum. I have found several instances in which we had no written instructions.

23633. I was asking not only for written instructions, but written memoranda made at the time to show that such instructions were given: such memoranda might be made by some subordinate ?-There are instances without memoranda of that description.

23634. In some of the cases which have been explained before us we Telegraphhave not been able to ascertain clearly the authority by which the contract No. 4. contracts have been entered into, or the proceedings which were con summated by the contract. In one case, that of contract No. 4, given to Oliver Davidson & Co., you stated that it was managed by the Minister, and that you did not enquire into it deeply. Mr. Mackenzie himself, under examination, led us to understand that in no instance did he award a contract without the acquiescence of his subordinates. and this is one of the matters upon which you got notice that you would be examined. I now wish to know if, after investigation, you are able to say whether you took any part, and if so, what part, in the Witness does not arrangement of that contract No. 4?--I have nothing to add to my part in the arrangement of that contract No. 4?---I have nothing to add to my part in the former evidence on that subject. I have not found any memorandum letting of this contract. showing what part I had taken, and I do not think I took any part.

23635. Is there any written report on record in your Department, showing the quantity of rails which, in the fall of 1874, were within Contracts Nos. some specified time likely to be used on the railway ?-No.

23636. I gathered from your evidence upon former occasions, in the quantities of which you explained the practice of the Department concerning official of 1874 were likely transactions, that all correspondence was intended to be recorded: is to be used. that still your impression, or was I right in supposing that to be the All correspon-dence injended to substance of your answers ?-Yes, it is still my impression.

23637. We find, in the correspondence concerning steel rails, several . communications directed by Messrs. Cooper, Fairman & Co. to the private secretary of the Minister at that time, Mr. Buckingham, and the correspondence is not complete because of the omission of the answers No record of the to these communications, as far as any printed return shows: can you answer of Buck-say whether there is any record now of the answers from Mr. Bucking. Cooper, Fairman ham to this firm ?—No: there is no record ham to this firm ?-No; there is no record.

23638. Was that an exceptional case, or is it usual that private The intention of secretaries should deal with departmental transactions and not place Department that the correspondence on record?—The intention of the Department is written by a that any official letter written by the private secretary should be should be recorded. I am not aware of any correspondence being exchanged and recorded. not recorded; there may have been correspondence, or there may not.

23639. Then, you mean that you are not sure that any answer was given by Mr. Buckingham to these communications ?--- I do mean that; yes.

Practice of Department.

Purchase of Rails -

No written report showing

be recorded.

Purchase of Bailsontracts Nos. 6-11.

23640. Have you any reason to think that there was?—I do not know personally whether there were any answers or not.

23641. I understand that you do not know, but I was asking whether, from your knowledge of the transactions that were going on at that time, you have any reason to think that there were answers to the communications?-I should rather reply to a special instance than to a general question of that kind.

23642. Will you select the instance, or shall I ?-You may select the instance.

23643. If you will look at page 41 of a Blue Book return to the House ingham answered of Commons, dated 6th of April, 1876, you will see some communications from Cooper, Fairman & Co., and from Mr. Cooper: will you please look at them and say whether you know anything about the negotiations at that time, and whether Mr. Buckingham probably answered them ?--- I do not know whether Mr. Buckingham answered them.

> 23644. Is it usual, in negotiations concerning departmental transactions, that a correspondence should take place between tenderers or contractors and the private secretary ?-No.

> 23645. Upon a former occasion, you were asked concerning the time given to Waddle & Smith to put up their security in support of their tender for contract No. 4; I understood that you were not aware of any correspondence, and could not find any in the Department beyond that which was published in the Blue Book. Since that, Mr. Mackenzie, as a witness, stated that he had no recollection that they had been passed over without being informed that a day was fixed before which they must give security, and he did not believe it, because he thought you were very careful about giving such notices. I wish to know now/ whether you were careful enough to give such a notice, or whether Waddle & Smith were otherwise notified of a day before which they must put up their security or forfeit their position ?-I have not found any formal notice, and I do not recollect what kind of notice was given them.

23646. Have you any reason to think that the Blue Book return does. contain the whole not include the whole of the correspondence on the subject ?- No reason.

> 2 647. There were several contracts concerning steel rails, numbered from 6 to 11 inclusive; I gather from the evidence of Mr. Mackenzie that it was his habit to take the judgment of yourself and Mr. Fleming, or some others in the Department, before deciding upon these contracts: I wish you to say now whether your judgment was asked concerning those contracts, and to what extent your views were invited? -I have no recollection that my judgment was asked on that occasion.

23648. Is it, in your mind, a matter of doubt whether you were asked he was not asked or not to give your judgment ?—In the matter of rails it is not.

> 2364J. Then, which way do you say it was?-The Minister decided himself.

> 23650. We have asked you to furnish a statement of the highest authority which is recorded as having directed the different contracts before the closing of them : has that been prepared?—It is now being prepared, and it will be ready in a very short time.

Does not know whether Buck-Cooper, Fairman & Co.'s letters.

Telegraph-Tendering. Contract No. 4

No reason to think Blue Book return does not

Purchase of Rails-Contracts Nos. 6-11.

Has no doubt that as to those rails contracts,

The Minister decided himself.

Surveys, B.C .--Kitlope Valley,

CANADIAN PACIFIC RAILWAY ROYAL COMMISSION. OTTAWA, July 9th, 1881.

C. H. GAMSBY Esq.,

Civil Engineer, British Columbia.

DEAR SIR,-Some of the witnesses before the Commissioners Letter from appointed to enquire into matters connected with the Canadian Pacific Secretary of Railway have given evidence concerning the examination of portions Railway Com-of the country between the Dean Inlet and the Gardner Inlet on the Gamsby embody-Pacific coast; the first of these having been made under Mr. Horetzky in questions for in 1874 the second under you early in 1876 in 1874, the second under you early in 1876.

You will no doubt remember that your instructions were to explore from "the head of Gardner's Inlet, vid the valley of the Kitlope River across the summit to Tochquonyala Lake."

Mr. McNicol, who was one of your party on this occasion, has given his testimony on the subject, and inasmuch as Mr. Secretan and he, according to his account, made the examination without your presence over that part of the country which was evidently intended to be examined more critically than any other-namely, the neighbourhood of the height of land and Tochquonyala Lake-it is likely that he would have within his own knowledge more facts concerning the subject than you could have. Yet as you were his superior officer it is possible that you may be better able than he is to give reasons for the course adopted by your party, and for the conclusions which you reported to the Chief Engincer.

Therefore, the Commissioners have thought it proper to communicate to you the material parts of the evidence heretofore received, the conclusions to which it seems to point, and to ask you for such explanations as seem to them to be required, as well as those additional ones, if any, which you may think it expedient to offer.

The probability of your being able to give direct testimony, concerning the country alluded to, more valuable than that of Mr. McNicol, seems so slight that the Commissioners do not feel justified in calling you from British Columbia to give evidence in the ordinary way before them, involving as it would so much loss of time and a serious expense. They hope, however, that you will not object to further their investigation by affording in another way such reliable evidence as you can in the shape of a written deposition, under oath, before some officer duly qualified to take it. Any magistrate may take it.

Under date of Nov. 15th, 1874, Mr. Horetzky reported to the Chief Engineer that on the 9th Sept. of that year he left the Dean Inlet and explored up the valley of the Tsatsquot, that after caching the canoes on the confluence of a tributary of that stream, he proceeded northwestward, and then after reaching a water-shed in the valley (1,200 feet elevation) he crossed the middle fork which came from the mountains on his right, and a short distance further reached a sheet of water to which he gave the name of the Beaver Lake. He gives the elevation of this lake at 1,100 feet above sea level, and the latitude of its lower end 53° 14' 45". At this point he said that a mountain torrent from the northward entered it. This stream being a northeast fork of the Kitlope had its source in a glacier distant about seven miles from the lake. He reported that a mile or so east of this glacier source he discovered a pass through the comparatively low mountains forming the rearmost longitudinal mass of the Cascade range. This pass communicated between the ravine of the north-east fork of the

answer.

Surveys, B.C.-Kitlope Valley.

Letter from Becretary of Ganadian Pacific Rallway Commission to Gamsby embodying questions for Gamsby to answer.

Kitlope, and a sheet of water on the eastern plateau, to which he gave the name of Lake Tochquonyala. Of this lake he gives the altitude at 2,920 feet, and the latitude at 53° 20′ 13″.

