

SESSIONAL PAPER No. 123

Q. Have you any idea what the total profits of that contract with Farlinger and Macdonald amounted to?—A. In the neighbourhood of \$50,000, practically.

Q. Is this the only building you had under your concrete contract?—A. No; the Armstrong roundhouse.

Q. How did that compare in prices with the one at Graham?—A. A little higher.

Q. Margin of profit a little higher?—A. No.

Q. About the same?—A. No, a little less.

(NATIONAL TRANSCONTINENTAL RAILWAY INVESTIGATING
COMMISSION; QUEBEC, MARCH 12th, 1913.)

(EVIDENCE TAKEN IN THE OFFICES OF THE TRANSCONTINENTAL
RAILWAY.)

ALFRED CURZON DOBELL, sworn—

By the Chairman:

Q. You are a practising advocate in Quebec?—A. Yes.

Q. And have practised here for several years?—A. Yes; eleven years, I think.

Q. I believe you have a power of attorney to act for the Duchess of Bassano in connection with her business in the Province of Quebec?—A. No, it was only regarding the property she owned up Champlain street in the City of Quebec.

Q. Did you make any lease of any portion of the Duchess of Bassano's property?—A. On the 25th February, 1908, I gave a lease, and this lease ran out on the first of May, 1909, but it was tacitly renewed from year to year. There was a provision in the lease that I could give the lessee six months' notice to quit.

Q. What you mean is that, after the expiry of the lease by effluxion of time, the tenant continued in possession of that property as a tenant from year to year, subject to be put out of possession on six months' notice, ending with any one year?—A. Six months' notice at any time.

Q. What was the name of that tenant?—A. Napoleon Martineau, junior.

Q. Where does he live?—A. He lives in Quebec, and he rented this property at that time for an ice house.

Q. Where is this property?—A. 2525 Champlain Ward.

Q. What do you mean?—A. It is designated and known upon the Cadastral plan, and in the book of reference for Champlain Ward in the City of Quebec under number 2525.

Q. And it is situated where?—A. Near the west end of the City on the River front.

Q. Below the citadel?—A. Below the citadel, further west than the citadel.

Q. But below the cliff?—A. Yes.

Q. What is the size of the property?—A. A piece of land measuring 37 feet by 60 feet.

Q. 37 feet frontage, running from the street to the water?—A. Well, I could not tell you that.

Q. Look at the plan. Do you know whether it ran to the water edge?—A. The building, no.

Q. But the property?—A. No, it does not.

Q. Describe the property that is covered by the lease you speak of?—A. Well, it is a property running alongside of Champlain Street, with a measurement of 37 feet.

Q. Does it run back to the water?—A. No, it does not.

Q. What is there between it and the water?—A. If I remember right, part of the old wharf.

Q. There is land between it and the water?—A. Well, it is made land.

Q. But who owns the water front there?—A. We do.

Q. Did you rent him the water front?—A. No, it is just the size of the building.

Q. You say "I leased to him a piece of property 37 by 60, entirely covered by a building"?—A. Well, he put up the building.

Q. He put up a building which entirely covered the land leased to him?—A. Yes.

Q. This building fronts on Champlain street, but does not go down to the water's edge?—A. No.

Q. You did not lease to him the land between the water's edge and the building?—A. No; of course, remember, he put up the building.

Q. Napoleon Martineau put a building on this land, did he?—A. Yes.

Q. What was it?—A. An ice house.

Q. And he continued your tenant of this property for how long?—A. Well, he paid me rent up to the 1st May, 1912.

Q. And what was the rent he paid you?—A. It was \$75 a year.

Q. And that lease was in writing?—A. Yes.

Q. And you have a copy of it in your possession?—A. Yes.

Q. Then did you terminate his lease on the 1st of May, 1912?—A. Well, I told him in the summer of 1911 that we had received—when I say we, my brother and myself look after my mother's estate, which adjoins the Bassano property, and we ran the two properties more or less jointly—that we had, I cannot say whether it was to me or my brother, received notice that we were not to relet any property after the 1st of May, 1912.

Q. From whom did you say you had received that notice?—A. I cannot say that I got it myself, but I understood that it came from the Transcontinental Commission.

Q. Either to you or to your brother a notice was given by the Transcontinental Commission that they intended to take this property?—A. A part of it, and that we were not to relet.

Q. What did Napoleon Martineau do?—Did he leave the property on the 1st of May?—A. I first of all must tell you that some time in September of 1911, he came to me and asked me if I would give him a complete discharge of all rent that he owed me, and I told him that he owed me a certain amount.

Q. How much did you tell him he owed you?—A. He owed me either a year or a half year's rent, I have forgotten which.

Q. In September, 1911, Napoleon Martineau came to you respecting this property?—A. Yes.

Q. What did he want?—A. He wanted to settle for the rent for the balance of the lease.

Q. He wanted to make a settlement with you for his rent up to the 1st of May, 1912?—A. Yes.

Q. And then did you make a settlement with him?—A. I took an order on the Garrison Club.

Q. You did have a settlement with him?—A. Yes.

Q. So that you had no further claim on him personally for rent up to the 1st of May, 1912, respecting that property. What did he want to make this settlement

SESSIONAL PAPER No. 123

with you for?—A. I understood, either from him or from somebody else, I cannot recall which, that his desire to make this settlement with me was so that he might be able to sell the icehouse.

Q. To whom did you understand he wished to sell the icehouse?—A. I subsequently learned it was to Raoul Bergevin.

Q. Who is he?—A. He is a haberdasher and tailor in the City of Quebec.

Q. How did you subsequently learn this fact?—A. It was when Adolphe Chevalier, to whom I had rented the balance of the property, showed me a deed, by which he had sold all his rights to Raoul Bergevin, and we also learned that Raoul Bergevin had bought Chevalier's rights in the property.

Q. I want you to tell me how you learned that Bergevin bought Martineau's icehouse?—A. I learned this either from Adolphe Chevalier or from Mr. J. P. Cantin, a Notary Public, of Quebec.

By Mr. Gutelius:

Q. Did you give Martineau any notice that the lease would terminate on the 1st of May, 1912?—A. Yes, I had told him during the summer I would not be able to release it.

By the Chairman:

Q. Why did you tell him that?—A. On account of the notice we had got from the Transcontinental. I may say that I understood that the Transcontinental Railway intended to expropriate this property, but whether I had any legal notice I cannot recollect.

Q. Have you any more personal knowledge from Martineau respecting the sale which he afterwards made of the icehouse?—A. No, sir.

Q. Have you any personal knowledge from Bergevin that he purchased the icehouse from Martineau?—A. I do not know Mr. Bergevin by sight.

Q. You have had no conversation with him?—A. No.

Q. Respecting this property, is that all the information you can give us?—A. Yes, regarding that part of it.

Q. Your evidence comes to this: that you were agent for the owner of the property, that you leased the property to Napoleon Martineau, \$75 a year, that he put an icehouse on the whole property leased by you to him, and that his lease terminated by mutual agreement between you and him on the 1st of May, 1912?—A. Yes.

Q. That is correct?—A. Yes.

Q. And that he knew that you could not extend the lease?—A. He knew I could not renew it.

Q. Did you lease a portion of the property belonging to the Duchess of Bassano east or west of this?—A. It surrounds that property.

Q. The whole of the property belonging to the Duchess of Bassano on Champlain street, on which this icehouse, of which you have been telling me, is situated, had a frontage of how much on Champlain street? It is approximately 450 feet?—A. Yes, approximately.

Q. And did you not lease a portion of that property to a man named Adolphe Chevalier?—A. Yes.

Q. What frontage has that property that you leased to Chevalier on Champlain street? Tell me, roughly speaking?—A. It is the 450 feet, deducting the frontage occupied by the icehouse. The Chevalier property, therefore entirely surrounds the icehouse, excepting the street frontage.

Q. It is an irregular piece of land, running to the water's edge?—A. Going down to low water mark.

Q. Are there two piers on it?—A. Yes, I believe so.

- Q. And it has two piers running out into the water?—A. Yes.
- Q. These are all ruinous piers?—A. They are in a fair condition.
- Q. You let the land we have been endeavouring to describe to Chevalier?—
- A. Yes.
- Q. When did you let it to him?—A. On the 1st of October, 1908.
- Q. Under a written lease?—A. Before Notary Campbell, of this City.
- Q. At what rent?—A. It varies.
- Q. Read the clause about the rent?—A. The sum of \$350 for the first year, expiring on the 30th April, 1910, the sum of \$375 for the second year, expiring on the 30th April, 1911, and the sum of \$400, for the third year, expiring on the 30th May, 1912.
- Q. It was a three year lease?—A. Yes.
- Q. Any right to renew?—A. No.
- Q. Did he occupy the property?—A. Yes.
- Q. What with?—A. He had a repairing slip for schooners and barges, and such like.
- Q. What was his business? He was a ship repairer?—A. Ship repairer.
- Q. Did he build a slip there?—A. He built a slip there himself.
- Q. Was it a moveable structure?—A. Yes, it could be removed.
- Q. It was a wooden structure, put in for the purpose of holding vessels while they were being repaired?—A. It was a moveable cradle, that could be slipped under a ship, and pull it up on the bank.
- Q. On rollers?—A. Yes. The rollers were, if I remember right, wooden rails.
- Q. It was a contrivance for loading a boat into the water and hauling it up on the land for repairs?—A. Yes.
- Q. It was a moveable structure?—A. Yes.
- Q. Had Chevalier any interest in that property, excepting as a tenant for three years?—A. No, sir.
- Q. Had he any right to acquire any interest in the property?—A. No.
- Q. Then he was simply a tenant and no more during all the time he occupied it?—A. Exactly.
- Q. His interest terminated on the 30th April, 1912?—A. Yes.
- Q. And he could remove his slip?—A. Oh, yes, as long as he gave me back my property on the 1st May, 1912, I had no further interest.
- Q. And you had no pretence to claim you owned the cradle or slip?—A. No.
- Q. I have always understood a slip to mean a channel cut out in the water, with a dock on each side, in which boats floated; this wooden structure you speak of is not anything of that description?—A. No, none whatsoever; it is a cradle.
- Q. It is a carriage, for carrying boats up on the shore?—A. Yes.
- Q. Have you any more information about what Chevalier did with this property, as to whether he tried to sell this property, or did sell it to anybody?—
- A. I know personally that he sold all his rights that he had in the property to Raoul Bergevin, but he had no delivery of it.
- Q. You say he undertook to sell some rights in the property to Raoul Bergevin?—A. Yes. I produce a notarial copy of deed or instrument, number 15315, a sale from Adolphe Chevalier to R. R. Bergevin, where he is described as a carpenter, and by that he undertakes to sell all his rights and interest of every description to the occupation of a certain property, more particularly known and described on a plan or book of reference for the Champlain quarte in the City of Quebec, under number 2525, which is the property I have been speaking about.
- Q. And by that document he agrees to give possession on the 1st of May, 1912, and the consideration for the sale is \$4,000. Does he acknowledge he has received it by this?—A. Yes.
- Q. You notice that by this deed, exhibit 1, Chevalier only undertakes to sell his right of occupation to the land, whatever that is?—A. Yes.

SESSIONAL PAPER No. 123

Q. And he undertakes to deliver possession on the 1st of May, 1912?—A. Yes.

Q. And he refers to the lease which he has from you as the attorney for the Duchess of Bassano?—A. Yes, sir.

Q. I suppose he had a copy of that lease in his possession?—A. Yes.

Q. Was that lease on record?—A. I do not think we ever registered it.

Q. But it was in the possession of Mr. Campbell, the notary?—A. Yes.

Q. Who, according to this exhibit, prepared this lease?—A. He prepared the lease.

Q. So that any person dealing with Mr. Chevalier could have seen that lease with the notary?—A. Yes.

Q. Had he any right to give possession of this property on the 1st of May, 1912?—A. None whatever.

Q. So that, as a matter of fact, for the \$4,000 which he received from Raoul Bergevin, he gave no consideration whatever?—A. So far as I can see, he got no value for his money at all.

Q. When did you learn about this deed, exhibit 1?—A. About the 1st October, 1911, when I returned from my holidays, Mr. Cantin, Notary Public, of Quebec, came into my office, and asked me if I would ratify deed of sale between Raoul Bergevin and Adolphe Chevalier. I said I would have to see it before I would ratify it, as Chevalier had no rights, except as tenant on the property; and he promised to bring me over the deed, to show it to me. I waited some days, and he did not come over, and I went to his office, and I was told by C. E. Taschereau, his partner, that they did not want my ratification at all, as they had got round it in another way.

Q. What is the name of the firm?—A. They divide offices, but there is really no firm.

Q. That is about all you know about that transaction?—A. Yes.

By Mr. Gutelius:

Q. Did you advise this man that you would not be able to renew his lease on account of the Transcontinental Railway?—A. Yes; I notified Chevalier during the summer of 1911 that I could not renew his lease, as I expected it was going to be taken by the Transcontinental Commission.

By the Chairman:

Q. Up to the 1st of January, 1912, did the Transcontinental Commission purchase any of the Bassano property from you?—A. No, they did not.

Q. Did they purchase the property from you up to the 1st January, 1912, that you had leased to Martineau?—A. No.

Q. Did the Commission, up to the 1st of January, 1912, negotiate with you for the purchase of either of these properties?—A. No, sir.

Q. I understand, however, that the Commission, after the 21st September, and before the 5th October, filed an information in the Exchequer Court, to expropriate these two properties?—A. I am told the Commission did so, but I cannot vouch for it, as no papers were ever served on me.

Q. Did they do so, as a matter of fact?—A. Cannon asked me to accept the information. Mr. Cannon, who was the lawyer for the Commission at Quebec, asked me to accept service of informations respecting this part of the property leased to Chevalier, but he did not serve the papers on me, as I declined to accept service. I understand the expropriation proceedings did not cover the property which had been leased to Martineau.

Q. After Major Leonard became the sole commissioner of the Transcontinental in the summer of 1912, I believe you sold a strip through the property leased, which had formerly been leased to Chevalier, for right of way for the Transcontinental Railway?—A. I sold the whole property belonging to the Duchess of Bassano.