He proceeds to say that having camped on the left bank of the northeast fork of the Kitlope, at an elevation of 2,900 feet above the sea, he ascended the mountains to a height of 5,000 feet above the sea, and at that spot, turning to the south-west, a large flat glacier lay a little way beneath, discharging the waters of the north-east fork which could be traced like a silver thread as they rushed down the steep ravine to Beaver Lake.

Mr. Horetzky's full report, from portions of which the above is summarized, is printed at page 137 of Mr. Fleming's special report for the year 1877.

Together with his report, Mr. Horetzky furnished the Department with a topographical sketch of the country examined by him. Of this a tracing (on a scale of 4,000 feet to the inch) was furnished to you, and from what he had seen of that tracing, Mr. McNicol was able to recognize the original filed in Ottawa.

Mr. Horetzky's report and sketch both being before the Commissioners seem to suggest that a railway ascending from tide water to the plateau east of the Cascades through the pass near his Tochquonyala Lake, would find an insuperable obstacle in this part of the Kitlope Valley, for there it must, within a distance of some six or seven miles, have been necessarily carried from the level of his Beaver Lake, 1,100 feet to the pass 3,100 feet above the sea, or at a gradient of much more than 300 feet per mile. In other words, that if the pass was to be utilized it could only be so by finding some easier grade than the best which could be obtained between these two points in the Kitlope Valley. The easier one is indicated as possible on a line descending gradually from the pass along the slopes of the mountains, on the eastern side, first of the Kitloje and then of the Tsatsquot Valley, down to Dean Inlet.

After this report and sketch by Mr. Horetzky it seems to have been considered expedient to obtain from instrumental examination more exact information than a bare exploration had afforded, and accordingly that Mr. Fleming instructed you to proceed to the locality and make the necessary examinations, taking with you the tracing of Mr. Horetzky's sketch, to which Mr. McNicol alluded.

From the proceedings up to this step one comes naturally to the opinion, that you were desired at the very least to ascertain more precisely than could be done by a track survey, the features of the country in the Kitlope Valley, between two sheets of water, one in latitude 53° 14' 45", at an altitude of 1,100 feet above the sea, and the other in latitude 53° 20' 13" at an altitude of 2,920 feet, both having been named by Mr. Horetzky in 1874: the first "Beaver Lake," the second "Tochquonyala Lake."

1. The Commissioners desire to know whether, before entering on this service, you were aware of the substance of the above summary of part of Mr. Horetzky's report, or if not aware of all that is above mentioned, of how much of it?

2. Your report states that your initial point being in latitude 53° 12' 20" and your course of exploration a little south of east for twenty-four miles, at about the eighth mile of your progress you found a lake the shape and bearing of which corresponds to the lake called

Surveys, B.C.-Kitlope Valley.

Beaver Lake on Horetzky's sketch, but you say it is much larger, Letter from Beaver Lake on Horetzky's sketch, but you say it is inten larger, Letter from being from eight to nine miles long and nearer the coast by seven or Secretary of canadian Pacifie desire to know why you marked the lake as Beaver Lake on the topo-graphical sketch which accompanied your report of this expedition? Interval the lake as desire to have a seven to the topo-graphical sketch which accompanied your report of this expedition?

3. Also, whether you ascertained the shape of the lake, and how?

4. And whether you ascertained the length of it, and how?

5. And again, whether you had then any, and if so, what means of knowing how far from the sea Mr. Horetzky or any one else had represented his Beaver Lake to be ?

6. Mr. McNicol stated that you went no farther than the end of the first twenty-six miles, and that on reaching that point you prepared to return to the sea coast, you yourself retaining Mr. Horetzky's sketch, and directing Mr. Secretan and him to proceed to complete the examination without you. Inasmuch as you had not then reached the neighbourhood of any lake which you could believe to be the Tochquonyala of your search, the Commissioners do not understand why you should not personally have continued the examination of the country, and they wish to be informed of the reasons which led to the course then adopted by you?

7. How was it that with Horetzky's sketch of his exploration at your command, you reported in effect that Tochquonyala Lake emptied into a stream which joined the Tsatsquot in its progress to the sea, his sketch showing as it did that Tochquonyala Lake emptied entirely into waters flowing from the opposite side of the height of land towards the central plateau of British Columbia?

8. Did you, in fact, assume that all the data given by Mr. Horetzky's report and sketch were incorrect?

9. If not, please state the several data of those shown by him which are consistent with the accuracy of your report?

10. In your report you say that streams flow into the basin of the Kitlope from all points, evidently meaning the valley of the Kitlope as explored by you, and that the only exit from the valley is by the pass explored (also pointing to the pass found by your party), and that this is only a divide between the waters flowing into the Gardner The Commissioners desire to know whether and Dean Inlets. you had any reason for making this statement beyond the information derived from this examination made by you in 1876, and embraced in your report?

11. If so, what the reasons were?

12. They also desire that you should say whether you have, since the making of your report, come to the conclusion that your party failed to examine either the whole or some part, and if so, what part of the country, which at the time of giving you the instructions the Chief Engineer intended to be examined?

13. They further desire to know whether you received written instructions from the officer directing the surveys in British Columbia?

14. Whether written or verbal—who instructed you?

15. Please also state the substance of your instructions?

answer.

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Surveys, B.C.-Kitlope Valley.

Letter from teoretary of Canadian Pacific Railway Commission to Gamsby embodying questions for Gamsby to answer.

I send you a tracing of a portion of a large map now being prepared for the Engineer's Branch of the Department of Railways here, and apparently covering the fields of the actual operations of yourself and Mr. Horetzky, on the occasions referred to. Please return this tracing with your deposition.

In giving your testimony as above requested, it will be a sufficient reference to any of the above questions, if you will attach to any paragraph of your answer relating to any given question, the same number as you find prefixed to such question.

Assuming that your attention to this matter will occasion some disbursements, including the fee to the officer taking the oath, I send a cheque for \$15 to cover your expenses.

I am, dear Sir,

Yours truly, (Signed) N. F. DAVIN,

Secretary

CAMP KANAKA CREEK, 6th August, 1881.

N. F. DAVIN, Esq., Secretary, Ottawa.

DEAR SIB,—I beg to acknowledge the receipt of your communication dated July 9th, 1881, on the 27th ult., and embrace the earliest opportunity of replying thereto. We have been very much engaged with a rather difficult bit of country, which required close personal supervision; this, with the difficulty of reaching a magistrate, has caused some delay in replying, which I trust the Commissioners will excuse

I have no doubt the Commissioners will recognize the difficult position in which I am placed in being called upon to give evidence concerning transactions which took place nearly five years ago, without any previous preparation. My instructions, notes, memoranda, diary, &c., are all at my residence in Canada. Apart from the information furnished in your communication I am obliged to trust, almost wholly, to memory.

If you take into consideration the fact that I have been continuously and actively employed on surveys or explorations, demanding my whole attention and taxing my energies to their utmost, you will easily understand how very difficult it is for me to recall details of work so far back. Should any omissions occur in this statement, or anything not reconcilable with my former report appear, I trust the Commissioners will attribute it to the peculiar circumstances, in which I am placed. I have no desire to omit or conceal anything pertaining to this enquiry.

My report of the explorations made from the head of Gardner Inlet, vid the valley of the Kitlope River, in the winter of 1876, is a statement of facts, the knowledge of which was obtained by the party under my direction. It is not and never was intended to have any reference to any other person's report, survey or exploration. We were instructed to go to a certain point (head of Gardner's Inlet), follow a certain river (Kitlope), try and reach the summit of the Cascade range of mountains, taking a certain Lake Tochquonyala as an objective point. In order to do this as speedily and certainly as possible, we hired guides,

Gamshy's letter to Secretary of Canadian Pacific Railway Commission.

Difficult to give evidence concerning what took place five year's ago.

Gamsby's report a statement of facts, and never intended to have any reference to the report of another. 1823

natives of the Kitlope Valley, who readily undertook to guide us to our terminal point. They were quite familiar with the name Guides quite Tochquonyala, as it is, or was, the name of the great Indian chief familiar with the whose people dwell at and in the vicinity of Dean's Inlet. We quonyala. followed our guides, recording (to the best of our ability) the names of the lakes and rivers as they gave them to us. We explored the various streams falling into the Kitlope as far as the canyons and deep snow permitted. The stream dotted on the tracing sent to me as Kitlope River running through Horetzky's Beaver Lake, our guides called Tenaicoh, and affirmed that its source was a large glacier high among the mountains. If the Killope turned southward in its course we followed it hopefully, as every practical engineer, who has any knowledge of the Cascade range, knows that a stream's deviation from a direct course offers a greater probability of a more practical gradient to overcome that range.