Q. And in that was included the property leased to Chevalier and the property leased to Martineau?—A. Yes.

Q. Then, if the Commission, in the year 1911, paid to Bergevin, or to anybody else, a sum of money to compensate them for the expenses of moving the ice house, they were paying damages for removing the ice house from property which the Commission had not purchased?—A. There is no reason why they should pay the sum of money, so far as I know.

Q. A tenant who has a right to remove his fixtures or belongings, erected by him on the leased land, by the law of Quebec must remove them, must he not, at his own expense?—A. Yes.

Q. So that if Martineau, as he did, put an icehouse on the property which he rented from you, and wished to remove that icehouse, he must do so during the currency of the lease, or within a reasonable time after its expiry, at his own expense?—A. Yes.

Q. So that if the Transcontinental Railway Commission purchased the freehold that is the land on which the icehouse stood—after the expiry of the lease, the tenant Martineau would have no claim against the Transcontinental Railway for the expense of moving his building, or the loss of trade occasioned to him for removing the building?—A. If he did not remove it he would have to give up his claim to it—surrender it to the landlord.

(EVIDENCE TAKEN IN N.T.R. OFFICES, AT QUEBEC, March 13th, 1913.)

MR. DOBELL produces notarial copy of lease between the Duchess of Bassano and Chevalier, through himself. Exhibit 5.

(Evidence of Martineau and Chevalier in French.)

F. M. STANTON, sworn:

By the Chairman:

Q. What is your position?—A. Accountant, District B, Transcontinental Railway.

Q. You produce what?—A. The register of the cheques received in connection with the right of way.

Q. Referring to cheque number 557, 1911-12, payable to A. Doucet, in re right of way, Raoul R. Bergevin?—A. Yes.

Q. Sold by Raoul Bergevin for \$500?—A. Yes.

Q. Read the entry?—A. Cheque 557, 1911-12, to the order of Mr. Doucet, to be handed to notary—

Q. Name of vendor?—A. Raoul R. Bergevin.

Q. And the amount?—A. \$500.

Q. Cheque sent to whom?—A. C. E. Taschereau.

Q. What is this at the top?—A. Receipted voucher sent to Ottawa; there was no receipted voucher sent to Ottawa.

SESSIONAL PAPER No. 123

Q. What is written here?—A. Cheque and voucher sent to D. Hoctor, Chief Accountant, Transcontinental Railway for cancellation, October 23rd; deed kept by Mr. Taschereau.

Q. Why was that cheque returned?—A. Because I received instructions—I do not remember exactly, but Mr. Taschereau informed us that Bergevin would not accept the cheque; why, I do not know; the land agent might know, and, as he would not accept the cheque, we notified Mr. Hoctor to that effect, letter, October 23rd, and we enclosed the cheque in question, and asked him to hold it for a while. In reply dated October 25th, 1911, Mr. Hoctor stated that he would hold the cheque until the end of the month, awaiting further news. He also noted that the deed had not been returned to him, and he presumed that it was still held by Mr. Taschereau, whereupon we wrote to Mr. Hoctor on the 26th October, asking him if he required us to send him the deed in connection with this matter, to which he replied on October 27th that this was unnecessary, and that Mr. Taschereau might hold the deed until the matter was adjusted.

Q. That is all you have to do with it?—A. I know of nothing further.

(EVIDENCE TAKEN IN N.T.R. OFFICES, AT QUEBEC, March 13th, 1913.)

ANTHEOD TREMBLAY, SWORN:

By the Chairman:

Q. What is your position?—A. Assistant Land Agent.

Q. In 1911 what position were you in?—A. That is the position I was in then.

Q. In Quebec?—A. Yes.

Q. Do you know what cheque number 557 refers to?—A. I would sooner speak French.

(Answer given in French, and translated by Mr. Rivard.) It was to buy a certain gridiron from Madame Chevalier.

Q. Were there any negotiations for more than one gridiron from her?—A. No, just the one.

(Adjourned till 2.30 p.m.)

(EVIDENCE TAKEN IN N.T.R. OFFICES, AT QUEBEC, MARCH 14th, 1913)

ANTHEOD TREMBLAY, SWORN:

By the Chairman:

Q. You were the secretary, were you not, of the valuator's who valued the right of way and other matters between Champlain Market and the Quebec Bridge, on the St. Lawrence River?—A. Between the Champlain Market and Point au Piseau.

Q. As well as the right of way agent for the district?—A. Yes.

Q. You were assistant right of way agent for the district?—A. Yes, land agent.

Q. You produce a copy of the plan which was fyled under the statute by the Transcontinental Railway Commission, showing the lands which the Transcontinental Railway proposed to expropriate for the purposes of the railway between Champlain Market and Point au Piséau?—A. Yes.

Q. We have taken the evidence of a man named Martineau who owned an icehouse on lot 2525, Champlain Ward, and that icehouse is shown on this plan as "Icehouse, R. R. Bergevin, \$3,700, September 23rd, 1911". Now that icehouse was not, according to the plan, on any land which the Commission intended to expropriate, was it?—A. Not according to the plan that we have fyled in the Registry Office.

Q. And there never was any plan fyled, was there, by the Commission showing that they intended to expropriate the land on which that icehouse stood?—A. No.

Q. And if the Commission paid this man Martineau for this icehouse, they bought it on land which they had never expropriated; is that not right?—A. That is right.

Q. Now, tell me, has the Commission bought this land yet?—A. Yes, by private sale.

Q. Do you know whether or not the Commission have any idea of expropriating this land between Champlain street and the water—all the land?—A. I know there were two propositions at the time that we made the valuation, the one was to take all the land between Champlain street and a line parallel with the centre line of the railway about fifty feet south of the centre line, and another alternative was that the Transcontinental was to take all the land between Champlain street and the river St. Lawrence.

Q. But before the Commission changed, that scheme was not carried through; there was no plan laid down?—A. There was no plan deposited.

Q. Was there ever a plan drawn?—A. Yes, and the areas calculated.

Q. But it was never fyled?—A. No.

Q. Do you know that Raoul R. Bergevin received \$3,700 on the 30th September, 1911, from the Commission?—A. I can refer to my fyle.

Q. Here are your initials on it?—A. Yes.

Q. You certified that the account was correct?—A. Yes.

Q. Do you know what that was paid for? It says it is compensation for removal of ice house cadastral number 2525, Champlain Ward, Province of Quebec, \$3,700; you know what that transaction was?—A. I know we made several transactions.

Q. Do you know that one transaction?—A. I do not know for which property this is.

Q. It says it is for 2525?—A. Yes, it is the Martineau ice house.

Q. You know that transaction was for the removal of the Martineau ice house?—A. Yes.

Q. What does this mean?—A. That is a certificate of search in the Registry Office.

Q. From the evidence which we have before us, Bergevin had nothing to sell to this Commission, and had no right or claim to damages for removing the ice house, because he had only bought Martineau's claim, whatever that was, and Martineau, if he wanted to move his ice house, would have to move it himself before the 1st of May, 1912.—Did you know what Bergevin's rights were?—A. No, I did not.

Q. What did you mean by putting your approval on here, "Correct, 28th September, 1911, A. Tremblay," on the voucher?—A. The voucher means that the statement as written on the voucher is in conformity with what is intended in the deed.

SESSIONAL PAPER No. 123

Q. So that you were not familiar with the transaction any more than to see that the man got what the deed provided he should get?—A. Not exactly that, because the instructions to the notary were given by me; the notary prepared the deed.

Q. What instructions did you give to the notary?—A. I gave instructions to prepare that deed—I must have written a letter. I must have said something like that, that the Transcontinental Railway has bought an ice house that belonged to Mr. Raoul Bergevin and to prepare a deed of sale for the amount.

Q. It is for compensation for the removal of the ice house, and for damages?—A. I do not remember exactly what it was.

Q. Would it not be well to see if you could find that? Could you find it?—A. I suppose so.

(Witness retired and returns with documents.)—Here are the letters.

Q. This letter reads as follows:—

“I desire to have your instructions in these transactions which we have to make with Monsieur R. Bergevin, who has acquired the following properties: Adolphe Chevalier, which he will sell to us for \$5,500; Alfred Beauchamp, \$1,500; the claim of Adolphe Chevalier was valued at \$3,000 by the valuers, Tanguay and Giroux. Mr. Scott differs in opinion. His valuation is \$6,000; Alfred Berthiaume and Jean Lachance are proprietors in virtue of an emphyteutic lease. The first pays an annual rent of \$25 and the other \$18.75 to George and Fred Lampson. The lease to Berthiaume expires in nine years, and that to Lachance in three years. After the expiration of the lease the buildings become the property of the Lampsons. The valuation for the properties made by the Commission are, Alfred Berthiaume \$532, and Jean Lachance \$815. The opinion of the advocate, Taschereau, on the manner to settle these transactions: we are to pay the price to the tenant, who has the right to enjoy during the whole time of his lease. At the expiration of that he should agree to pay the capital over to the proprietor of the freehold.”

The tenant might take it and go off. He enjoys the use of the capital instead of the property in the meantime.

“In each case, our valuation for the two properties are \$1,438, and Bergevin asks us \$3,000. However that may be, our valuation for the two properties is \$1,348, while Bergevin claims from us \$3,000.”

For what does he claim? Berthiaume and Lachance?—A. Yes.

Q. The letter continues:—

“Alfred Miller is a locataire, but the buildings belonged to him. Our valuation is \$1,926 and Berthiaume claims \$3,500.”

Here are the instructions to the notary:—

“We have bought from Berthiaume one ice house built on lot 2525, cadastral, in the Champlain quarter, number 96 B, according to the plan of the Transcontinental. Will you please prepare contract as soon as possible.”

That is not the contract he prepared. He did not prepare a contract for the purchase of that. How do you follow that out?

Mr. Dobell:—I do not think *Mr. Tremblay* has to see those instructions were followed out; it was the lawyer, I think.

Q. You produce a copy of a letter dated August 22nd to C. E. Taschereau, who was a notary public, in which you tell him that you have bought from *Raoul Bergevin* an ice house constructed on lot cadastral number 2525, in the Champlain quarter, and 96 B on the Transcontinental Railway plan, and ask him to prepare the contract as soon as possible. The contract, which was signed, is a contract for \$3,700, but the \$3,700 by the contract is paid to him as indemnity and compensation for the damage which is caused to him by the demolition of the icehouse. Why did the notary draw the contract in that shape, and not in the shape in which you told him by your letter?—A. I do not remember.

Q. Who gave you your instructions?—A. The president.

Q. *Mr. Parent*?—A. Yes.

Q. What did he tell you in respect of this transaction?—A. Of course I did quite a lot of things, and I do not remember exactly what was done in respect of this particular case, but if I remember right, I think *Mr. Bergevin* came in to see *Mr. Parent* when he was here, and I was called in the office here and a discussion took place between *Mr. Bergevin* and *Mr. Parent* as to what he should get for the properties he had to sell to the Transcontinental, and it was agreed—we consulted the valuation that was made by the valutors, and it was agreed that the transactions should be made at the price as valued by the valutors.

Q. That is that all the properties that *Bergevin* sold to the Commission should be at the valuation made by the valutors?—A. Yes; that was for this transaction, and, further than that, I had instructions from *Mr. Doucet* to make all the transactions for the price given by the valutors, with all those landowners that would be ready to settle with the Transcontinental, whose property had been valued.

Q. In fact, you were told to make all the transactions, if they would accept the price fixed by the valutors?—A. Yes.

Q. Did *Bergevin* and *Mr. Parent* talk over the damage that *Bergevin* sustained by moving his icehouse?—A. Yes. In all these cases there was always a discussion between the owner and *Mr. Parent*, when they came to see him, and very often I was called in, and I had to give *Mr. Parent* my opinion of what we should do.

Q. Did you give *Mr. Parent* any opinion on this transaction?—A. I do not think so, I do not remember, but I would have no scruples of recommending to close the transaction at the price that was valued by the valutors, because I thought the valutors were responsible.

Q. On this transaction would you have paid him \$700 if you had known he had to move that icehouse at his own expense?—A. I do not think I would, with what I know now.

Q. But you thought the Commission had to pay the expense of moving that icehouse?—A. Yes. They had acquired the right-of-way, and it was cheaper to give this man the value of his building and let him do what he liked with it than to have the Transcontinental clear the right-of-way down.

Q. Do you mean to tell me it would cost \$3,700 to tear that building down? You could burn it up, could you not, if you owned it? What did you understand he got that \$3,700 for?—A. That was the value of the building.

Q. You notice that the agreement does not state that, does it? You say in your letter, August 22nd, that you have bought the building from him, and that you are going to pay him that much money for it?—A. Yes.

Q. Therefore, you understood you were buying the building?—A. Yes.

Q. But the notary drew up the document as though you were only paying him damages for removing the building?—A. Yes; that is an indemnity.

Q. This document is written in French?—A. Yes.

SESSIONAL PAPER No. 123

Q. Is this a correct translation of this:—"Considering that the said party of the one part is ready to accept the indemnity in compensation for the damage which has been caused to him by the demolition of the icehouse"—that is a correct translation?—A. Yes.

Q. "In consequence these presents are made by the said party of the one part, in consideration of a sum of \$3,700, which he acknowledges to have received from the party of the other part at the time of the execution of these presents, giving to these latter parties a general and final discharge for all damages which may be caused to him by the demolition of the said icehouse"—is that correct? A. Yes.

Q. That is not the transaction you told him to put through at all?—A. Not exactly.

Q. Did you notice that when you got back the paper?—A. I do not remember; I do not think I noticed that, although my signature is there.

Q. Your signature is not there; your signature is on the voucher; it is a different proposition. How did the notary get his instructions? He could not get them from your letter alone. Your letter did not give him any instructions?—A. No.

Q. Did you go and see the notary?—A. I saw him very often; I do not remember giving him any instructions about this; it is possible, of course.

Q. Did anybody else see him?—A. I do not know.

Q. Were you present when the document was signed?—A. No.

Q. Mr. Parent signed it?—A. Yes.

Q. And so did Bergevin?—A. Yes, and the notary.

Q. And they all signed it together; did the three of them sign at the same time?—A. No, Mr. Parent signed it in Ottawa, and it was sent on here with the cheque to the notary, and the party signs it when he gets the cheque.

By Mr. Gutelius:

Q. The original deed had your approval and Mr. L. A. Taschereau's approval on it?—A. Yes.

Q. Did you see Mr. L. A. Taschereau?—A. No, I did not.

By the Chairman:

Q. Do you know whether he saw that paper?—A. Which paper?

Q. The original document?—A. He must have seen it, because he signed it.

Q. Did you send it to him?—A. No, it was not my duty to send it to him.

Q. Whose duty was it?—A. The notary's duty. The notary gets the deed approved by the lawyer.

Q. If the notary does not know what the facts are, will the lawyer know what the facts are?—A. I do not think they would know anything about it.

By Mr. Gutelius:

Q. He would only get the information from the notary, and you instructed the notary?—A. Yes.

Q. I do not understand why you, then, in turn, if these people had drawn a document different from your instructions, approved of it?—A. He might get it from the notary.

Q. He is the man you instruct; you instruct the notary what to do; he does it, apparently, and it comes back to you and you approve of it; there must have been something in between your instructions and the time you approved this, to justify you in this approval. There must have been some other letter about this to that notary, I think?—A. I do not know.

Q. You might look it up and see if you can tell us to-morrow?—A. I will (Adjourned till to-morrow.)

(EVIDENCE TAKEN IN N.T.R. OFFICES, AT QUEBEC,
MARCH 14th, 1913.)

ANTHEOD TREMBLAY, recalled—

By the Chairman:

Q. Referring to the voucher which I produced to you last night, you certified that Bergevin was entitled to be paid \$3,700?—A. Yes.

Q. And your letter of the 22nd August says \$3,700?—A. Yes.

Q. Did you know that Bergevin was acting for the Transcontinental in making that purchase from Martineau?—A. He bought that from Martineau. When he bought that from Martineau I did not know he was acting for the Transcontinental.

Q. When did you learn?—A. Well, I never learned it officially that he was acting for the Transcontinental.

Q. When did you learn unofficially?—A. Well, during the fall of 1911.

Q. Was he paid a salary, or was he paid anything by the Transcontinental?

—A. I do not know what his arrangements were.

Q. Did you ever know he only paid \$2,000 for that?—A. I did.

Q. Where did you learn that?—A. I got the deed and found out.

Q. And the deed from Martineau to him showed that he only paid \$2,000?

—A. Yes.

Q. Did you know that before the purchase was closed?—A. I did.

Q. Did you tell anybody about it?—A. I did.

Q. Whom did you tell it to?—A. When the deed was in my hand for approval, before I approved of it—

Q. When the deed came—A. When the deed came from the notary's office.

Q. That is the deed from Bergevin to the Transcontinental Railway?—A. Yes; when this was in my hands I checked it the same as I checked all the deeds, and I had the information about what Bergevin had paid, namely \$2,000, and I did not like to approve the deed the way it was, because the purchase was made only recently, and I spoke to Mr. Doucet about it, and he told me we had nothing to do with that.

Q. You then put it through?—A. I put it through then; after I had this answer from Mr. Doucet, I put it through because I was satisfied that the price in the contract was the same as the one fixed by the valuers, \$3,700. Then I said to myself, to satisfy myself, that whatever Bergevin had paid—he might have got it for nothing for all I know—whatever Bergevin had paid, if what the Transcontinental had paid was justified by the valuation, my conscience was satisfied.

Q. Anyway, it was taken out of your hands; you did not make the transaction; you just put it through?—A. Yes.

Q. Is that a photograph of the place?—A. Yes; there is a front view and back view.

Q. What is that building worth as a building in your judgment?—A. I think it is worth the valuation put by the valuers.

Q. How do you figure it out?—A. We have all the details in the valuation.

Q. Are they here?—A. Yes. There is one wooden building used as an ice-house, 101,088 cubic feet, and it was put at three cents; it was in good order; it was put at three cents a cubic foot; that amounts to \$3,032.64, and, besides that, a wooden stable, paper roof, dimensions 36 by 15 by 16; 8,640 cubic feet, \$3,336.84, to which we add ten per cent, \$2,703.52.

SESSIONAL PAPER No. 123

Q. Why do you think it is worth that much money?—A. Not so much because I know a lot about building myself, but because the valuation was made by the architect and real estate agent and business man.

Q. Do you know how much lumber there is in it?—A. Yes, there is the cubic contents.

Q. Do you know whether it would cost anything like that money to reproduce that building?—A. I could not tell you that.

Q. Can you describe the building? I mean, do you know the class of material that is in it?—A. You can have a good idea by the photograph.

Q. By the photograph, it appears as if it had been tongued and grooved. Is it tongued and grooved, or is it clap-boarded?—A. It must be tongued and grooved, because it is as tight as possible.

Q. Is it sheeted on the inside?—A. Yes.

Q. Just one sheeting?—A. Yes.

Q. What is it sheeted with, do you know?—A. No, I do not know; I did not make the valuation.

Q. Do you know the size of the studding?—A. No.

(Photographs exhibits 12 and 13.)

Q. It is funny that Martineau should take \$2,000 for it?—A. That would be an evidence of what the value would be to him.

Q. Do you know anything about the Miller transaction?—A. Yes.

Q. What was that? This is another ice house?—A. Yes.

Q. What was that valued at?—A. \$2,500, I think.

Q. Have you the papers there?—A. The valuation of the Miller building is \$1,926.32, plus \$489.55.

Q. A total of \$2,415?—A. Yes.

Q. I want you to tell me the size of the building? Have you the cubic contents?—A. 82,560 at two cents.

Q. It is not as good a building as the other?—A. No.

Q. Who was that bought from?—A. From Bergevin.

Q. Do you know what he got from the Transcontinental?—A. He got \$2,500.

Q. What did he pay for it?—A. I do not know.

Q. Have you seen his deed?—A. No.

Q. Miller was a tenant too, was he not?—A. He was a tenant after we bought.

Q. Was he a tenant before you bought? He did not own the land?—A. No. He was the tenant of the Transcontinental for a certain time after we became the owner.

Q. The Transcontinental paid \$2,500?—A. Yes.

Q. To Bergevin?—A. Yes.

Q. And allowed Bergevin to occupy the place, or allowed Miller to occupy the place?—A. Miller occupied the place, but he paid \$25 a month to the Transcontinental.

By Mr. Gutelius:

Q. When did Miller's lease expire?—A. Last May.

Q. It was purchased in September, and expired in May following?—A. Yes.

Q. How do you keep your records in connection with the findings of the valuator—the reports in connection with the findings of the valutors? Is that public property?—A. Oh, no, it is private property.

Q. How could information in connection with these valuations become public?—A. They could not become public, unless they were stolen from my office.

Q. So that, if authentic figures were given out in connection with the details of these valuations, you think they would have to be stolen?—A. Yes, but I must say that in a couple of cases I gave Mr. Bergovin the amount that was valued by the valuator, by instructions from M. Parent.

Q. You gave some valuator's opinion?—A. Yes.

Q. Did you ever give any to Morency?—A. I never did.

Q. How could Morency get that information?—A. I do not see any way he could get it, but get it from my staff.

Q. Without your knowledge?—A. Without my knowledge.

Q. Mr. Parent, of course, was familiar with these reports as fast as they could come in?—A. Oh, yes.

Q. You worked closely with him?—A. Yes.

(EVIDENCE TAKEN IN OFFICES OF N.T.R. AT QUEBEC,
MARCH 13th, 1913)

OMAR MORENCY, SWORN:

By the Chairman:

Q. You are an employee of the Transcontinental Railway?—A. Yes.

Q. District purchasing agent?—A. Yes.

Q. Do you know a man named Adolphe Chevalier?—A. Yes.

Q. Did you write him that letter, exhibit 10?—A. Yes, that is my letter.

Q. Tell me all about that letter?—A. I tell you really what I know about that, to the best of my memory. Yes, I can tell you now; he said—let me remember.

Q. You know all about it?—A. I do not want to tell you something that is not true; that is 1911; that was about some estimate—something like that.

Q. Do not put up any story on me; I have some more papers lying around?—A. I tell you, I think, if I remember rightly, that he asked me "What do you think of the estimate? Do you know anything of an estimate of the property of the"—some Duchess of something.

Q. Duchess of Bassano?—A. Yes, that is the only thing.

Q. You wrote him "Dear Sir; I sent you a telegram last night, asking you to call me up by telephone"?—A. To my private house.

Q. "And that I had something very important to tell you before you saw your man"; who is "your man"?—A. Wait a minute.

Q. You know right now?—A. That was a little information I gave him; I do not remember just what information I had to give to him.

Q. What was the man's name? He told you it was Monsieur Parent, the Chairman of the Transcontinental Railway, and you know it was, don't you?—A. No, really, I won't tell you something that I don't know very much. I have to be very careful, because I do not remember very much of the things at that time; that is a year and a half ago, and it was something very—

Q. What you were going to speak to him about—perhaps I can help your memory—was about how much money he was going to get for selling his right to the property that he had leased from the Duchess of Bassano, through Mr. Alfred Dobell?—A. What I know, I know—

SESSIONAL PAPER No. 123

Q. And he asked you to find out how much Mr. Scott, the valuator, placed on his property; was that not right?—A. I would tell you straight, I do not remember very much of that thing.

By Mr. Gutelius:

Q. For your own protection, you should tell Mr. Staunton just the truth?—A. Yes, but Mr. Gutelius, as far as I remember, I remember that Chevalier called me to my office; that was the fact; he said "I have got an offer for \$4,000."

By the Chairman:

Q. For what?—A. For what you call his damage to his property.

Q. His lease?—A. Yes. He said "I know that Mr. Scott said before Mr. Hoar that five or six thousand was about the value of my property there, for the damage for the lease", and he asked me "Do you think Mr. Scott put that in his report?"

Q. And you told him you would look it up?—A. Yes.

Q. And you said "If you want to find out anything, you had better go and see Mr. Parent", did you not?—A. What is that?

Q. Did you not tell him he ought to go and see Mr. Parent himself about it?—A. Oh, yes, I suppose I told him that.

Q. And then he went up to Ottawa to see Mr. Parent?—A. I think so.

Q. And did you not then try to find out what the damages were?—A. At that time—I knew that—not for six months, but the day Mr. Scott and Mr. Hoar went there, I knew that at that time; I knew Scott put in his report that it was \$6,000.

Q. When he went up to Ottawa it was the end of July, 1911?—A. I do not remember the date.

Q. You telegraphed him "Please call me on phone immediately, Omar Morency"; and then there is written down there "Scott \$7,000, Giroux \$3,000". I understand you told him over the telephone how much it was, and he wrote that down on the telegram itself?—A. Yes.

Q. He called you up by the telephone before he saw Mr. Parent, to find out how much it was that Scott valued the property at; he was trying to get all he could?—A. I suppose so.

Q. You wrote him that you had sent him the telegram; you gave him that memorandum too, did you not?—A. I do not know really who made that; it is not mine.

Q. I produce this to you, but you do not know who wrote the typewritten words?—A. No.

Q. But the other is your writing?—A. Yes.

Q. Marquis de Bassano \$59,764.95; Grenier \$3,231.36; Martineau \$3,703.52?—A. Yes.

Q. What did you give him that paper for?—A. Really, I do not remember that; I know that is my writing, but I do not remember that.

Q. You got the information; that information which is on that is correct, is it?—A. I suppose so.

Q. You did not give him this information secretly, did you?—A. Really, I tell you that appraisement was made.

Q. Did anybody in the office know you were giving out this information?—A. I do not remember.

Q. You do not want to remember very badly?—A. Certainly I do. Really, if I remember—I don't care very much—I will give you all the information possible.

Q. You are pretty slow at it?—A. Certainly, because it is a thing I never noticed.

Q. You were very careful in that letter, and you pointed out to him you had something very important to tell him, and you said "Before you see your man"; if you did not want to tell him something on the quiet, you would put the name in there. You were not born yesterday?—A. No, but I will swear that I do not remember the name of the man that is mentioned there.

By Mr. Gutelius:

Q. Mr. Chevalier has told the other side of it; you are on your oath?—A. Yes, and I am a Catholic, but I tell you really I do not remember the name of the man that is mentioned there. Now you say it is Mr. Parent; you think it is Mr. Parent. Mr. Chevalier will know that better than me; that is my writing there, but I do not remember who typewrote that.

By the Chairman:

Q. Do you typewrite yourself?—A. I can typewrite myself, but that is not mine. I remember a little of that occasion; I remember Chevalier came to my office crying, and saying "If I do not receive \$8,000 or \$10,000 I will be poor" and so on and so on, and ruined, and something like that, but I remember he said that in my office, and he had to see somebody about that, and he talked about Mr. Fraser, something like that, and he said Mr. Scott told before me—and I knew that—that Mr. Scott told before me that seven or eight thousand is about the right amount to give to me—something like that.

By Mr. Gutelius:

Q. Where did you find out how much Scott estimated it at? Where did you get that paper with those figures on? In your office?—A. No, it was not at my office.

Q. Whose office did you get it at?—A. I don't know; let me remember; I can get that if I see the report. We can see by the report.

By the Chairman:

Q. It is in the valuator's report?—A. Certainly.

By Mr. Gutelius:

Q. What right did you have to the valuator's report?—A. If I saw that, I must have been in that office to get it.

Q. As it looks now, you sneaked into somebody's office and got that information?—A. No, I never sneaked into anybody's office.

Q. Well, make it clear, how did you get it?—A. I won't swear, but if it is the same typewriting as this, the report has been made in my office.

Q. You remember where you got those figures?—A. That is about a year and a half ago; it is hard to remember; if it is the same typewriting as this letter—

By the Chairman:

Q. What you want to see is the report, and then you can tell where you got it?—A. Then I can tell where it had been made; I do not remember that at all; that thing has been handed to me by somebody; by the typewriter; that is not my typewriter.

Q. You would not swear that it was not Mr. Parent that you meant in that letter?—A. No, I know nothing; I do not remember.

SESSIONAL PAPER No. 123

Q. It might have been Mr. Parent you meant in that letter when you said "Your man"?—A. Perhaps.

Q. You knew he was going up there to see him, did you not?—A. Yes, but I do not remember about that; Mr. Chevalier might tell you it was Mr. Parent, but I won't swear that; because really I won't swear it was Mr. Parent.