Minute details of the whole expedition are set forth in my report of 1876. The description of the point reached, the return and the reasons for returning, are fully gone into.

I respectfully beg leave to call the Commissioners attention to the facts as there set forth, and, if they should consider it necessary, to summon Messrs. Secretan, White, Orr, McDonald, Dewdney to substantiate the same.

> I remain. Yours truly, (Signed) C. H. GAMSBY.

DEPOSITION in answer to questions submitted by the Canadian Pacific GAMSBY'S DEPOSITION Railway Commissioners dated July, 9th, 1881 :

 I had such information as the sketch afforded. I do not remember (1) On entering on his exploration his exploration had Horetzky's report or not.
 Because the guides called it by that name. whether I had read Mr. Horetzky's report or not.

- 3. The shape was probably obtained by a compass traverse.
- 4. The length by micrometer measurement.

Note.—These and like questions I can only answer from memory; if because the I had access to the notes taken on the spot I could be certain.

5. We judged the distance by measurement on his sketch.

6. When we had reached the twenty-sixth mile we had traversed the Beaver Lake was ascertained by a Kitlope Valley and reached the first canyon on our course. As the river compasstraverse. was not frozen it became necessary to transport all our camp equipages (4) And the length by micrometer. was not frozen it became increased y to transport an our camp equipages by micrometer. and supplies over the high bluffs. To do this would occupy the whole (5) Judged the dis-force for some time, and the season for winter exploration was rapidly tance of Ho-drawing to a close. It became of the first importance to us to know Lake from the something of the country beyond this canyon, hence the expeditions sea by measure-tundertaken by Messrs. Secretan, White, McNicol and others. If sketch. the canyon was short and a favourable country lay beyond, we (6) Explains why might hope to get over and make some progress towards our he and others did not take part in terminal point, the summit of the Cascado range of mountains. exploration. If, on the other hand, the canyon was long, or if the exit from the lake beyond was impracticable. we had only to get back to the coast as quickly as possible. The latter was found to be the case,

Surveys, B.41.-Kitlope Valley.

does not remember to have read. (2) Called the Beaver Lake of

guides so named it.

(3) Conjectures that the shape of

Surveys, B.C.-Kitlepe Valley.

(7) Asked to explain how he re-ported that Tochquonyala empti-ed into the Tratsquot, Horetzky's sketch showing a Tochquonyala of which the Department was already advised emptying into waters flow into waters flow-ing in an opposite direction, he says his report refers entirely to a lake reached by his two assistants, and called Tochquonyala by the guide.

(8 & 9) Assumed nothing in regard to sketch of Ho-

(12) Report shows that his party failed to examine the country. more than 1,000 feet above the sea, and gives reason for failure.

(15) Instructions to follow from head of Gardner Inlet, valleyof the Kitlope, to sum-mit of Cascade Tochquonyala an objective point.

and we returned. It was probably at this stage of our proceedings that Mr. McNicol alludes to my remaining in camp. Our means of transport (sleds and snow shoes) had become so much broken up when we reached this point that a thorough repairing became necessary before we could proceed. Economy in the use of these implements became of vital importance. As I was a heavy man and the soft snow over fourteen feet in depth, it will readily be seen that I could not take part in explorations.

7. My report refers entirely to the lake reached and described by my assistants, and called Tochquonyala by our guides.

8 and 9. I assumed nothing respecting Mr. Horetzky's data. He is describing one portion of the country, I another, at quite a different elevation.

10 and 11. The statement is made on the reports of my assistants, and from information obtained from the guides.

retries who described a different 12. I have not come to that conclusion since making my report as it that described by is shown in that report that we failed to examine any portion of the country above 1,000 feet above the sea, togother with the reason for such failure.

13. I received instructions in writing.

14. From Mr. Marcus Smith.

15. As near as I can recollect: to go to the head of Gardner's Inlet. follow the valley of the Kitlope River (making Tochquonyala Lake an objective point) to the summit of the Cascade range of mountains.

Sworn before me this sixth day of August, 1881, at New West-(Signed) C. H. GAMSBY. [Seal.] minster, B.C.

JOHN ROBSON, J.P. (Signed)

MOBERLY'S DEPOSITION To the ROYAL COMMISSION, Ottawa :

Surveys, B.C.

GENTLEMEN,-In Mr. Fleming's evidence before the Royal Commission, published in the Montreal Gazette, May 17th, 1881, there are reflections on me which are most uncalled for, and it is with extreme regret I feel, in justice to myself, obliged to give explanations that I hoped would be avoided.

WINNIPEG, June 14th, 1881.

A long personal acquaintance with British Columbia, previous to Confederation, enabled me to come to a decision which was the better line for the railway to follow; this was a subject since 1858, when I first landed in that colony, that was always foremost in my mind, and whenever I had an opportunity I availed myself of it to make explorations and gain the most correct information in all respects. When I left the service of the Imperial Government in 1867 I was positive that the line from Burrard's Inlet to Kamboops was the one to adopt, but from that point to the prairie region, east of the mountains, it was doubtful whether the line by the Yellow Head or that by the Eagle and Howse Passes would be preferable, and to be able to decide upon their respective merits most careful surveys should be made of both of

Explained to Fleming in 1871 that the best line was from Bur-rard Inlet to Kamloops, but more easterly the question lay between the Howse Pass and the Yellow Mead Pass.

These were the views I explained to Mr. Fleming in June, thom. 1871, when I arrived in Ottawa and was appointed by the Dominion Government to take charge of the Howse Pass surveys. I was confident, and am so still, that should the latter line prove to be practicable it is the better one to adopt, and I used every exertion to have a most thorough survey made of it. The results obtained the first year-1871 -were published in my report of 1872.

I did not think it necessary to make any instrumental surveys in Telegraphed British Columbia with the exception of the two lines from Kamloops Fleming about above mentioned; I thought it well, however, that explorations of the ing that some-thing should be the Bute Inlet one I telegraphed to Mr. Fleming to that effect, as I the clamour of examples a feir and full examination was made of the ing that some-thing should be appeased unless a fair and full examination was made of their favourite but very hypothetical lines.

I always regarded the heavy expense of the instrumental surveys Always thought in the northerly portion of British Columbia as a great mistake, as I the heavy outlag felt certain the railway would ultimately be forced to the lines above surveys in the mentioned. Had I been in charge in British Columbia, not one of the mistake. parties that made such elaborate surveys in the northerly portion of the colony should ever have gone into the field. I am glad to hear that Mr. Marcus Smith, who had charge of those northerly surveys, has so substantially endorsed my views as to go out this year as Dominion Engineer to construct a portion of them.

I returned from the interior to Victoria in 1872, expecting to have to go to Ottawa, but left my parties in the mountains so as to resume work early in the spring. I found it would be far better for me to remain on the Pacific side and make preparations for the following year, and communicated my views to Mr. Fleming. I remained in British Columbia.

It must be borne in mind that when I took charge of the surveys in when deponent the mountains the lne for the Canadian Pacific Railway was to be took charge in British Columbia defined in two years, and when I was in Victoria in 1872, one year had the railway was then nearly elapsed, and there was a great deal of work to be done to two years. thoroughly complete the work from Shuswap Lake to the longitude of Fort Edmonton, and I found it necessary to ask for a third party to enable me to finish the work by the end of the second year, which request was granted, and I received a telegram from Mr. Fleming to say it was of primary importance to push forward the survey of the Howse Pass.

Having long distances over which to convey supplies, men, &c., I Surprised when had, without a moment's loss of time, everything necessary en route for him Fleming's the Columbia Lake; but before leaving Victoria with my third party, telegram direct-ing him to which was already on board the steamer, I received a message from abandom the the Lieutenant-Governor to say he wished to see me on important take his parties business, so I at once saw him and was greatly surprised when he and supplies into the Yellow Head. surveys on the Howse Pass route and take my parties and supplies into the Yellow Head Pass by way of the Athabaska Pass. These orders left me in a very serious dilemma, as all my arrangements were made for the Howse Pass work, and the localities in which my parties, supplies, &c., were, these could not be more unfavorably situated for the Yellow Arrangements Head surveys. The heavy expense of purchasing animals, of opening outlay had trails, of building boats, &c., for the completion of the survey of the already been made with a view Howse Pass, and the exploration of the neighbouring country were to Howse Pass.

Surveys, B.C.

55*

Surveys, B.C.

Further purchases required for the survey through the Yellow Head Pass.

Telegram from Fleming rejecting suggestions of witness and Trutch and ordering witness to take the route by the Athabaska Pass.

Extravagant purchase of supplies.

Challenges Fleming's statement that purchases were ordered to be stopped.

then made, and I could not have been in a better position to complete that work when these most unfortunate orders arrived. Further purchases of animals, supplies, &c., were unavoidable for the transport and work required in opening the trails and making the survey through the Yellow Head Pass.

I explained the difficulties of the Athabaska Pass to His Honour, and the conclusions we came to were that two great mistakes were made in those orders: one being the abandonment of the surveys of that route prematurely, and the other being the route I was ordered to take by the Athabaska Pass. I also pointed out to him the proper plan to follow under the altered circumstances to carry out the surveys of the Yellow Head Pass with my parties. His Honour telegraphed to Mr. Fleming our views regarding the proposed transfer of parties, &c., &c., from Howse to Yellow Head Pass; and after waiting several days-I think twelve days-a telegram was received by His Honour from Mr. Fleming to say our suggestions were not approved of so we could see no other course to follow, but obey Mr. Fleming's orders and go by the Athabaska Pass. I was well aware of the difficulties I would have to encounter in getting through by that pass, having years before explored the Columbia River from its source to the boundary line; and I informed His Honour that it was doubtful if I could get through by the close of the season, and that great expense and loss of time would be incurred, and that it might be attempted to place the responsibility on my shoulders, which is what Mr. Fleming is now trying to do. The above orders then led me to think the system of carrying on the surveys of the Canadian Pacific Railway would prove very unsatisfactory in the end.

Mr. Fleming, in his evidence, says: "when the exploration of the Howse Pass was abandoned in April, I ordered all purchases to be stopped, but I found afterwards that large purchases, amounting altogether to \$28,000 had been made at Port Caldwell (Fort Colville) in the United States. After that date, some of them as late as August, there were some things purchased which I could not see were wanted, such as gold pens, quicksilver, &c. I cannot account for such large quantities of supplies being purchased after I gave orders that the survey should be stopped. I know that large quantities of supplies were sent up the Columbia River and into the Jasper Valley and were abandoned, and for all I know may be there yet."

I have to say the above statement is the first time I ever heard that Mr. Fleming had ordered all purchases to be stopped. Had such an order ever reached me I should simply not have gone to the Yellow Head Pass, for I would not have taken a number of men into the mountains to starve to death when the winter set in. The supplies purchased above alluded to, were for the surveys of the Yellow Head Pass, and not for those of the Howse Pass. I knew it would take me that summer, the following winter and summer, to get through and make the surveys of Yellow Head Pass to somewhere about Edmonton, and instead of adopting Mr. Fleming's plan of recalling the parties in British Columbia as winter approached and taking the staff over to Ottawa at great expense and loss of time, and a further loss of time in getting the parties re-formed and into the field, I took them into the mountains and kept them, was able to work until January, and to resume work in the middle of March, and I took in supplies for that purpose, and for the two seasons instead of one, and before I got the survey through to the neighbourhood of the Pembina River I was obliged to send over to

Edmonton for various supplies and men, which were provided me by the Hudson Bay Co., and had it not been for their assistance I could not have got through. I regret they were most unwarrantably kept out of their money for four years. Mr. Fleming said to me, at Moose Lake. I should not have taken in supplies for such a length of time ; I differed from him then, and I do so still.

With regard to gold pens, quicksilver, &c., I have a distinct recol- As to charge of which regard to gold pens, quickshiver, ac., I have a distinct recol. As to charge of lection of purchasing one gold pen for a friend of mine which I cer-purchasing gold tainly paid for out of my own pocket. There was, I remember a this must be a little quicksilver which would be used for two purposes: one for pars and the artificial horizons to obtain latitudes, which I often did, and the other quicksilver was to "prospect" occasionally as trails were opened to see if gold existed pecting." in the streams crossed. I endeavoured to obtain as much information of the country passed through, not only as regarded routes, but also the climate, soil, nature of the timber, minerals, &c. I think, if reference is made to the accounts, it will be seen that "gold pens" will turn out to be "gold pans," which we used, and they are very generally used on the Pacific coast for baking bread in as well as for "prospecting."

The supplies sent up the Columbia River into the Jasper Valley were stores turned neither lost nor abandoned up to the time I finally left the Yellow Head over to a person Pass, when some stores were turned over, with between thirty and forty horses, to Mr. Fleming's confidential man, whom he transferred over to me on his way across the mountains. He and Mr. Fleming corresponded. and Mr. Fleming had better find out from him what he did with them.

Some supplies were abandoned in the Eagle Pass in the "Gold range." Value, to cover cost and transportation, I estimated at \$7,000. The expense of getting them out would have been so great, compared with their value when they could be again available, that it would not do for me to send for them.

Mr. Fleming goes on to say: "In 1872 I made a trip across the mountains partly on horseback and partly on foot, and met Mr. Moberly in Jasper Valley, he not having done nearly as much on his survey as he should have done; he could not satisfactorily explain his delay." This matter is placed in a most peculiar way. I told Mr. Told Fleming Fleming that his orders forcing me to go by the Athabaska Pass, con-his orders forcing trary to my advice, was the cause of the delay and of the great expense Athabaska Pass the cause of the delay morfactly well aware the cause of incurred thereby. I also told him I was perfectly well aware deby. before I left Victoria of what the result of carrying out his instructions would be, and that if he liked he could call on the Lieutenant-Governor and hear from him what my opinion was at that time. From conversations we had on the above and other subjects, I saw he was going to try and put the responsibility on me, and I was on the point of resigning at Moose Lake, and the only thing that prevented my doing so was the position my different parties, animals, supplies, &c., were in at the near approach of winter in the different passes, and the knowledge that my then leaving would entirely break everything up and cause more foolish expense and delay, if not of loss of life as well.

Again Mr. Fleming answers the following question :-

Moberly to return to Kamloops, but he did not obey my instructions, and stayed out all winter, his excuse being he did not get my letter."

I never made such a statement to him or to any other person to the Alleges that he effect that I had not received that letter. I wrote a private report to never said he ded Mr. Fleming in the early part of 1873, which accompanied my general ins's letter, but

Surveya B.C. Extravery purchase supplier

1828

Surveys, B.C.--Extravagant purchase of supplies.

on the contrary sent a report in which he explained everything.

The instructions in the letter too childish to be followed.

When informed that the Government had fixed on Yellow Head Pass concluded location surveys would go forward and he prepared for them.

Had to open about 1,000 miles of trail at a cost of \$100,000, report, and plans of survey of Yellow Head Pass, forwarded by Edmonton and Winnipeg, that explained a great many things not touched upon in my general report. Mr. Fleming received that report, and he knows there is a full explanation in it regarding the purchasing of the animals. I certainly had other reasons besides those mentioned in that report, some of which I will now mention. On my leaving Mr. Fleming at Moose Lake, I had thoroughly made up my mind to leave the service, for I found that the style of management of the Canadian Pacific surveys would be characterized and distinguished by incapacity and enormous expense, and, as far as I was concerned, that I would experience underhand treatment. For the last seven years I have been unable to say my opinion then formed was incorrect. I did not place confidence in the person to whom he ordered me to hand over such large quantities of supplies and such a number of animals. On receiving the letter above alluded to, the instructions conveyed in it were too childish to be followed, and I then decided that I would carry on any further work to the best of my judgment for the interests of the Government; that I should obey orders when I could see they were sensible, but not otherwise, and as soon as I could do so get out of the railway service as quietly as possible. I went on the survey for business, and not to be made a fool of. I did not come out of the mountains for a year after receiving those orders, and during that time completed the preliminary survey through the Rocky Mountains and the Foothills. As for taking all the men out of the mountains just when the troubles of the Athabaska Pass were over, and the party ready to go on with the survey, which was made that winter from the summit of the Rocky Mountains to Lac à Brulé, was beyond comprehension, when another party would have to be sent up, and that was, as I afterwards learnt from a paragraph in "Ocean to Ocean," a part of the plan proposed, where it is mentioned that party M, then in Red River Valley, were telegraphed to proceed to the Rocky Mountains in the winter, and do work that at that time I was actually going on with. Having read the telegram informing me the Government had adopted the Yellow Head Pass for the railway, I naturally concluded the location surveys would go on when the preliminary ones were finished, and I prepared for them so that loss of time and running about from one end of the country to the other would be avoided as much as possible. I had my pack trainsa most important department in mountain surveys-in a most complete and thoroughly organized state for the prosecution of further work, and the supplies mentioned as having been handed over to Mr. Fleming's agent should never have been taken away from the Yellow Head Pass, but have been supplemented with others for the work After I left the service other parties went up to do the mentioned. location work, and had to take supplies back again with them. One party was even sent to make explorations of the mountains south of the Athabaska River. I was amused to meet the gentleman in charge of the party in Winnipeg a few days after I first arrived here, and to find him ordered to explore for passes up the "Matique" and "Rocky" Rivers which were close to my main depot; this certainly inferred that I had not explored them. I think I have made many explorations Mr. Fleming has no idea of. Such expenses as the above should not have been incurred.