Q. When was Chevalier talking to you about it? Was he not talking to you to-day about that? How long ago?—A. Mr. Chevalier was kicking about Bergevin, that Bergevin was getting something like that; and he said he would get an enquiry about Bergevin.

Q. How much did Bergevin get?—A. I do not know.

Q. You know Bergevin did get something?—A. Yes. The public knew it; everybody knew it—that he was buying land, selling land for the Transcontinental. That is as far as I know. If I remember well, Chevalier came to my office and he said he was to receive only a few thousand dollars for his shipyard, and he said he was poor; he would have to get seven or eight thousand dollars, something like that; I do not remember the amount, but it was higher than \$4,000, and he said he did not see why—I remember he has to see somebody in Ottawa, I cannot say it was Mr. Parent.

Q. But you think it was?—A. No, I cannot say; I won't say something that is not true, but really I do not remember, not at all. Mr. Chevalier told me that, and I suppose they were making—that is my writing—that document; if you see the report and it is the same writing as this letter it will be in my office, and I suppose it was made there.

Q. Did you see Martineau? Did he come to you?—A. I do not know Martineau; is that the ice man?

Q. Yes, the ice man?—A. I know him, but I never see him.

Q. You won't tell us anything more?—A. Mr. Staunton, if I know anything I will tell you. I do not remember the date that I gave that.

Q. Bergevin said that he was buying Chevalier's land for the Government, did he not?—A. Yes.

Q. Told you that?—A. No, he never told me that.

Q. Did he not tell you afterwards?—A. I knew that a long time. It was public that Bergevin was buying a house and all those things for the Transcontinental. He bought the Thibaudeau house for the Transcontinental Railway, and he said before me, about one o'clock this afternoon, "I received a subpoena to appear before the Transcontinental Investigating Commission, but I cannot go, I have to go to St. Hilaire this afternoon. I will come to-morrow". He said it was public. He said, "I purchased the house for the Transcontinental Railway, and I paid out of my own pocket, and the next day the contract was signed by the Transcontinental".

Q. He purchased the property for the Transcontinental and paid the money out of his own pocket, and next day he got it back?—A. He said that.

Q. Were you mixed up in buying these lands at all?—A. No.

Q. Nothing to do with it?—A. No, nothing to do with it.

Q. You simply got the information?—A. I do not know the date. I know at that time that everything was settled for \$4,000 at that time; he told me that.

Q. Chevalier says you are a friend of his, and you just got him the information?—A. He came to my office, but I never gave him anything. When I wrote him that letter, it was because he left Quebec, and I would not go in any other office, but if he was here and I got the estimate I would let him know. Now, if he went to see Mr. Parent or Fraser I do not know anything about it. If he told you it was Mr. Parent, I suppose it was Mr. Parent. That is my writing, but I do not remember anything about that part.

Q. That is your writing, the memorandum commencing, "Mr. Scott, one of our valuers"?—A. Yes.

- Q. And you say that typewriting is not yours?—A. No.
 Q. But the penmanship below is?—A. I do not know the date of that.
 Q. You did not write that "69"—it is in French?—A. No.
 Q. 20th October, 1911, is that pencil writing not yours?—A. No.
 Q. Better go away and think it over, and see if you cannot remember something more?—A. Certainly I will think it over.

By Mr. Gutelius:

- Q. What you have given us now is not clear: if you stop right there it will not look quite right?—A. I would not tell you anything I was not sure of. I remember Chevalier came into my office and said he was getting something like \$4,000, and Scott told me seven or eight thousand dollars, something like that, I do not remember, and I said, "I do not know if Mr. Scott put that in his report. I do not know why I put that down, because it has nothing to do with Chevalier."
 Q. Did you get that information for Chevalier for nothing?—A. Certainly.
 Q. Who paid for that telegram?—A. I paid myself.
 Q. Did you ever get that money back?—A. No.
 Q. You are out of pocket on it?—A. It is not marked whether it is collect.
 Q. Yes, it is marked "Prepaid"?—A. If I paid for it I suppose I got a receipt for it upstairs. If the report had been in my office I would certainly have the information there. Sometimes the reports are made in my office.

By the Chairman:

- Q. You told him to call you up by telephone?—A. Yes.
 Q. "I have something important to tell you". If it had only been the \$6,000, you would have told him in the letter. You would not have put him to a \$2 telephone message?—A. It only cost five cents.
 Q. You told him to call you up by telephone?—A. I suppose he paid the telephone.
 Q. I suppose it cost him a couple of dollars, and you could have told him in the letter that \$6,000 proposition. "Call me up by telephone, I have something important to tell you before you see your man". It is ridiculous to say you had not anything more to tell him than that. Do you mean to tell me you have forgotten that?—A. I won't say more; I know nothing more.
 Q. Think about it till to-morrow; you know what we are after?—A. All right.

(EVIDENCE TAKEN IN N.T.R. OFFICES AT QUEBEC,
 MARCH 13th, 1913).

CAMILLE LOCKWELL, SWORN:—

By the Chairman:

- Q. What is your business?—A. Real estate and pop business. I am manager of a pop business.
 Q. Lockwell and Leclerc?—A. Yes.
 Q. Real estate dealers in Quebec?—A. Yes.
 Q. You sold a piece of property to the Transcontinental Railway on October 20th, 1911, in Quebec, cadastral 2288?—A. Oh, yes, yes, yes, on Champlain street.

SESSIONAL PAPER No. 123

Q. You see the map in front of us here?—A. Yes.

Q. And the property is marked on the map that we show you, Lockwell and Leclerc, \$8,152.65, and then ditto, ditto, \$12,214.40, and then comes J. C. Hearn, \$5,950 and then Lockwell and Leclerc \$9,443.52. The three Lockwell and Leclerc properties are in red ink. What are those properties? What are they used for?—A. For private houses.

Q. What sort of buildings?—A. There is the corner in stone and the two others in brick.

Q. How many storeys?—A. One of three storeys, one of five and the last one is four or five again.

Q. You bought these properties, did you not, from Belanger?—A. Yes, Major Belanger.

Q. What did you pay for them?—A. We paid for those \$3,500, I think; well, it is hard for me to swear; I have to see the contract. I was just calling at Mr. Parent's office, and you called me in, and it is hard to swear, but I do not remember the exact figures now.

Q. It is not \$3,500; it is \$35,000?—A. Yes, to the best of my knowledge, but I would not swear the exact figure; something round that.

Q. Did you sell them to the Commission?—A. Yes.

Q. How much did you sell them for?—A. I think I sold them for \$30,000.

Q. Did you sell them for less than you gave for them?—A. Yes, because when the Government took that, we really believed the station would never be built there, and we had better sell them the lot.

By Mr. Gutelius:

Q. Whose money did you buy them with?—A. Our own money.

Q. Who furnished the money you bought them with?—A. We did.

Q. Yourself and Leclerc?—A. Yes, and then we had two or three friends.

Q. How much money did you and Leclerc put in of your own cash?—A. I think we just made monthly payments.

Q. What proportions did your friends hold?—A. One-fifth or one-sixth.

By the Chairman:

Q. Who put up the money to buy them? Did you pay the people for the property?—A. We paid the people for it, but Belanger settled with us; he had a share.

Q. How much did Belanger have in it?—A. Belanger had—I am not sure.

Q. He owned it all?—A. Belanger had the whole thing.

Q. You did not pay Belanger any real money?—A. Yes, we did.

Q. How much? \$50?—A. Oh, more than that; I do not remember. We make a straight sale; it was a straight sale, Belanger to us.

Q. Did you pay him \$100 in all?—A. Oh, more than that.

Q. Take another run at it, and tell me what did you pay on it?—A. We should have paid Belanger in cash a few thousand dollars; I do not remember well, but if you wait till to-morrow I will bring papers and everything and give it better. I do not see why I should be here without being advised.

Q. That is fair enough; I thought you knew what we wanted you for?—A. No, I did not. At first we thought the station was going to be there, and later on, after the election of 1911, we saw two or three weeks afterwards that Sir Rodolphe Forget stated at Ste. Anne de Beaupre, in his own county, that the station will never be there, and Mr. Parent was Chairman of the Commission, and I tried to find some of his good friends, and I went to Ottawa, and we had the offer made before the election of \$30,000, and we took it, and I said: "We had better get out of this affair and put our money in other business." Belanger was the sole pro-

prietor and he was living in Winnipeg or Calgary; he was an old Quebecker; he came down to our office and he says: "I have a chance to make money with the Commission; in case the station is built on Champlain market, we will do our best to make a few thousand dollars on that"; and I says, "Belanger, we will form a little syndicate of a few friends, three or four of us, and you will stay with us, and if you take a share of it we will give you so much", I do not remember the amount, but every month we were paying to Belanger \$100, I think it was \$200 a month we gave him, and if we sold to the Commission we were going to share up with Belanger.

Q. And if you did not, you were to give back the property?—A. Oh, no.

Q. Were you going to give up your money?—A. Yes, and Belanger would lose his share, and he will lose one-sixth of the lot, whatever it was.

Q. Did you lose any money on the deal?—A. Certainly we did.

Q. How much did you lose?—A. Three or four thousand.

Q. Have you paid Belanger yet?—A. He is paid; there is a tax account of a few hundred dollars.

Q. Will you bring down the cheques, showing what you paid Belanger?—

A. I do not know if I could do that; I will show you the notes we gave him.

Q. Will you try and prove to us that you lost money on this deal?—A. Yes, I will show you what we have paid Belanger, all the notes we gave him in settlement of the transaction, if you like.

By Mr. Gutelius:

Q. Whatever you consider necessary to show us the transaction; you can tell from what you have what would fit?—A. I do not understand.

By the Chairman:

Q. We want you to show us a genuine transaction. I am not disputing your word. I can quite understand how you would go into a transaction of this kind, and the public think there is a good deal of crooked work about these transactions, and the public say "Why, he never gave Belanger \$35,000 and sold for \$30,000." You were going to sell for \$30,000?—A. I am not quite sure if that is the amount.

Q. How much did you want to get from it?—A. We asked, I think, \$45,000; I am not sure; I think we asked \$45,000.

Q. How much did you intend to take?—A. We were going to split our profit between us.

Q. You said to the Commission you wanted \$45,000?—A. Yes.

Q. But what did you intend to take?—A. Our intention was to get \$45,000.

Q. And divide how much profit?—A. All the profit there would be in it.

Q. How much profit would there be in it?—A. There would be then about \$15,000. We are a syndicate, and we make our profit on our syndicate; it is private business at our office.

Q. Did you lose money on the transaction?—A. Not me, but the syndicate loses.

Q. How much did they lose?—A. The syndicate lost two or three thousand; I would not swear the exact amount, but round that.

Q. You went up and saw Mr. Parent and coaxed him to buy it and take it off your hands at the best price you could get?—A. We took the offer that was made. We had the Exchequer Court price made to us before the election, and then after the election, after we had the news that it might happen the station would never be built there, we will sell it for less and get out.

Q. How did you coax the Commission to give you the money?—A. They were buying.

SESSIONAL PAPER No. 123

By Mr. Gutelius:

Q. You were friends?—A. They were not friends; I fought against Parent in the election.

Q. Had you any friends in the syndicate that were friends of his?—A. No.

Q. How did you work him?—A. His notary was my notary.

Q. Who was his notary?—A. Taschereau; he was well known to me, and had been working for me, and I went to Taschereau and I says "Could you give me a help in that"; and I says "If you like, we will go to Ottawa and offer the Commission the same price as they offered us" and Parent says "All right, we will give you your cheque" and I got my cheque right away.

Q. You were very lucky?—A. I was very lucky, indeed, and to-day I would not pay \$30,000 for that.

Q. How much are the three places worth?—A. \$18,000 to \$20,000, because they are good paying houses; there are about thirteen or fourteen tenants there.

Q. I think we have all the information we require, and you need not attend further?—A. Very well.

(EVIDENCE TAKEN IN N.T.R. OFFICES, AT QUEBEC,
MARCH 14TH, 1913.)

RAOUL R. BERGEVIN, sworn:

By the Chairman:

Q. What is your business?—A. Dry goods merchant.

Q. You live in Quebec?—A. Yes.

Q. Were you employed by the Transcontinental Railway in the year 1911?—
A. No, sir.

Q. You were never in their employment?—A. No.

Q. Did you make any purchases of property on the right of way through Quebec for the Transcontinental?—A. No, sir.

Q. Did you buy any lands on the right of way for yourself?—A. Yes.

Q. Which ones did you buy?—A. Well, I bought some in Champlain ward: Martineau's—I will have to have a list of them.

Q. What did you buy from Martineau?—A. I bought from Martineau the building they used to put the ice in.

Q. It was an ice house?—A. Yes.

Q. This is the deed from Martineau to you?—A. Yes.

Q. And it says you bought an icehouse constructed and a stable?—A. Yes, the stable was on the back there.

Q. You agreed to allow Martineau to remain in possession, did you not?—

A. To remain in possession, I think, until the 1st of May. You know I have to see the papers, because I cannot remember it all, but all that was done there was correct.

Q. That is your impression, and we will put in the deed and chow it from that?—A. Yes.

Q. You knew, did you not, that his time as lessee of that property was up on the 30th April, 1912?—A. Yes, but he could renew.

Q. You knew the time was up?—A. Yes.

Q. You saw his lease?—A. I did not see it, but he told me it was finished, and I applied to Mr. Dobell, the proprietor of the ground.

Q. He had no right to renew his lease; you knew that, did you not?—A. No, I did not know that, because all the ones I bought was from persons who had a right to renew.

Q. You know his lease was in writing?—A. Yes.

By Mr. Gutelius:

Q. Did you apply personally to Mr. Dobell?—A. No, I sent Mr. Martineau, the same as in the case of Chevalier.

Q. Do you know Mr. Dobell?—A. Yes, I know him, but I never spoke to him myself; I went there a couple of times.

Q. Martineau showed you his lease, did he not?—A. I cannot remember if he did show it to me, but he told me.

Q. Do you swear that you did not know that he could not renew that lease?—A. No. I do not swear that.

Q. You did know he could not renew the lease?—A. I did not know he could renew—I did not know that.

Q. You did not know whether he could or not?—A. No.

Q. And what did you want that ice house for?—A. Well, I bought it the same as I bought the other one.

Q. What did you buy it for?—A. The same as I buy any other property.

Q. Tell me what you intended to do with that ice house when you bought it?—A. I have no reason to tell you that.

Q. Yes, you will?—A. No, I won't for sure; I cannot tell you my business.

Q. You are bound to answer these questions that are put to you?—A. I won't do it.

Q. I am going to give you all the opportunity; if you do not answer the questions, you are subject to go to jail?—A. Yes, I am ready.