The great obstruction I had to contend with was the opening of some 800 to 1,000 miles of trails, costing about \$100,000. I reported this in 1829

Surveys, B.C.

the last report written by me in Ottawa, but have never seen it published. There were many other obstructions and petty things done to hamper me that are needless to dwell upon unless necessary, so I shall not enter into them now. I may say I saw through the scheming too soon to be deceived, and was thoroughly cognizant of the object sought long before I came out of the mountains.

long before I came out of the mountains. The proof that I did not give incorrect information is in the fact that Points to the course of Syndi-cate as vindicate. Kamloops, and from thence the route by the two passes still undecided by the Syndicate until they have fully completed the examination of that millions the Howse Pass left unfinished by me, and I take it as a high compli-ment that after nine years of expensive surveying of other lines mine are now found to be the correct ones, but I regret it has cost the build not give incorrect ones in the survey i

When I finally got clear of the railway I was defrauded out of a whole season, and had to pay my expenses during that time as well. and before I left Ottawa I told Mr. Fleming I had been unfairly treated.

I was well aware there were persons in British Columbia who wished to get rid of me, and they may have represented things to Mr. Fleming which I am inclined to think have very much misled him.

> I have the honour to remain, Gentlemen.

Your obcdient servant. WALTER MOBERLY.

IN THE MATTER of the Royal Commission issued respecting the Canada Pacific Railway:

I, Walter Moberly, of the City of Winnipeg, in the Province of Manitoba, Civil Engineer, do solemnly declars that the within statement in detail is true in substance and in fact, regarding all matters therein referred to; and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Act passed in the thirtyseventh year of Her Majesty's reign, intituled : "An Act for the Suppression of Voluntary and extra-Judicial Oaths."

Declared before me at the City of) Winnipeg, the 28th day of June, A. D. 1881.

WALTER MOBERLY.

J. MCKENZIE,

A Commissioner in B. R. and for the County of Solkirk,

To THOMAS NIXON, Esq., Winnipeg. OTTAWA, 15th December, 1881.

NIXON'S DEPOSITION.

SIR, -The Commissioners appointed to enquire into facts concerning the Canadian Pacific Railway instruct me to send the accompanying interrogatories to you, and to request that you will, on or before the tenth day after the receipt thereof, deliver to Messrs. Bain & Blanchard, Solicitors, of Winnipeg, your answers in writing to the said interrogatories in a closed envelope, addressed to mo.

Purveyorship.

You will receive herewith the sym of two dollars as witness fees.

If your answers are numbered respectively with the same numbers as the questions to which they apply, no further reference will be necessary in order to indicate the question to which each of your answers is given.

> I have the honour to be, Sir, Your obedient servant,

> > N. F. DAVIN, Secretary, C. P.R. Commission.

INTERROGATORIES administered by George M. Clark, Samuel Keefer and Edward Miall, appointed by Royal Commission dated 16th June, 1880, to enquire into facts concerning the Canadian Pacific Railway to be answered by Thomas Nixon, of the City of Winnipeg, in the Province of Manitoba, as a continuation of his evidence under oath for the information of the said Commissioners.

1. You are reported to have given evidence on the 17th day of April, 1878, before the Select Standing Committee on Public Accounts of the House of Commons at Ottawa, Mr. Young being in the Chair, and (speaking of W. F. Alloway) to the following effect, the questions having been put by Mr. Kirkpatrick :---

See p. 49 of third report of Select Standing Com. on Pub. Accts., April, 1878.

Buying Horses.

(Question.) You also employed him to buy horses? (Answer.) Yes; that is his business.

business. (Question.) Did he charge what price he liked, or did you pay him a commission, or how? (Answer.) No; I paid him no commission. He was paid under the direc-tion of the engineer who wanted the horses; the engineer did. (Question.) How did you pay Mr. Alloway for his trouble? (Answer.) I paid the accounts that were brought in. (Question.) Hen you did not know the number of horses and the details of each horse's price, and so on? (Answer.) I remember he had Mr. Lucas with him on one occasion, and of course he knew about the prices and the time. (Question.) Who is Mr. Lucas? (Answer.) The engineer in charge of the party. (Question.) Was that the only occasion? (Answer.) There might have been one or two others. I had him with me once or twice. I paid him no commission. (Question.) But you do not know whether he received his commission in the prices he charged the Government? (Answer.) I suppose he did.

(1.) Is this a correct report of the evidence which you gave upon the occasion above mentioned?

(2.) Do you say now that the above evidence was the truth?

(3.) Give now the variation (if any) from the above evidence which is necessary in order to state the truth upon the subjects covered by the said questions of Mr. Kirkpatrick, and also the explanation (if any) which you think it proper to give, concerning the said evidence so reported as aforesaid?

(4.) A certificate from the office of the Registrar for the County of Selkirk, in the Province of Manitoba, shows that a conveyance of certain land in the sub-division of lot No. 79 in the Parish of St. James, dated in July A.D. 1875, purporting to be made from one Burrows to Thomas Nixon and W. F. Alloway jointly, was registered in that office : are you the Thomas Nixon referred to in that conveyance?

(5.) Was that, or any land, conveyed to you and W. F. Alloway jointly while you were purveyor?

Purchase of Land conjointly with Alloway.

Purveyorship-

(6.) Give the explanation (if any) which you think necessary, in Baying herees. order to show the truth upon the question, whether you and W. F. Alloway were jointly interested in the purchase of land while you were purveyor at Winnipeg?

GEORGE M. CLARK.

Chairman.

Ottawa, 15th December, 1881.

The report of the evidence given by me before a Committee of the House of Commons is, I presume, correct.
 The evidence, so far as it relates to the purchase of saddle horses, buggy horses and ponies, for Mr. Lucas and other engineers' parties, which were those to which Mr. Kirkpatrick's questions referred, was the truth, and being the truth it does not now require any explanation.

3. Some years later Mr. Alloway purchased saddle horses and buggy mission in prices horses for Mr. Marcus Smith and some of the engineers on contract 14, ernment correct. horses for Mr. Marcus Smith and some of the engineers on contract 14, ernment correct, and, I think, also on the Pembina Branch; and if I remember right he ⁽²⁾ Evidence the was allowed a commission of \$5 on each. I now further, and requires no once more, for the last time, positively assert regarding the assertion ⁽³⁾ Later Alloway as being under the oath taken before the Royal Commission, that purchased saddle neither directly or indirectly, in any manner, was I ever interested for witness, Smith with Mr. Alloway in any single or collective transaction of his with and others on the Government, or he with me as an agent of the Government; that allowed a com-maither directly on indirectly did he aver offer on T aver receive any Mission, Steach. neither directly or indirectly did he ever offer, or I ever receive, any mission, \$5 each. profits from him, or any commission on either horses or anything else during the whole time I was in the employ of the Government, nor at any time since.

4, 5 and 6. In July, A.D. 1875, I purchased from the Hon. Dr. Purchase of O'Donnell, of this city, seven city lots on the Burrows Estate, at the rate of \$60 per lot, and the doctor wanted the whole amount to be paid rate of \$60 per lot, and the doctor wanted the whole amount to be paid at the time of the purchase. I asked Mr. Alloway to take a half interest with me in the said lots. I paid my share, \$210, without any assist- lots at \$60 per lot ance from Mr. Alloway or any one else. Some time after, I disposed of way to take a my interest in the said lots at the same price for which I purchased function them, and neither before nor since have I had any interest with Mr. purchase of land Alloway in any scrip, any half-breed lands, any city lots, or any land in which he was interested with Alloway. either in this or any other country.

THOMAS NIXON.

Land con-jointly with Alloway.

Alloway.

Winnipeg, 3rd January, 1882.

CANADIAN PACIFIC RAILWAY ROYAL COMMISSION, OTTAWA, January 4th, 1882.

Collingwood Schreiber, Esq.,

Chief-Engineer,

Department of Railways and Canals.

SIR,-Mr. Fleming having seen your evidence given before this Railway Com-Commission, first as reported in the newspapers and afterwards as contract No. 42. recorded, and desiring to have put in evidence a fuller explanation than

SOHREIBER.

Railway Construction-Contract No. 42.

Probable saving on Contract No. 42, \$1,500,000. was given by you regarding the periods in which certain steps were directed which are likely to result in the saving referred to: I am instructed to submit the following interrogatory to you in order that your answer may be added to your previous testimony given viva voce and under oath.

1 am, Sir,

Your obedient servant,

N. F. DAVIN.

INTERBOGATORY.

In your evidence you have spoken of a large probable saving in the cost of the work on contract No. 42, saying that in the beginning of 1879-80 you had authority to make, with a view to economy, any change which could be made without injuring the character of the road, and you named the sum of \$1,500,000 as the difference between the original estimate of the cost of this section and your estimate at the time of giving your evidence.

Please state whether you are still of opinion that the amount ultimately saved will be in the neighbourhood of the above sum, and what proportion of it will have been due to engineering efforts or directions made before you became Engineer-in-Chief?

> CANADIAN PACIFIC RAILWAY, OFFICE OF THE ENGINEER-IN-CRIEF, OTTAWA, JANUARY 5th, 1883.

DEAR SIR,—In reply to your letter of yesterday, I desire to say that the difference between the original estimate of the cost of contract 42, and the approximate estimate I gave in my testimony before the Canadian Pacific Railway Royal Commission, was placed at \$1,500,000.

This will probably be somewhat reduced, authority having since been given to introduce, in several instances, solid earth embankments and rock-borrow foundations, where, at that time, timber structures were proposed.

The difference between the present and the original cost of this section is, I consider, due to efforts made and directions given before I became Engineer-in-Chief.

Having acted as superintending engineer in connection with these works during the latter part of the year 1879 and the early part of 1880, I became aware of a great desire on Mr. Fleming's part to keep the expenditure largely within the original estimate of cost.

> I am, Sir, Yours truly,

COLLINGWOOD SCHREIBER.

N. F. DAVIN, Esq.

(The exhibits produced in evidence are set out or referred to at the end of the next volume which contains the rest of the report.)

The above sum will be some what reduced.

Difference between present and originally estimated cost of section 42, due to efforts made during Fleming's time.

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MACKENZIE, HON. A.

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Fleming mistaken as to feasibility of route, 1804.

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TENDERING ---

TRUDEAU. T.

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Charters withdrew offer, 62.

second lowest, Taylor, who abandoned contract, 63.

no claim made against sureties, 63.

SIFTOF, J.

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Fairbanks and Farwell joined afterwards, 101.

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FLEMING, S.

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TRUDEAU, T.

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awarded by verbal order of Minister, 66.

Fleming did not report recommending passing over lowest tender, 67. SIFTON, J.

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CARBE, H. bill of works made up from profiles of witness and Brunel, 178.

MACKENZIE, HON. A.

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ENGINEERING-

SURVEYS.

CARRE, H.

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ROWAN, J. H.

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FLEMING, S. Selkirk terminus selected chiefly on account of its immunity from floods, 1372.

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SMITH, M

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RUTTAN, H. N.

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SIFTON, J.

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TRUDEAU, T.

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TENDERING-continued.

TRUDEAU, T. - continued.

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MACDONALD, A. P.

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SURVEYS.

TRUDEAU, T.

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so engaged till January, 1875, 129.

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in December, 1874, asked to send in plan and profile, 129.

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Frank Moberly and party calculated the quantities from it in Ottawa, 130.

thinks the profile made from it correct, 130.

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asked to find a better route, 131.

returned for that purpose, June, 1875, 131.

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SMELLIE, W. B.

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thinks there is no point in Fleming's letter, 1486.

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SMITH, M.

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grades about 40 feet, 1573 terminus established by letting section 14, 1574.

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CONSTRUCTION.

RUTTAN, H. N.

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reached section 15 in May, 1877, 25.

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instructions as to rock bases in water stretches, 26.

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Carre's instructions in June, 1877, to borrow earth, 29.

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thinks Government in April, 1880, owed Whitehead \$60,000 more than admitted, 31.

at that date work taken out of Whitehead's hands, 31.

Rowan's instructions as to earth embankments in July, 1877, 31.

saw on first inspection that all material for embankments could be borrowed, no trestle work necessary, 32.

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appointed engineer on construction, May or June, 1876, 132. original location line of 1874 adopted, 132.

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CONSTRUCTION-continued.

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Haney made superintendent in June, 1880, 171.

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CONSTRUCTION - continued.

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partner, 235. expects net proceeds of contract as carried out by Government, 2.36.

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BROWN, G.

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TUTTLE, C. R.

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COOPER, J.

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Bowis, A.

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CABRE'S ALTERNATIVE SOUTHERN LINE.

RUTTAN, H. N.

CARRE, H.

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ROWAN, J. H.

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FLEMING, S.

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CONTRACT No. 16.—Railway construction :

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time for delivery 15th August, 1879, 959. ordered through Reynolds as agent, 960. method of inviting competition discussed between Engineer and Minister, 960.

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TUPPER, SIR CHARLES.

course pursued as to purchase of rails, 1275.

FLEMING, S.

how contracts Nos. 44 to 46 came to be made, price £4,193. to £5 delivered in Montreal, 1419. report of 17th June, 1879, showing necessity for rails, 1419. Reynolds's arrangements satisfactory, 1419.

CONTRACT No. 48.—Railway construction :

TENDERING-

TRUDEAU, T.

let by public competition after advertisement, 82.

tenders received to 1st August, 1879, 82.

lowest tenderer, Hall, 83. Hall not prepared to deposit, himself doubtful about finding capital, 84. Hall retires; his deposit returned, 85. under Urder-in-Council, 86. Ryan's tender \$46,190 more than Hall's, 85.

tenders produced, 866.

RYAN, J.

contractor for first 100 miles west of Winnipeg, 476.

Hall a lower tenderer than witness, 476.

knew nothing of relative positions of tenders till contract was let, 477. no negotiations with other tenderers, 477.

HAGGART, J., M. P.

no interest with Ryan, or any other Government contractor, 1017. POPE, HON. J. H.

tender awarded on witness's recommendation, 1302.

Hall declined contract; prices too low, 1302.

FLEMING, S

Smellie reported against Hall, 1420.

Hall's letter of withdrawal produced, 1420.

SMELLIE, W. B.

reasons for reporting against Hall, 1421.

Hall did not express any dissatisfaction, 1422.

ENGINEERING-

TRUDEAU, T.

some fault found as to progress made ; reasons of delay under investigation, 87.

RYAN, J.

contract let August, 1879, 477.

half to be finished in eight months, the whole by 19th August, 1880. 477.

some delay in location, 478. bulk price \$600,000, without fencing and with half ballast, 478.

change in the mode of building, 479.

track located only from twenty to forty miles shead of track-layers, 479. ties laid on the prairie, and ballast put in instead of earth excavation, 479.

process approved by Schreiber, 479.

road-bed improved and cost not materially increased, 480.

correspondence with Department relative to this change, 480.

rate of progress five miles a week, 481.

seven stations on line, 481.

ROWAN, J. H.

delays in locating were due to extreme wetness of season, 750.

contractor claims that ballasting is more costly than grading, 750.

witness prefers to offer no opinion thereon, 751.

Drope's discharge authorized by Schreiber, 811.

witness's relations with Murdoch, 822-823. MCRDOCH, W. in June, 1879, locating contract 48, 805.

size of party twenty-two, 805.

completed 1st September, 806

witness removed to take charge of contract 66, 806. as to Drope's inspection of ties, 808.

certain instructions by Chief Engineer disapproved by witness, but notwithstanding carried out, 817.

censured by Chief Engineer for doing so, 818.

respecting his treatment by Rowan, 818.

CONTRACT No. 48.-Railway construction--continued.

ENGINEERING-continued.

DROPE. T.

complaint as to bis discharge, 810.