Q. You won't answer me?—A. I won't answer my business.

Q. I am told you had a dishonest purpose in buying the property, and I am going to give you an opportunity to show you were not dishonest. Do you wish to avail yourself of it?—A. No, but I do not know whether the question you put to me—(Witness answers in French).

(Mr. Rivard questions the witness in French).

MR. RIVARD: He says he is ready to answer. He did not know what you were wanting.

Q. What did you buy that for?—A. I bought those properties to sell to the Transcontinental Railway.

Q. Mr. Rivard, K.C., is here for the purpose of explaining to you any question which I may put to you in English, that you do not understand perfectly; so that if you do not understand the question thoroughly, or have any doubt about it, ask Mr. Rivard to translate it into French; you understand?—A. Very well, I want you to understand the answer I gave before, I thought you were referring to my business.

Q. What did the Transcontinental Railway want with an ice house?—A. Well, you see they wanted to pass the road through there.

Q. They did not want to buy the ice house?—A. This is a thing I do not know, but they had to pass the road, the same as the other.

Q. But this man that owned the ice house would have to take it away, if he wanted it himself?—A. I do not know; you would have to question himself.

Q. What did you pay Martineau for this property?—A. It must be on the deed.

Q. \$2,000, I am told?—A. It must be on the deed.

Q. Do you know how much money you paid him?—A. You can see it on the papers.

Q. I am asking you if you know.—A. I do not remember positively.

Q. What is your recollection?—A. I have some papers in my store, but I will have to go over and get them.

SESSIONAL PAPER No. 123

Q. Do you say you cannot recollect without looking at the paper?—A. No, because I have bought so many that I do not know one from the others.

Q. "This sale is made for the price of \$2,000"?—A. I think that is correct.

Q. How much did you sell it to the Transcontinental Railway for?—A. Well, I cannot tell you; I know it is two thousand some—you must have the price there.

Q. The receipt that you gave the Transcontinental is for \$3,700; is that your signature?—A. Yes.

Q. So that you bought this and made \$17,000 out of it on the transfer?—A. Yes.

Q. What was the next transfer you had?—A. Miller, I think.

Q. You bought from Miller; what did you buy from him?—A. I think it is \$2,500, if I remember well.

Q. You bought an ice house from him on Champlain ward?—A. Yes.

Q. Cadastral number 2316 and street number 559; Miller sold to you his ice house, did he?—A. Yes.

Q. And where is the deed?—A. The deed to Mr. Miller, well, it may be at Allaire's, the notary.

Q. He put it through, did he?—A. Well, when I bought it I put the deed through there; I do not know if it was Allaire, because I was at the other notary.

Q. Taschereau?—A. No.

Q. Couture?—A. Yes.

Q. Either Allaire or Couture?—A. Yes, I used to do business with the two; I am not sure whether it was Couture or Allaire.

Q. Did you see Miller himself?—A. Yes.

Q. Did you take his lease to the notary?—A. Yes.

Q. You knew then that Miller had no right to sell his lease to you?—A. He did not sell me the lease.

Q. What did he sell?—A. Just the building.

Q. Just the building?—A. That is all.

Q. You knew then his lease ran out?—A. The lease of the ground: I fixed that up with the proprietor of the ground, Lampson, and I paid the lease for the balance that was owed to Mr. Lampson.

Q. You saw the lease?—A. Yes.

Q. This is the lease, is it not?—A. Yes, I saw it before. (Exhibit 14).

Q. In that lease it provides that it runs out on the last day of September, 1912, and there was no right to renew it?—A. No.

Q. And you only purchased, you say, the building?—A. Yes, I purchased the building, because I had to pay the balance of the lease until the 1st of May.

Q. And you allowed Miller to remain in possession?—A. Until the 1st of May.

Q. Did you sell that ice house to the Commission?—A. Yes.

Q. How much money?—A. I do not know: I do not remember.

Q. On the second of October you made a deed to the Transcontinental Railway before C. E. Taschereau for \$2,500 for the damages for the destruction of the ice house?—A. Is it not more than \$2,500?

Q. That is what it says in the papers?—A. It must be more than that?

Q. That is all you have there, so far as the deed goes?—A. What it says on Miller's deed: how much did I pay for Miller's?

Q. We have not got that?—A. I can telephone to Allaire and find out.

Q. You bought a gridiron from Madame Chevalier?—A. Oh, yes, from Mr. Chevalier, not Madam.

Q. From Madam?—A. No, from the young man.

Q. Did you not buy anything from Madame Chevalier?—A. She gave the money back to me: she did not want to finish it with me.

Q. You bought from Joseph Chevalier?—A. Yes.

Q. What did you buy?—A. I bought all his good will and things he had there on the ground.

- Q. What did he have on the ground?—A. He had some machinery to repair the boats and all these things.
- Q. And you gave him \$500 for this?—A. No, that is Mrs. Chevalier.
- Q. No, that is Joseph. Did you go before the notary with Madame Chevalier?—A. Yes.
- Q. Did you try to buy from Madame Chevalier in September, 1911?—A. Yes.
- Q. This gridiron, or grize, they call it in French, for putting ships on?—A. From Mrs. Chevalier I bought only the house.
- Q. It is called a slip?—A. I bought the slip from Mr. Chevalier, not Madame Chevalier.
- Q. Did you go with Madame Chevalier before a notary?—A. Yes.
- Q. What did you want to buy from her?—A. She had a part of the right to the slip and the machinery that was there: this son had a share and she had a share.
- Q. And you went up to the notary with her and had the deed drawn?—A. Yes.
- Q. And Joseph signed it?—A. The young one; I do not know if it was Joseph.
- Q. And then you gave him the money?—A. Yes.
- Q. How much money did you give him?—A. \$500 or \$550.
- Q. That was on the 20th September: when did you give him the money?—A. As soon as we passed the deed at their house.
- Q. Did you give him it at their house or before the notary?—A. Before the notary.
- Q. That was on the 20th September, the deed says?—A. Yes, I think so.
- Q. Did you go and get the money back?—A. Yes, I went and got the money back in a few days after.
- Q. What for?—A. Because one of his sons did not want to sign it.
- Q. His son did sign it?—A. One, but not the two.
- Q. What did you say to Madame Chevalier?—A. I must have the signature of the two: I want to have it clear.
- Q. Did you tell her she got the money by false pretences?—A. No.
- Q. By false representations?—A. She told me it belonged to her only, and the son told me he had a right to this thing.
- Q. What son?—A. The one that used to be proprietor of the slip.
- Q. Is it Joseph?—A. No, Adolphe.
- Q. What did you want to do with that machine?—A. Well, the same as the other, to sell it to the Transcontinental, to clear up this thing.
- Q. You knew that was not on her ground, did you not?—A. Yes.
- Q. Because you bought the ground from somebody else?—A. No, I did not.
- Q. You bought a lease from somebody else?—A. Yes, from Mr. Lachance.
- Q. What did you imagine the Transcontinental wanted that machine for?—A. For the same reason, because I thought they wanted to buy that, to clear the line that was going into the Champlain Market.
- Q. You thought that?—A. Yes.
- Q. Anyway, a couple of days after you went to this woman and got back the money that you gave for it?—A. Yes, three or four days after.
- Q. On the 26th August you bought from Adolphe Chevalier for \$4,000 all the rights spoken of in the deed?—A. Yes.
- Q. Is that correct?—A. Yes.
- Q. You saw his lease, did you not?—A. I cannot remember if I did see the lease. I think he produced them to the notary, Allaire.
- Q. And you knew his time was up on the 30th May, 1912?—A. Yes.
- Q. And you were allowing him to keep possession of the property till then?—A. Till the 1st of May.
- Q. What did he have to sell to the Transcontinental?—A. That is the slip and the right that he had there.

Q. But his right was over on the 30th April, 1912?—A. Yes.

Q. You knew that?—A. Yes, and that was in September.

Q. And he was to keep possession?—A. Until the 1st of May.

Q. Then he would have to get out anyway?—A. Yes.

Q. So that he had nothing to sell to the Transcontinental, and you knew it?—

A. If I knew it—

Q. You are an intelligent man, and you sit there and on your oath want us to believe that you did not know that the man had nothing to sell?—A. No, I bought something.

Q. What did you buy?—A. I bought the right.

Q. What right?—A. Until the 1st May.

Q. You were allowing him to stay there until the 1st of May?—A. Yes.

Q. So that the Transcontinental was not going to pull out till the 1st of May?

—A. I do not know what the Transcontinental has to do with this thing. I allowed them to stay there until the 1st of May.

Q. It is like you coming to me and telling me, if I have rented a house, you will give me \$500 for my right, and then let me stay there?—A. Put it in French.

(Mr. Rivard puts question in French).

Mr. RIVARD. He says what he does not understand is because he thinks that Chevalier had the right to renew the lease and stay after the 30th April.

Q. You think he had the right to stay there after the 1st May?—A. Well, renew his lease.

Q. You knew that was not true?—A. Why?

Q. Because the lease was produced to the notary?—A. Yes, I have just told you.

Q. The lease does not give him any right to renew it at all?—A. No, but he himself could go to Dobell and make a new lease, but I have no right.

Q. But Dobell could not give him a lease?—A. He could not give him a lease before the 1st of May.

Q. Do you want us to understand that you bought this and gave up \$4,000 without knowing whether you could get the lease renewed or not?—A. No, I had nothing to do with the renewal of the lease myself.

(Witness answers in French).

Mr. RIVARD. He says he did not know himself whether the lease would be renewed or not; he bought it to sell to the Transcontinental.

Q. You have said to Mr. Rivard that you did not care whether the lease was renewed or not, and you did not bother yourself about it?—A. No.

Q. Mr. Chevalier says that you asked him to go and see Mr. Dobell, and ask Mr. Dobell whether he would renew the lease, and that he came back and told you that Mr. Dobell would not renew the lease?—A. I sent him to Dobell to have him sign the papers that I have made up with him. The answer was that Mr. Dobell did not want to sign it. (Witness retires and telephones). My bookkeeper says that everything was given to the Transcontinental, only the one that has remained on my hands just now—the two properties that remain on my hands—I have the papers.

Q. How much did you pay Adolphe Chevalier for whatever rights you got from him under the deed number 15315?—A. I think it must be \$4,000.

Q. That is what the deed says: it is correct?—A. Yes.

Q. You bought from Chevalier, according to the deed, all his rights and interests?—A. Yes.

Q. All his rights and interests of every description of a certain land and anse—that is cove—known and designated on the plan and book of reference for Champlain Ward as number 2525, and all the damages resulting from and caused by the expropriation by the Transcontinental Railway, save and excepting the part of the said lot now occupied by Martineau for an ice house. Is that right?—That is what you bought?—A. Yes.

Q. It also recites in your deed that the said rights and interests to the occupation of the land belonging to Adolphe Chevalier is in virtue of a lease made to him by Alfred Curzon Dobell, advocate, as attorney for the Duchess of Bassano. "It is understood," you say also, "that the vendor will give possession of the land on the 1st of May next to you, Bergevin, and that he will pay, up to the 1st of May, the taxes and municipal and school rates, and other public contributions affecting the property and the rent to that date, and shall occupy the property until the 1st of May."?—A. Yes.

Q. That is all you bought, what I have said to you, is it not?—A. Yes.

Q. What you sold to the Transcontinental Railway was your damages which would result to you from the demolition—that is the destruction—of the Bassin de Radoub—that is the slip?—A. Yes, everything that is required to repair the boats.

Q. You did not buy that at all?—A. No. He had to unfix this slip in the spring.

Q. But you did not buy the slip?—A. No.

Q. But why did the Transcontinental give you \$4,250 for what you had no right to sell to them?—A. Well, I did not sell them any property.

Q. You sold them your damages for removing that Bassin de Radoub?—A. Yes.

Q. You did not own it?—A. But on the 1st of May I had nothing to do with it no more.

Q. And you had nothing to do with that machinery?—A. The slip?

Q. Yes?—A. No, I did not buy the slip.

Q. What did they give you \$4,250 for?—A. For what I bought there.

Q. Your deed says that was for damages for removing the slip?—A. Yes.

Q. So that you got \$4,250 for nothing?—A. Why?

Q. Because you did not own the slip?—A. No, but I bought the right from the 1st of September till the 1st of May, that is what I sold them: I could not have them anything that did not belong to me.

Q. But you did not sell them anything?—A. No.

Q. According to your own deed, you sold something which you did not own?—A. No, I did not sell them anything which did not belong to me.

Q. Did you own that Bassin de Radoub?—A. No. I owned only the right, as I explained.

Q. You did not own the Bassin de Radoub?—A. No, only the right to the 1st of May.

Q. You knew quite well you did not own that Bassin de Radoub?—A. Yes: I did not buy no property.

Q. Why did you sign a deed, and say in that deed that you owned it? (Deed shown to witness). Now, be honest about this thing. Did you not give that man that money, and then find yourself in trouble after the election, and come down here and get this money back on this deed?—A. No, sir.

Q. Yes, you did: you got it on the 16th October?—A. Yes, but that transaction was made before the election.

Q. The transaction with whom?—A. With the Transcontinental.

Q. With whom did you make it?—A. Mr. Parent.

Q. He is a lawyer?—A. Yes.

Q. And a very distinguished lawyer?—A. I had to pass that before the notary, Taschereau.

Q. And you made the bargain with Mr. Parent himself?—A. Yes.

Q. And he agreed to give you \$4,250 of Transcontinental money for destroying the Bassin de Radoub?—A. Yes.

Q. And you knew you did not own it?—A. For the right I had there.

Q. For the Bassin de Radoub?—A. No, they say for the demolition of it.

Q. What was your bargain with Mr. Parent?—A. \$4,250, the way the deed says there.

Q. For the demolition of the Bassin de Radoub?—A. No,
 Q. Tell me the bargain: What did you say to Mr. Parent?—A. I told him
 "I will sell what I have there made with Chevalier, and that is all". I produced
 my contract with Chevalier, and that was the arrangement, I would get \$4,250 for
 this thing.

Q. Did he read it?—A. Yes, and the notary too.

Q. Did Mr. Parent go to the notary with you?—A. No, Mr. Tremblay went,
 not before me, but I gave them the papers and they went to the notary with it.

Q. But Mr. Parent gave Tremblay the instructions?—A. Yes.

Q. In your presence?—A. Yes, to send the papers to Taschereau.

Q. Did Mr. Parent give Tremblay your deed from Chevalier?—A. Yes, he
 must have given it to him, because he had it in his hand.

Q. When did you make that bargain with you and Mr. Parent?—A. I cannot
 tell you, but it was a week or so before the election.

Q. And he put the transaction through after the election and gave you this
 money?—A. No, this was with the notary, just the next day after I made the trans-
 action with him.

Q. With whom?—Mr. Parent?—A. Yes.

Q. Did you sell anything else to the Commission?—A. Yes.

Q. To go back to the Martineau ice house; you bought the ice house from
 Martineau for \$2,000?—A. Yes.

Q. You did not sell the ice house to the Commission; you only were paid by the
 Commission for compensation for removal of the ice house and damages. Cadastral
 2525, Champlain Ward, City of Quebec, \$3,700, according to your receipt; that is
 correct, is it not?—A. Yes.

Q. So that you could remove that ice house?—A. Yes.

Q. And the Commission was giving you \$3,700 for the expense of moving it?—

A. Yes, to take it away from there.

Q. Don't you think it was a pretty tall price for removing the ice house?—

A. I do not know; you are the judge of that.

Q. I am asking you?—A. I sold for what I thought I could; if I could have
 sold it for more I would have.

Q. With whom did you make that bargain?—A. With the Transcontinental.

Q. With Parent personally?—A. Yes.

Q. He agreed you should take that ice house away?—A. Yes.

Q. And they would pay you \$3,700 for taking it away?—A. Yes.

Q. No doubt about that?—A. No.

Q. Did you move that ice house?—A. No, because the Transcontinental
 rented it, I think.

Q. They did not pay you rent?—A. They kept it there.

Q. It is belonging to you?—A. No, it is not; I sold everything.

Q. Here is what you sold to them?—A. Yes.

Q. You have a right to go and move that ice house?—A. I do not know; I
 was not positively sure that I could or not, because I see the Transcontinental
 Railway since that have been renting it; they took possession I think.

Q. You forget about what was in the receipt?—A. Yes, I never saw it.

Q. You were satisfied to let the ice house go when you got the \$3,700?—
 No, because I thought I had no right.

Q. But you did not sell the ice house?—A. No, but I thought I had no right
 on the house after that.

Q. Your deed says differently?—A. Yes, I see that, but if I had known this,
 that I could move this thing, because I had been asking Miller, but I thought they
 put on the contract the house and moving at the same time.

Q. You forgot what was in the receipt?—A. Yes, I thought the Transconti-
 nental had the house, and I was obliged to take it away from there.

Q. Did you forget?—A. I forgot it belonged to me still, because they put on the deeds, the house and the moving of it, because if I did know the house belonged to me I would not have let the Transcontinental to rent it.

Q. How could you sell the house and the moving of it?—A. Well, I am obliged myself to move them on the first of May.

Q. But if you sold it, you were not obliged to move it?—A. If I had sold the property?

Q. Yes?—A. No, but if they had asked me to move it—

Q. Was it not a pretended transaction altogether?—(question put in French).

MR. RIVARD: He says what he sold was the cost of removing the ice house, that the material and ice house still belonged to him.

Q. That is right, is it?—A. Yes.

Q. You were bound to clear the ground to take away the material, but the material belonged to you?—A. Yes.

Q. You owned the materials; that is the wood, the building?—A. That is all.

Q. Because you bought it from Martineau?—A. Yes.

Q. Then you could take it away, if you did not sell it to the Transcontinental?—A. Yes, in the spring.

Q. The Transcontinental gave you \$3,700 for the cost, to make good to you the cost of moving that building?—A. Yes.

Q. Then you could go and take that \$3,700 and use it to pay the expenses of moving the building?—A. Yes, clear the ground.

Q. Why did you not do it?—Did you not want to do it?—A. Because I did not remember what was on the lease, that they could oblige me to take it off, but I was not called for it; it was not necessary.

(Witness speaks in French).

MR. RIVARD: You say that you were under the impression at spring time on the 1st of May, if the Transcontinental asked you to move the ice house you had to move it, and if they did not ask you to move it, it remained there?—A. Yes, until they called for it.

By the Chairman:

Q. And, because they did not call for it, you left it there?—A. Yes, because I had nothing to pay for it.

Q. It was not worth enough to you to move it?—A. Oh, yes; the wood that is there is always good.

Q. Now, what was the Miller transaction?—A. It was an ice house too.

Q. You were going into the ice business pretty extensively?—A. No, I did not care for the business.

Q. You got into this ice business just about election time?—A. No, I bought a great deal before that.

Q. When did you buy the Miller ice house?—A. I bought it before that.

Q. How much did you pay Miller?—A. I think it is \$2,250, I am not positively sure.

Q. You got then, from the Transcontinental, in the Chevalier matter, \$4,250 for compensation for demolition of the graving dock, and \$3,700 for compensation for the removal of the ice house?—A. Martineau, yes, I may have.

Q. So that you got \$7,950 all told for the two?—A. Yes, you have it there.

Q. Did you get anything from the Transcontinental for the gridiron business, for the property you bought from Mrs. Chevalier.—A. No, sir.

Q. Did you sell any other property to the Transcontinental?—A. No, I bought some more, but I have them on my hands.

Q. What did you buy?—A. I bought Lachance and Berthiaume.

Q. Have you Lachance's there?—A. No.

Q. You do not know what you paid Lachance?—A. Perhaps I have it in my books: I think it is \$900 and some odd: one was \$375 and the other was \$900.

SESSIONAL PAPER No. 123

Q. That is Lachance and Berthiaume?—A. Yes, that is the best of my memory, but that is about it.

Q. Why did you not get that money from the Transcontinental?—A. Because they did not want to buy it.

Q. Did you go and see Mr. Parent about it?—A. Yes.

Q. What did he tell you?—A. He said they did not need it then.

Q. Why not?—A. I think it was two or three days before the election: he says: "We will have those things finished, and if we want to buy them, we will buy them."

Q. Did you go and see him after the election about it?—A. Yes.

Q. What did he say about it?—A. He said he did not want to do any more transactions, because everything was turned up.

Q. You did do a transaction after the election: he gave you the money after the election?—A. Yes, but the transaction was made before.

Q. But the money was not paid?—A. I do not know if he had the money over there, but I got the cheque here.

Q. You did not get the cheque till after the election?—A. No.

Q. You got the cheque after the election?—A. For one only, I think: you must have the dates there.

Q. Those are both after the election?—A. I know I had one or two: I must have had some before the election, if you go to the deed there.

Q. Where did you get the \$4,000 that you gave to Chevalier?—A. I got it from the bank.

Q. Can you produce the cheque from the bank?—A. Chevalier must have it—oh, well, it must be in the bank.

Q. What bank was it?—A. Union Bank.

Q. Can we go and look at your account in the Union Bank?—A. I can produce the cheque.

Q. Can you produce the bank book and show it to us?—A. No objection to that: you what only to check those things?

Q. That is all?—A. You can look over those things, I think I have the cheque in the house.

Q. Where did you get the \$4,000?—A. From the bank.

Q. Did you have \$4,000 lying there?—A. Yes, I had \$10,000 margin there.

Q. For how long?—A. As long as I needed it.

Q. For how long?—A. I had \$10,000 from the Union Bank as long as I wanted to buy the properties: as soon as I got back the money I gave them the money.

Q. Did you give security for it?—A. No. I think my name is good for it.

Q. You got the money from the Union Bank under arrangements you made with them to advance it for you?—A. Yes, when I was buying some property.

Q. Do you think the Union Bank would lend money on this kind of business?—A. Yes, and I think if I asked for \$10,000 more they would give it to me.

Q. On this kind of stuff?—A. No, on my name.

Q. The only person that you know of that would give \$4,000 for this kind of property is the Transcontinental Railway?—A. I have no answer to give you on that. You can judge yourself, or I will judge it.

Q. Did you take these papers in these two transactions to a notary yourself, or did you send them by Mr. Tremblay?—A. By Mr. Tremblay.

Q. And you made no bargain with any person excepting the Chairman, Mr. Parent?—A. Yes.

Q. He was the man you dealt with entirely?—A. Yes.

Q. Did you take any part in the election?—A. Yes.

Q. You were active in the election canvassing?—A. Yes.

Q. Were you working down on Champlain Street?—A. No, I have been working down in Montmorency, and the last week I think I did the work here.

Q. The last week you worked down on Champlain Street?—A. No, I was not working there: I was working down here.

Q. Who was present with you when you made this bargain with Chevalier? Was it Chevalier and O'Neill?—A. O'Neill was not with me.

Q. Who was with you down at the hotel?—A. I did not make the bargain there.

Q. You saw Chevalier at his house?—A. Yes, and at my store.

Q. And at O'Neill's hotel?—A. Yes.

Q. You talked the transaction over with him at O'Neill's hotel?—A. Perhaps I was there.

Q. You and Chevalier and O'Neill talked about buying what you bought from Chevalier in O'Neill's hotel?—A. Perhaps: I do not remember how many times.

Q. How much money did O'Neill get out of the transaction?—A. Not one cent.

Q. Not anything from you?—A. No, if he got anything, it was from Chevalier: he never got anything from me.

Q. You remember talking to Chevalier down in O'Neill's hotel?—A. Yes.

Q. What were you doing down there? Just looking up this transaction, or engineering?—A. I go there every day, because I have some money on interest there.

Q. You do not have to go there every day to get the interest?—A. No, but I go there as I go everywhere, because I am in the beer business, and I look all over the city.

Q. You are in the beer business?—A. Yes, I am in the brewery, and have to look over the hotels.

Q. And O'Neill is one of your customers?—A. Yes, like everyone in town.

Q. When did the Champlain Brewery come into existence?—A. We started in 1911; we had no beer then, and commenced February, 1912.

Q. You want to make another guess at what you were doing at O'Neill's tavern?—A. No, because I paid \$1,000 to Mr. Boswell for his hotel when he started—I mean I paid \$1,000 on account.

Q. You knew the Transcontinental was going to buy these properties, did you?—A. Well, I know that the road was passing by there.

Q. And you knew how much money they paid for it?—A. Yes.

Q. You said you made your bargain?—A. Well, I made a bargain after I bought the property.

Q. The same day?—A. No.

Q. How many days after?—A. Some four or five days after, or a week.

Q. You are a business man, are you not?—A. Yes.

Q. What is your business?—A. Dry goods business.

Q. And you are now president of a brewery company?—A. Yes.

Q. What else are you engaged in?—A. Only those two things: I have two stores, and I am doing some work myself.

Q. You have been in business a number of years?—A. Twenty-two years.

Q. And you are a man of property?—A. Yes.

Q. Will you tell me how a business man like you would think of buying what you bought from Chevalier, and paying him all the money, \$4,000, without knowing whether you could sell it or not, to the Transcontinental?—A. Well, I did not say that I did not know: I was buying them to sell to the Transcontinental.

Q. You knew the Transcontinental would pay you that much money for it?—A. Yes.

Q. And you knew they had valued this property at \$6,000?—A. No, I did not know that.

Q. What did you know?—A. I know that I could sell the property to the Transcontinental. The way to prove to you what you say is not correct, because some I sold at \$250 profit. I was pretty sure I could sell it to the Transcontinental.

SESSIONAL PAPER No. 123

Q. I would like to know how you could expect the Transcontinental Railway Commission, if it was looking after its business properly, to buy that from you?—A. I can answer you on that. I say I did know pretty well that I could sell to it the Transcontinental. I would not go there if I did not know the road would pass there.

Q. You were not selling any right of way?—A. No.

Q. You were selling them a lot of old buildings they did not need, and you knew it?—A. No, I did not know it: at the same time when I bought these two houses I did not know. If I don't sell those houses I have now to the Transcontinental they are no good to me, unless I rent them that way.

Q. And they are no good to anybody?—A. Well, they are good houses. I get \$16 upstairs and \$9 downstairs for those houses. It is not a big amount. I bought them to sell to the Transcontinental, but I would not have bought them if I had not thought I could sell them to the Transcontinental.

Q. You still say, without ever having made sure you were going to be able to sell, you gave that \$4,000?—A. What?

Q. You still say that, without being sure you could get the money back again, you paid Chevalier \$4,000?—A. Because I was expecting to get more than \$4,000 from the Transcontinental Railway.

Q. And you did get more than that by selling something you did not own?—

A. Well, you have the deed there: I think it is \$250 more.

Q. How long did you know the Chairman of the Commission, Mr. Parent?—
Oh, I know him for ten or twelve years, I suppose, perhaps more, I cannot answer you that.

Q. Did you know any other members of the Commission?—A. Yes, I saw them sometime when I used to go to Ottawa: I did not know their names.

Q. You did not do any business with anybody else on the Commission?—A. No, not with the Commission: I saw them many times when they used to sit here and in Ottawa. I know them by their faces.

Q. Did you ever do any business for the Commission?—A. No.

Q. You never did any business for the Commission?—A. Well, I bought one house for the Commission.

Q. Which was that?—A. That was the Thibaudeau.

Q. And what did you pay for that?—A. Well, it was by auction I bought it.

Q. What did you get paid for that?—A. I think it was \$9,000.

Q. What did you make out of it?—A. I bought it and gave the deed of the right of way.

Q. You acted for the Transcontinental in purchasing that, but got no money out of it?—A. No.

Q. Did you get any money from the Transcontinental on any other transaction?—A. Never.

(NATIONAL TRANSCONTINENTAL RAILWAY. INVESTIGATING
COMMISSION, QUEBEC, MARCH, 13TH, 1913).

Before: GEORGE LYNCH-STAUNTON, Esq., Chairman., F. P. GUTELIUS, Esq., Commissioner.