FLEMING. S.

respecting delay in location of the line, 1423. Ryan urged to proceed at once, 1423. temporary right of way granted by city of Winnipeg, 1424. thinks line was located faster than Ryan could proceed, 1426. surveys not required for this section, country being flat, 1426. rails laid on ground and then ballasted, 1426.

CONTRACT No. 49 .- Station buildings :

TRUDEAU, T.

submitted to public competition, and contract awarded to lowest tender, 59. cost limited to a maximum sum, in contract, 59.

completed to satisfaction of Department, 60.

CONTRACT No. 50 .- Railway spikes :

TRUDEAU, T. public competition; lowest tender accepted, 975. delivery satisfactory, 976.

CONTRACT No. 51.—Fish-plates, bolts, &c :

TRUDEAU, T.

contract based on lowest tender after competition, 976. articles supplied of Canadian manufacture, 976. delivery satisfactory, 976.

CONTRACT No. 52.—Transportation of rails :

TRUDEAU, T.

competition invited by circular, 992. Beatty had previously tendered, 992. let to the lowest offer, 992. FLEMING. S.

suggested inviting tenders by circular, 1427. lowest tender accepted, 1427.

CONTRACTS Nos. 53 TO 55.-Steel rails :

TRUDEAU, T.

public competition invited by advertisement, 997.

procured from I west available tenderers, 997. Order-in-Council 13th June, 1879, authorizing purchase, passed on Chief Engineer's report, 997. prices, £4 15s. to ±5 5s, 998. history of negotiations, 999. REYNOLDS, T.

Fleming telegraphed in 1879, authorizing witness to receive tenders, 1003.

mode of inviting competition, 1004.

lowest offer accepted, 1004.

TUPPER, SIR CHARLES

course pursued as to purchase of rails, 1275.

colleagues and Chief Engineer in accord, 1276. all purchased from lowest available tenderers, 1277.

no benefit accrued to any Member of Parliament or other person than contractors, 1277.

FLEMING, S.

pressed on Minister necessity for rails, 1428.

advertised in English papers, 1428.

tenders opened by Finance Minister in presence of Sir J. Rose and witness, 1428.

50,000 tons ordered, of which 11,000 were for Intercolonial (Rivière du Loup), 1429. respecting Wallace's tender, 1430.

lowest tenders invariably accepted, to full extent parties would furnish, 431.

CONTRACT No. 56.-Iron bridge: /

TRUDEAU, T.
 amount of contract, \$1,400, 996.
 let to lowest tenderer after competition, 996.
 recommended by Fleming's report, 24th November, 1879, 996.
 Work not yet complete, 996.
 FLEMING, S.
 lowest tender accepted, 1432.
 satisfactorily erected, 1432.

CONTRACT No. 57 .- Railway frogs, &c. :

TRUDEAU, T.

no competition, patent having been adopted, 996.
 recommended 11th November, 1879, by Chief Engineer, 996.
 Order-in-Council confirming, 996.
 cost \$12,000, contract fulfilled, 997.
 FLEMING, S.
 frogs previously got from the Kingston Penitentiary, 1432.
 offered by the Truro company at a lower rate, 1432.
 a better article for a less price, 1433.

no influence to prevent public competition, 1433.

CONTRACT No. 58.—Iron turn-tables :

TRUDEAU, T. tenders invited by circular, 1151. contract let to lowest tenderer, 1154. FLEMING, S. tenders invited by circular, 1433. the lowest offer accepted, 1434. advertising would have been too expensive, 1434.

CONTRACT No. 59.-Railway ties:

RUTTAN, H. N.
Whitehead, Ryan and witness contracted to deliver 100,000 ties in the spring of 1880, 35.
difficulties with Rowan as to culling, 35.
TRUDEAU, T.
contract has been fulfilled, 87.
RYAN, J.
witness a partner in contracting firm, 482.
FLENING, S.
instructed Rowan to receive tenders; the lowest accepted, 1435.

CONTRACT No. 60.-Railway construction :

TENDERING

MACDONALD, A. P. lowest tenderer on sections A and C, 982. contract transferred to Onderdonk for a consideration, 982. one contractor having the four sections would have an advantage of 15 or 20 per cent. over several, 983. MCRAE, W. interested with A. P. Macdonald and others, 1067. tenders made out at the Windsor Hotel, Montreal, 1068. assigned to Onderdonk, 1068. Onderdonk's view of the transaction, 1069. the concentration of work an advantage to contractor, 1069. TRUDEAU, T. public competition invited by advertisement, 1154. Fleming's report of 22nd November, 1879, produced. 1155. witness narrates circumstances attending the opening of tenders. 1155. refers to certain irregular tenders, 1155. Order-in-Council of 22nd December, 1879, authorizing transfer to Onderdonk, produced, 1159. witness thinks it better that large works should be placed with one contractor if feasible, 1158.

CONTRACT No. 60.—Railway construction—continued.

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TUPPER, SIR CHARLES.

reasons for inviting British Columbia tenders separately and subsequent amalgamation, 1287.

Onderdonk how and when introduced, 1289.

nature of the syndicate represented by D. O. Mills, 1289.

MILLS, D. O.

tenders of Onderdonk authorized by syndicate, 1297.

no preconcerted arrangement with other tenderers, 1297.

Government security improved by transfer, 1298.

FLEMING, S.

- on receiving report from Edmonton respecting Peace River route, an Order-in-Council was passed adopting Burrard Inlet and tenders for sections 60 to 63 invited, 1436.
- D. McDonald & Co's tender, the lowest, was accepted, 1437.

CONSTRUCTION-

MILLS, D. O.

one of the syndicate, 1296.

work progressing as demanded by contract, 1296. how syndicate became interested, 1297.

economy the result of centralization, 1297.

See Engineering.

CONTRACT No. 61 .- Railway construction :

SMITH, J. N.

was interested with others in this tender, 952.

sold his third interest to Onderdonk for \$31,500, 953.

aware of no improper influences, 954.

expected to get all sections, 954. better for all that they should be in the same hands, 935.

saving in labour, 955.

economy in machinery, 955.

opinion based on thirty years experience, 935. Macdougall interested only professionally, 955.

GOODWIN, J.

tendered for sections A, B, C and D, 1008.

lowest tender on B, 1009.

in company with Purceil, Ryan and others, 1009.

contract awarded and sold to Onderdonk, 1009.

witness's firm received \$100,000, 1009.

delay in acknowledging Onderdonk, 1010. advantage of concentrating work in single management, 1011.

no intention of selling out when tendering, 1209.

TRUDEAU, T. public competition invited, 1204.

tenders opened 20th November, 1879, 1204.

lowest tender accepted, 1205.

transferred to Onderdonk, 10th February, 1880, 1205.

RYAN, H.

interested in section B with Purcell and others, 1235. no understanding with Onderdonk prior to award, 1235.

Government refused to allow transfer before contract, 1236. a voluntary transfer, 1237.

reasons for acquiescence, 1237.

no improper information or advantage, 1238.

one contractor more economical than many, 1238.

special necessity for centralization, 1238.

FLEMING, S.

contract based on lowest tender, 1438.

See Engineering.

CONTRACT No. 62.—Railway construction :

TRUDEAU, T.

contract awarded to lowest regular tenderer, 1207.

contracts 60 to 63 inclusive, transferred to a syndicate by Order-in-Council, 1207.

FLEMING, S.

given to lowest tenderer, 1439. took no part in transfor to Onderdonk, 1439.

See Engineering.