NAPOLEON MARTINEAU, of the City of Quebec, manager for the Remington Typewriter Company, being duly sworn on the Holy Evangelists, doth depose and say:

Examined by Mr. Rivard :

Q. Did you have a lease with Mr. Dobell?—A. I had a lease the first year, at the beginning, with Mr. Dobell, who represented the Duchess of Bassano—a lease for three years. I have been for five years an ice merchant. My lease had expired

Q. What was the date of that lease, about what year?—A. I could give it to you. Mr. Dobell also could give it to you.

Q. But approximately?—A. In any case it was just the year of the Tercentenary—I began in the autumn before—that was in eighteen hundred and eight—in the fall of nineteen hundred and seven.

Q. In the fall of nineteen hundred and seven, or in the month of August you had taken a lease from Mr. Dobell, representing the Duchess of Bassano?—A. Yes, sir.

Q. That lease for three years?—A. Yes sir.

Q. And after that it could be tacitly renewed?—A. Yes sir, naturally if he was willing.

Q. On condition that he would be willing?—A. Certainly.

Q. And you passed those three years there and you remained under the same lease afterwards?—A. Yes sir.

Q. By that lease what did you rent?—A. He rented to me the ground where my ice house was situated.

Q. There was no ice house there at that time?—A. No sir.

Q. It was you who built that ice house?—A. Yes sir.

Q. Was the lease made to you or to Mrs. Martineau?—A. No sir, to myself, to Napoleon Martineau, junior.

Q. To yourself?—A. Yes sir.

Q. You were a bachelor then?—A. Yes.

Q. You got married since?—A. Yes sir.

Q. After the three years were expired the lease continued without any other paper, by tacit renewal?—A. Yes sir, certainly.

Q. On the same terms?—A. I wished to renew my lease but Mr. Dobell told me he could not.

Q. But you continued under the same conditions?—A. Yes sir, except that he gave me a notice that in case the railway needed my lot, or if he made a sale, on three months notice, I was obliged to go away, to clear what was there and to go away.

Q. In other words, in virtue of the lease that you had from Mr. Dobell you continued to occupy the lot after the three years were expired, but on the condition, which was signified to you by a notice from Mr. Dobell that if the Transcontinental Railway needed the lot you were to abandon it and to clear the ground within three months?—A. Yes.

Q. At three months notice?—A. Yes, at three months notice.

Q. Now, this went on in this way up to the month of August nineteen hundred and eleven?—A. Yes sir.

Q. In the month of August nineteen hundred and eleven you saw Mr. O'Neill who was one of your friends?—A. Yes.

Q. Who had often helped you?—A. Yes.

Q. And with whom you spoke of that matter?—A. Yes sir.

Q. You asked him if it was possible to sell your ice house?—A. Yes.

Q. At that time did you know that the Transcontinental Railway was going to pass there?—A. I did not know it.

Q. You did not know it at the time?—A. I did not think it would pass there.

Q. You did not know at that time that the Transcontinental Railway was going to take some land on the lot number 2525 in question?—A. No, I did not.

SESSIONAL PAPER No. 123

Q. Before going any further—the land in question—I draw your attention to the plan produced before the Commission and I think I shall describe the thing correctly in saying that what you had leased was part of the lot of ground described as cadastral number 2525?—A. Yes.

Q. Being that part of the plan which is marked as occupied by an ice house and also that part of the plan which is marked as being occupied by stable?—A. Yes, the part occupied by the ice house but not the part occupied by the stable because the ground occupied by the stable I occupied it in virtue of another lease which I had from Mr. Chevalier.

Q. The stable besides is not marked on plan?—A. No.

Q. To come back to what you were saying a few minutes ago, you went and saw Mr. O'Neill and you spoke to him about your affairs, did you not?—A. Yes.

Q. Your affairs at that time were not in a brilliant state?—A. No sir.

Q. You spoke to Mr. O'Neill about selling the ice house if there was any possibility of doing so?—A. Yes sir.

Q. And I understand that Mr. O'Neill referred you to Mr. Raoul Bergevin of Quebec?—A. Yes sir—to begin with the thing was not put into the hands of Mr. Bergevin immediately. The matter was discussed during two or three days before it was referred to Mr. Raoul Bergevin.

Q. Between whom was it discussed?—A. Between O'Neill and myself.

Q. After having discussed the matter for a few days with Mr. O'Neill, Mr. O'Neill introduced you to Mr. Bergevin?—A. Yes sir—I knew him beforehand.

Q. You knew Bergevin?—A. I knew him by sight. I went with him.

Q. He suggested to you to see Mr. Bergevin in order to arrive at a sale of that property?—A. Yes, Bergevin came at O'Neill's place to meet me.

Q. Did O'Neill tell you why you had to go to Bergevin for that matter?—A. Because he was a buyer for the Transcontinental.

Q. O'Neill told you so?—A. Yes sir.

Q. O'Neill told you that it was necessary to go to Bergevin because Bergevin was buyer for the Transcontinental?—A. Yes. There is another important point also.

Q. What is it?—A. In the first place about the price. I asked four thousand dollars. O'Neill asked me how much I would ask. I told him: four thousand dollars. He said: you ask a good deal too much, it may be worth fifteen hundred dollars. I said: No, it is worth four thousand dollars on account of my trade. It is not only for the property but it is worth that amount to expropriate me. Upon that he said: I should see Mr. Bergevin about that and we shall discuss the matter together and after that I shall give you an answer. The next morning I saw O'Neill again, he told me that they had come to an understanding the day before about the ice house. He said: we are willing to give fifteen hundred dollars for your ice house. You are valued at eighteen hundred dollars. I said: did you see the valuation—He said: no. We shall go and see it together. That day passed and on the next day I asked him: Is it not possible to go and see that? He said: no, they won't show the books to any one but Mr. Bergevin who is employed for the Transcontinental, who is buyer for the Transcontinental.

Q. I suppose it was then you saw Mr. Bergevin?—A. No, it was on the second day.

Q. Did anything important occur after what you have just stated and before you saw Mr. Bergevin?—A. O'Neill told me; Martineau, you will have to shut your mouth and to stay quiet, and to mind your own business—speaking about the election.

Q. What is that O'Neill?—A. O'Neill is a bar keeper.

Q. Here in Quebec?—A. Yes, on Finlay Market.

Q. Is it a friend of Bergevin?—A. He is a friend of Bergevin's and has received favors from him.

Q. Then where did you meet Bergevin in connection with that matter for the first time, was it at O'Neill's or at Bergevin's, or at your own house?—A. It was at O'Neill's in a room.

Q. In a private room?—A. Yes.

Q. In O'Neill's hotel?—A. Yes, sir.

Q. O'Neill, Bergevin and yourself were there?—A. No, I was alone with Bergevin.

Q. Did Mr. Bergevin know that you had a lease from Mr. Dobell?—A. It is the first thing that he inquired about and I told him just as it was.

Q. The first thing that Bergevin told you was to ask you if you had a lease for the lot in question?—A. Yes.

Q. And then—if I am not stating the facts correctly, you will tell me so, because we are here to get at the truth—did you tell him how the matter stood just as you have stated here a moment ago?—A. I told him just what I said here a moment ago.

Q. Did you have your lease with you?—A. No, sir.

Q. But you told him?—A. But I had my marriage contract any way.

Q. The lease that you had passed with Mr. Dobell is the one which I now exhibit to you and which is signed by you?—A. Yes, sir.

Q. And also by Mr. Dobell, before a witness, Mr. Stavely?—A. Yes, sir.

Q. And the original of which is now produced as exhibit number three?—A. Yes, sir.

Q. You did not have your lease with you when you saw Mr. Bergevin?—A. No sir.

Q. Did he see that lease?—A. Yes, he saw it.

Q. How do you know that he saw it?—A. I had a copy of it—I have it still at home.

Q. You had a copy of the lease?—A. Yes, the notary who made the sale saw it.

Q. You had a copy of the lease and you showed it to the notary?—A. Yes, sir.

Q. Was it the first interview you had with him?—A. Not the lease at the first interview, but when we were a little more—

Q. When you had gone a little farther with the transaction?—A. Yes, sir.

Q. Did Bergevin at that time, during the first interview make any offer to you?—A. No, sir.

Q. What did he say?—A. He showed himself pretty independant as if he was not much interested in buying the ice house but rather as if he were trying to further my own interests. He said: Martineau, you are in a bad fix—he touched me to the quick there. I did not let him see that I felt insulted. he said: Now, listen—when you were speaking about your affairs you told O'Neill that you would like to sell your ice house? I said: yes, so long as I am paid what it is worth. He said it goes without saying that if you have no lease it is not worth anything. The building had cost twelve hundred dollars. He said: it is not worth anything, it costs about one thousand dollars, perhaps only nine hundred dollars, that building. Upon that I said yes I don't say the contrary. I told him that it had cost about that, I had built it myself.

Q. What did he say then?—A. I said: yes, but the question is not about the building, Mr. Bergevin, the question is about my trade which I shall have to abandon if I sell this, because I am not able to have a property in that part of the city where I am now, because the Transcontinental Railway is expropriating all those lots. They are going to build wharves and I won't be able to fill up my ice house.

Q. Then Bergevin on that occasion spoke about the expropriation that were to be made by the Transcontinental?—A. It was I who asked him. I said: Mr. Bergevin, what is your reason for saying that it is worth only fifteen hundred to eighteen hundred dollars as you offer me?—

Q. What did he answer?—A. I have not finished my answer. I said: Mr. Bergevin, I know that a land surveyor has passed, they have measured the land,

SESSIONAL PAPER No. 123

ets., and they have made a valuation of the land. I know there is a valuation in the books of the Transcontinental and I would very much like to see what that valuation is. He said: you cannot see that valuation, I am the only one who can see it. You are valued at two thousand dollars, or two thousand two hundred dollars. He told me that after we had been speaking together for about an hour. Then I said: if I am valued only two thousand two hundred dollars—of course I was in a bad fix, I was in a bad position, the things were advertised and it had to be sold. I said: I will sell to you for two thousand dollars, and two hundred dollars will pay your interest. I said this because he wanted to give me only fifteen hundred dollars and then he raised his offer to eighteen hundred dollars.

Q. To make a long story short, I understand that in that first interview you had with Mr. Bergevin, there was a question of selling the ice house to him and you discussed together about the value and his pretention was that it was worth eight or nine hundred dollars?—A. Yes.

Q. He pretended that it was not worth much and he began by offering you fifteen hundred dollars and after a great deal of discussion with him you brought him to admit there was, according to him, in the books of the Transcontinental, a valuation of two thousand two hundred dollars and it was then that you consented to sell the property to him for two thousand dollars?—A. Yes.

Q. He making a profit of two hundred dollars?—A. Yes, and after that there is something else. O'Neil told me that he had gone with Bergevin at the Transcontinental Railway's office in order to see my valuation and that it was two thousand two hundred dollars.

Q. Is it on that occasion that you showed him a copy of your lease?—A. No, sir, it was when we went at the notary's to make the sale, to sign the deed of sale.

Q. In the interval between your first interview and the day on which the deed of sale was signed did you see Bergevin again about the same matter?—A. Not until we went to sign the deed of sale.

Q. You went to the notary's to have the deed of sale drawn up how many days after this?—A. The next day we went to sign the deed of sale. I did not lose much time. The next day after this we went at the notary's.

Q. Which Notary?—A. Notary Couture.

Q. In order to sign the deed of sale in favor of Bergevin?—A. Yes.

Q. And there you had the copy of your lease, the original of which is produced as exhibit number three?—A. Yes sir.

Q. And you showed your lease to Bergevin?—A. Yes sir.

Q. Did you read it in his presence?—A. Yes sir.

Q. Did he hand it over to the notary that he might read it?—A. I think so; yes sir.

Q. It is not "I think so"—but do you remember?—A. Yes, I remember now.

Q. That it was read to the notary?—A. Yes.

Q. Is there any other person, any lawyer or notary, who was aware of the transaction?—A. At that time, not at all.

Q. What became of the copy of the lease, did you bring it back or did Bergevin keep it?—A. I am almost sure I have it at home. If I have it I shall produce it.

Q. At that time, do you know if Bergevin kept it for sometime?—A. No.

Q. Well you sold to Mr. Bergevin the buildings or the constructions which in the ground in question and which you used as an ice-house, and also a stable?—A. Yes sir, but the stable was built upon another piece of ground forming part of the same lot.

Q. The stable does not appear on the plan?—A. No.

Q. And that other piece of ground, you held it in virtue of a lease from Mr. Chevalier?—A. Yes, but the stable was not on the lease.

Q. Anyhow you sold it?—A. Yes, I sold all the buildings that were there.

Q. Now, in the deed which you passed with Mr. Raoul Bergevin and which is produced here as exhibit number two, it appears that it is Madame Laura Tousignant, your wife, who sold the ice-house?—A. Yes sir, because she was the proprietor.

Q. How did it belong to your wife?—A. Because when I got married I gave her everything. I am kind-hearted, you know.

Q. When you had the deed of sale drawn up, Mr. Bergevin and yourself were there and you had your marriage contract with you?—A. Yes.

Q. You had brought your marriage contract in order to show Bergevin and the notary that the ice-house belonged to your wife?—A. Yes sir.

Q. And you showed it to the notary and Bergevin?—A. Certainly.

Q. By the same deed exhibit number two it appears that you personally transferred to Bergevin all your rights as lessee of that part of the lot occupied by the ice-house that is which you occupied in virtue of your lease exhibit number three and also the right to the occupation to the piece of ground leased to you by Chevalier as you have said before?—A. Yes sir, certainly.

Q. At that moment is it not true that Bergevin knew that in virtue of the agreement you had with Mr. Dobell your right to occupy that piece of ground ended on the thirtieth of April nineteen hundred and twelve?—A. Yes sir, and what proves this is that he used this as an argument to offer me only fifteen hundred dollars.

Q. Will you take communication of the exhibit now produced as number four and say whether this is a document to which you have referred when you said there was a lease between Chevalier and yourself?—A. Yes, sir.

Q. And this document is signed by you and also by Mr. Adolphe Chevalier?—A. Yes, sir.

Q. And it was signed in the presence of Mr. Alfred Dobell acting as witness?—A. Exactly.

Q. You have told us a moment ago—and as the matter is of importance I wish it to be stated clearly so that there be no error—that when this deed of sale was passed between Bergevin and yourself, Bergevin knew that your right to occupy that piece of ground expired on the thirtieth of April nineteen hundred and twelve?—A. Yes, sir.