CONTRACT No. 63.—Railway construction :

KAVANAGH, T. tendered for section D, 838. transferred to Onderdonk, 839. does not remember anything about it, 839. further as to what he does not remember, 840. KAVANAGH, J. tendered for section D, 1018. no knowledge how figures were made up, 1019. sold to Onderdonk, 1020. witness sole negotiator with Onderdonk, 1020. no experience in contracting, 1021. TRUDEAU, T. awarded to Kavanagh the lowest tenderer, 1208. respecting extension of time approved by Order-in-Council, 1208. TUPPER, SIR CHARLES. why time granted to Kavanagh, 1290. distinction between this matter and Andrews. Jones & Co., 1291. Department sustained in this extension by Order-in-Council, 1292. FLEMING, S. contract let to the lowest of eleven tenderers, 1439. took no part in transfer, 1439. results of the transfer favourable to the public, 1440. better for the public that one strong firm should have the whole work. 1441. work let at very low prices, 1441. See Engineering. CONTRACT No. 64.—Bridge over Red River : RYAN, J. sum involved, \$7,330, 481. duly completed and paid for, 481. TRUDEAU, T. public competition invited, 1209. contract let to lowest tenderer, 1210. work completed, 1210. FLEMING, S. how the work was undertaken, 1441. contract based on lowest tender, 1412. CONTRACT No. 65 .- First-class passenger cars : TRUDRAU, T. public competition invited, 1210. lowest tender accepted, 1210. FLEMING, S contract given to lowest tenderer, 1442. CONTRACT No. 66.-Railway construction : TENDERING-TRUDRAU, T. report of tenders produced, 87. contract let to lowest tenderer, 87. MoTAvish, G. L., 486. contract signed in absence of witness, 487. to be completed 31st December, 1881, 487. the non-completion of the first 100 miles a serious drawback, 488. no claim on Government on that account, 488. CHAPLRAU, S. E. Sr. O. never assisted Bowie, 860. Bowin, A. tendered with others for this contract, 1144. difference of opinion as to prices, 1145. general conversations with Chapleau, 1146. prices of Geo. Bowie's tender diminished about \$9,000 or \$10,000, 1147. Nicholson & Marpole's tender about \$10,000 higher than witness, 1147. effect of changes to make tender \$289 lower than Marpole's, 1148. witness's information to Geo. McTavish, 1148. witness sold out to Bowie & McTavish, 1148. never alleged that he had disbursed sums for information, 1149. as to security put up, 1149.

CONTRACT No. 66.—Railway construction—continued. TENDERING--continued. TRUDEAU, T. Engineer's report on tenders produced, 1212. awarded to Bowie & Co.; Geo. McTavish added to firm under Orderin-Council, 22nd May, 1880, 1212. FLEMING, S. based on lowest tender, 1442. location not approved by witness; gives his reasons, 1443. ENGINEERING-MURDOCH, W. in charge of location, 814. party: twenty-one, 814. ready for contractors 9th July, 815. found favourable line, 815. See Engineering. CONTRACT No. 67.-Box and platform cars: TRUDEAU, T. contractors were lowest tenderers for platform cars, 1211. Simon Peters \$5 lower for box cars, but could not furnish quantity required and withdrew, 1211. public competition invited, 1211. FLEMING, S. confirms Trudeau's evidence, 1444. CONTRACT No. 68.—Postal and baggage cars: TRUDEAU, T. public competition invited, 1211. FLEMING, S. contract given to lowest tenderer, 1414. CONTRACT No. 69.—Transportation of rails: TBUDEAU, T. not a formal contract, 1213. authorized by Order-in-Council on Chief Engineer's report, 1213. FLEMING, S. explanation why competition was not invited, 1445. the arrangement a desirable one, 1445. CONTRACT No. 70.-Transportation of rails: TRUDEAU, T. public competition invited, 1212. let to lowest tenderer, Henry Beatty, 1212. plices compared with contract No. 34, 1213. FLEMING, S. witness had nothing to do with this, 1445. CONTRACT No. 71.-Iron bridge: TRUDEAU, T. let to lowest tenderer, 1214. FLEMING, S. confirms Trudeau's evidence, 1445. CONTRACTS Nos. 72 TO 76 .--TRUDEAU, T. advertised and let since date of Commission, 1214. CONTRACT No. 77.—Wire fencing : TRUDEAU, T. report of tenders produced, 1214. CONTRACTS, SYSTEM OF LETTING : See System of Letting Contracts.

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DEPARTMENT OF RAILWAYS AND CANALS:
 TATDEAU, T. Deputy Minister, 1. connection with Canadian Pacific Railway since commencement, 1. next in control to Minister, 1. Pacific staff special and distinct as to engineering, not as to account- ing, 1. accountant : James Bain, 2. accountant : James Bain, 2. accountant is y double entry, 2. no periodical report by accountant to Deputy, 2. Fileming financially responsible from inception ull 1875, 2. subsequently system changed, 2. Fileming's paymasters: Wm. Wallace, Geo. Watt, and subsequently Radford, 2. Watt's accounts were audited by T. Taylor, and reported satisfac- tory, except as to vouchers, 2. all orders should proceed from Minister, 3. generally given verbally, and noted, 3. copies of Orders-in-Council affecting railway are sent to the Depart- ment and recorded, 3. preliminary explorations discussed by Minister and Fleming, 3. Chief Engineer appointed 5th May, 1871, 3. engineering staff appointed by Minister, 4. Palmer in charge of accounts from 1875, 12. tenders usually referred to Ragineer, 38. werbal explanations not allowed to modify tender, unless the docu- ment susceptible of such explanation in itself, 38. Minister saw all reports of Chief Engineer, 38. whore Engineer declines to recommend a course, it is adopted without his responsibility, 38. how far change in tender affects eligibility of tender, 42. not the practice of the Department to initial alterations in the tenders, 74. corrects previous eridence as to decisions of Minister being invariably recorded, 1817. instances to the contrary, 1817. FLEMING, S remarks on appointment of officers, 1685. a private company could accomplish work more efficiently, 1686. discontinuance of witness's connection with the railway and corres pondence relating theretoi, 1866-1700.

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iwo engineers, two axe men and men for transport sufficient for an exploration, 1653.

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SMITH, M.

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made explorations from Winnipeg westward (1877), 1505.

examined route critically from Edmonton, 1506.

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same work in 1880, 1509.

each season's work in British Columbia arranged by Chief Engineer, 1509.

manner of surveys, Fleming responsible for, 1510.

Howse Pass abandoned before he went out, 1510.

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Palliser failed to find Yellow Head Pass his field being restricted by instructions, 1555.

thinks Fleming must have been assured of the practicability of Howse Pass, 1557.

time pressure in a measure justified instrumental survey, 1557.

would have started smaller parties, 1558.

two engineers and Indians a sufficient exploratory staff, 1560.

comparative merits of passes should have been ascertained before directing instrumental survey, 1561. respecting McLennan's parties, 1562.

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Beft Ottawa 15th May, 1874, with three parties, 1564. Bute Inlet then a probable terminus, 1564. Horetzky found a good pass through Kitimat Valley to the Skeena, 1565.

Cooper's report of no value, 1566. surveys of 1875 also directed to Bute Inlet, 1567.

survey on the Homathco, 1568.

re-survey from Yellow Head Pass to Fort George, 1568.

thinks British Columbia surveys 1873-1875 judicious and economical, 1568.

explorations finished in 1874, 1569.

spring of 1876, Chief Engineer being absent, was made acting Chief Engineer, 1569.

Cambie sent out in his place to British Columbia, 1569.

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no pass through Selkirk range, 1582.

Moberly's instructions to retire from Howse Pass direct from Fleming, 1583

Chief Engineer's instructions respecting Athabaska Pass a mistake, 1584.

engineers should not be trammelled by detailed instructions, 1584.

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between Nipissing and Nipigon the initial steps should have been bare explorations, 1587.

first letter after appointment advocated exploratory surveys, 1597.

examined country west of Winnipeg, 1591.

made trial location south of Lake Manitoba, 1591.

crossing good on Little Saskatchewan, 1591. not on Assineboine, 1591.

examined country south of Saskatchewan, 1592. thence to Oarleton, 1592.

wheat belt extends into forest country, 1592. proceeded vid Edmonton and Yellow Head Pass to Kamloops, 1592.

thence to New Westminster, 1593.

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examined progress of British Columbia surveys, 1593.

returned by way of San Francisco, 1593.

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returned to Ottawa in November, 1593.

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wrote appendix D to report of 1878, 1594.

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Fleming telegraphed for to write report, 1594. recommended Pine River Pass to Bute Inlet, 1594.

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ignored from spring of 1878, 1595.

no instructions left in spring of 1878 when Fleming went to England. 1596

no consultation, 1596.

thought Yellow Head Pass altogether wrong, 1596.

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private company would have proceeded more rapidly, 1603.

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report in favour of Stone Fort as crossing, 1613.

addressed to Chief Engineer, 1614.

did not appear in print, 1614.

MACKENZIE, HON. A.

took charge in 1873, 1784.

Government not in possession of opinions from engineers justifying

decided action, 1784. route from Upper Thompson to Big Bend discovered in 1874 to be impracticable, 1785.

Fleming the sole director of surveys, 1785.

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1805.

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RUTTAN, H. N.

civil engineer and contractor, 21. assistant to T J. Thompson at Pic River, 21.

party: twelve, 21.

from Red Rock to Sonth Bay of Nipigon (instrumental), 22. four months in the field, 23.

supplies: Thompson responsible for, 22. at Ottawa after field work, 22.

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