Q. And this applies to the land occupied by your ice-house in virtue of the lease which you had from Mr. Dobell, as well as to the land upon which the stable was built and which is referred to in exhibit number four?—A. Yes, sir.

Q. All this ended on the thirtieth of April, nineteen hundred and twelve?—A. Yes.

Q. And Bergevin knew it?—A. Yes.

Q. Consequently, when he gave two thousand dollars for what you sold him he gave those two thousand dollars only for the ice-house and the stable?—A. Yes, only the buildings.

Q. This included only the building?—he knew there was no lease?—A. He knew that I had asked Mr. Dobell to renew the lease—I had offered him to double the amount of rent in order to renew the lease for one year more.—I even offered him two hundred dollars, for one year's renewal, because Mr. Bergevin had asked me: go and try to renew the lease. Mr. Dobell would not do so. He said: "I cannot do it."

Q. And you notified Bergevin that he would not renew the lease?—A. Yes, I told him: Mr. Bergevin, it cannot be done.

Q. He knew then that there was no lease?—A. Exactly.

Q. You were to deliver the position with him only from the first of May, nineteen hundred and twelve?—A. Yes.

Q. And on the first day of May nineteen hundred and twelve you had no more lease?—A. No.

SESSIONAL PAPER No. 123

Q. Who got those two thousand dollars?—A. I did. He gave me five hundred dollars cash by a check on the Union Bank—not in cash, but by a check on the Union Bank, on the same day that I settled at the notary's.

Q. That is to say on the nineteenth of August nineteen hundred and eleven?—A. Yes.

Q. When did he give you the balance?—A. On Monday.

Q. On the following Monday?—A. Yes, two or three days after. I think this was a Friday or a Saturday—I believe I sold on a Saturday—I am not sure whether it was Friday or Saturday.

Q. Did he give the money directly to your wife or to you for your wife?—A. He gave it to me, naturally for my wife.

Q. You had settled with Mr. Dobell for the rent up to the thirtieth of April nineteen hundred and twelve?—A. Yes sir.

Q. Did you tell him at that time that you were going to sell to Bergevin, when you settled with Mr. Dobell?—A. I don't think I told him. I did not tell it to Mr. Dobell. If I told him, I don't remember.

Q. Now, when this transaction was going on did Mr. Bergevin give you any warning or any advice concerning the election?—A. Yes, as I have just told you, he said: You know, Napoleon, you are in a bad fix.

Q. Bergevin told you this?—A. He said: you know you are in a bad fix. I said: yes. He said: you know we are pulling you up from a hole, you must show yourself grateful for this. I don't ask you to work on our side, but mind your own business, keep quiet and don't make a noise. I said: look here Mr. Bergevin if you will give me four thousand dollars I am going to shut my mouth, I won't say anything, but if you don't give me four thousand dollars I will go on as usual, do as I have always done and I will show myself as I am. The same evening I went to see O'Neill and I said to O'Neill: if you give me three thousand five hundred dollars I shall mind my own business, but if I sell for two thousand dollars I will act just as before and do all I can for my party. O'Neill said to me: "listen, Napoleon, don't make a fool of yourself now, I believe I shall have good news for you tomorrow." I said: "all right." On the next day I went there he said: "it looks bad," I went again in the afternoon and he told me: it is not possible to give you more than two thousand dollars. I said: "well I am very glad. I would not accept three thousand five hundred dollars because I want to keep my liberty. If you don't give me three thousand five hundred dollars I shall keep it."

Q. That is to say: Bergevin, and O'Neill probably acting on Bergevin's instruction, asked you to keep quiet about the elections, and you, in order to do so, you asked for more, and you said: give me four thousand dollars and I shall keep quiet, otherwise I shall keep my liberty, and then he told you: we are going to try. At last he told you that it was not possible to give you more than two thousand dollars and you answered: well, that is all right, because I had rather be free?—A. Yes sir.

Q. This is in substance what was said?—A. Yes, and with respect to that I could give you a good plea for Chevalier.

Q. No matter, this is useless. If I have understood you right—and if not you will tell me so—I gather from what you have just said, and which has not been taken down in shorthand—I understand that in the course of last summer you met Mr. Bergevin?—A. Yes sir.

Q. And that Bergevin spoke to you about Chevalier?—A. Yes sir.

Q. Complaining that he had given Chevalier four thousand dollars and that Chevalier was not acting about politics as he Bergevin would have wished, and he complained to Chevalier in that respect?—A. Yes.

Q. Giving you to understand by this that he had given Chevalier four thousand dollars in order to obtain the political support or the political opinion of Chevalier and that Chevalier did not now give him such political support as he expected from him?—A. Yes sir, he told me so in the cars.

Q. Do you know anything else which you would consider useful to put before the Commission—I don't speak of details but facts absolutely relevant to the matter in question?—A. It is probably all, we have covered every point.

Q. You think you have a copy of the deed of the lease at home?—A. Certainly.

Q. If you have it and if you find it, can you send it to us this afternoon?—

A. Yes sir.

Q. Now, what did Bergevin do with the ice house you sold him?—A. It is there still.

Q. He did not take it away?—A. I will tell you something else. It may interest you. After the elections of the twenty first of September, O'Neill was sick in bed. O'Neill is one of my friends and I went to see him and tendered my sympathies. He told me: Napoleon, it looks bad, Bergevin has some difficulty in selling his ice house. I said: how is that? did he not get the Transcontinental to buy it? He said: no, Parent won't buy any more, Parent won't pay him. He had been to Ottawa.

Q. O'Neill told you that Bergevin complained that he had difficulty in getting money for that ice house because Parent would not pay him?—A. Parent would not pay him because the Government had changed and he did not wish the thing to appear.

Q. In any case the ice house is there still?—A. Yes.

Q. It has not been removed?—A. I saw it last summer.

Q. And the stable?—A. The stable is still there also.

Q. The stable is still there also?—A. Yes sir.

And further deponent sayeth not.

ADOLPHE CHEVALIER, of the City of Quebec, dock-yard owner, being duly sworn upon the Holy Evangelists, doth depose and say:

Examined by Mr. Rivard:

Q. You have been engaged since several years in repairing boats, have you not?—A. Building and repairing.

Q. Building and repairing boats?—A. Yes.

Q. In the usual course of your business I understand that on or about the first of October nineteen hundred and eight you rented a piece of ground from Mr. Dobell, representing the Duchess of Bassano, said piece of ground being part of lot number 2525 of the cadastre for the Champlain Ward in the City of Quebec?—A. Yes, sir.

Q. The land which you rented by this lease and which I now show you on the plan before the Commissioners, is the land marked number 2525 and comprises all the land mentioned under that number with the exception of that part which lies on the east side of said lot and which is occupied by an ice-house and which had previously been leased to Mr. Martineau?—A. Yes, sir.

Q. What is marked on the plan as ice-house?—A. Yes, sir.

Q. Now, as there are two ice-houses on the plan is it not true that the ice-house in question which was excluded from your lease was that which is situated on the west side of the lot?—A. Yes.

Q. Next to the street?—A. Next to the street.

Q. So that the land which you rented from Mr. Dobell encloses on all sides the piece of ground leased to Martineau except on the street front?—A. Yes, sir.

Q. And you also rented the beach lot up to deep water?—A. Yes, sir.

Q. All that you required for your business?—A. Yes, sir.

Q. The lease which you passed is exhibit number five which I now show to you?—A. Yes, sir.

SESSIONAL PAPER No. 123

Q. This lease was made for three years from the first of May nineteen hundred and nine?—A. Yes, sir.

Q. Ending on the thirtieth of April nineteen hundred and twelve?—A. Yes, sir.

Q. It was mentioned in the lease and agreed between you and Mr. Dobell, acting as aforesaid, that Mr. Dobell had the right at any time to end the lease by giving you six months notice, and upon such notice you had to abandon the lot and to clear it?—A. I had to deliver the lot in question.

Q. After the six months had expired?—A. Yes, sir.

Q. What did you do on that lot?—A. I built and repaired boats.

Q. You built and repaired boats?—A. Yes.

Q. You have put upon that ground some kind of blocks, what is called in English a skidway?—A. Yes.

Q. This is the skidway which is quite visible on the photograph produced as exhibit number six?—A. Yes, sir.

Q. The skidway in question is just what is visible on that photograph from the stern of the schooner down to the water edge on the left side of the photograph?—A. Yes, sir.

Q. And the schooner itself is lying on the skidway?—A. Yes, sir.

Q. You have also built on the same piece of ground what is seen on the left side of the skidway, what is called a gridiron?—A. Yes, sir, a gridiron.

Q. In the month of August nineteen hundred and eleven you were still in possession of that piece of ground as lessee as you have just said?—A. Yes, sir.

Q. Meanwhile you had leased to Mr. Napoleon Martineau, junior, a certain part of the land in question, which is described in the lease sous seing privé produced as exhibit number four?—A. Yes.

Q. It is the same piece of ground of which Mr. Martineau spoke in his evidence you have just heard?—A. Yes, sir.

Q. This is the piece of land on which the stable has been built?—A. I beg your pardon. The stable, I gave it free to Mr. Martineau. The ice-house was on the other side. I gave this through kindness.

Q. The piece of ground which you leased to Mr. Martineau by exhibit number four is it this piece of ground?—A. One-half of the piece of ground. It is divided in two. One part is leased by Mr. Dobell and the other part by myself but the stable was not included in the lease, I gave that as kindness.

Q. In the month of August nineteen hundred and eleven did you see Mr. Bergevin?—A. Yes, sir.

Q. Mr. Raoul Bergevin?—A. Yes, sir.

Q. To give him his exact name, Mr. Raoul Rene Bergevin?—A. Yes.

Q. Of the City of Quebec, merchant tailor and dry goods merchant?—A. Yes, sir.

Q. Is it Mr. Bergevin who asked you to sell him something concerning this piece of ground or was it you who offered to sell him?—A. I beg your pardon, if you will just let me tell—

Q. Answer my question first?—A. No, it was not he.

Q. Well, then will you explain how the negotiations began between Bergevin and yourself?—A. In the month of July nineteen hundred and eleven I went to Ottawa in order to see Mr. Parent as I had seen surveyors going over the ground and I thought the land was to be bought that year.

Q. In other words, in the month of July, nineteen hundred and eleven, you knew there was going to be expropriation?—A. Yes.

Q. And for that reason you left Quebec and went to Ottawa to see Mr. Parent?—A. I went to see Honorable Mr. Parent, yes sir.

Q. Who was then Chairman of the Commission?—A. Yes, sir.

Q. To see how you could settle your business?—A. Yes, sir.

Q. While you were in Ottawa, did you get a telegram from Mr. Morency?—

A. Yes.

Q. Who was Mr. Morency?—A. Mr. Morency was agent for the Department here.

Q. He told you to wait?—A. He told me to call him up by telephone.

Q. Did you speak to him by telephone?—A. Yes, I spoke to him by telephone.

Q. And he wrote to you?—A. Yes.

Q. And you saw him?—A. Yes.

Q. And he read a note to you to what effect?—A. To the effect that my valuation, according to Mr. Scott, was six thousand dollars. I received that letter.

Q. Then I understand you went to Mr. Bergevin in order to sell?—A. No, before that, I had learnt that Martineau had sold his ice house. Then I went and saw O'Neill.

Q. From whom did you learn that Martineau had sold his ice house?—A. I was told by some people.

Q. Were you told that it was Bergevin who bought it?—A. Yes, sir.

Q. And knowing this you went and saw Bergevin?—A. I went and saw O'Neill. I went into his bar as anybody could go and I said to him: "Jimmy, I am told that Martineau has sold?" He said: "Yes." He said: "Do you wish to sell?" I said: "If the offer is reasonable I will sell." He said: "How much do you want for your slip and your damages." I said: "Six thousand dollars." He said: "You ask too much, you will never get that. If you wish to sell we will fix that. But then you shall give me something out of that and you must not say a word in election time." I said: "That is all right." Then he said: "We will go up to Bergevin's to-morrow." On the next day Bergevin and O'Neill came to my house and they went and visited the ground.

Q. I want to understand this right. After your trip to Ottawa you understood from what you heard from Mr. Morency by telephone or by letter that you could sell with a good profit?—A. Yes.

Q. At the same time you learned that Martineau had sold?—A. Yes, sir.

Q. Then you went and saw O'Neill?—A. Yes, sir.

Q. Because you knew or you supposed at the time that it was through O'Neill that Martineau had sold or that it was necessary to see O'Neill in order to reach Bergevin?—A. Yes, because I knew that politics were mixed up with that matter.

Q. Then O'Neill asked you if you wished to sell?—A. Yes, sir.

Q. And you told him that you would sell for six thousand dollars, relying upon what Mr. Morency had told you?—A. Yes, sir, on what he had written to me.

Q. O'Neill found the price too high?—A. Yes, sir.

Q. He told you that there was a way to settle the matter, but on condition that you should stay quiet during the elections, what was the meaning of that?—A. Not to work against them, because I am a friend of Mr. Price.

Q. Not to work against them?—A. Yes.

Q. Then it was O'Neill who made arrangements to visit the ground and what was on it a few days later?—A. It was he who saw Bergevin.

Q. Bergevin and O'Neill went there with you?—A. No, they came and saw me at my house.

Q. They came to your house and went with you to see the land?—A. Yes, sir.

Q. They examined it?—A. The tide was high and they could not see what we call the gridiron. They only saw the skidway.

Q. Is it at that moment that Bergevin made an offer to you?—A. No, sir, he said he would think about it and would settle that later on, saying that we would see each other again.

Q. In what capacity did Bergevin talk about buying? Was it individually or as buyer for the Transcontinental?—A. When it was decided to buy my property I went and saw O'Neill. They made me come to O'Neill's place and Bergevin told me: "Listen, Chevalier, I am working for the Transcontinental. I have just seen the books and your valuation is four thousand dollars, we will give you four thousand dollars. You had better take it because you won't get more and later on you may not

get anything. If you will take four thousand dollars, we will buy your property." I said: "If I am valued at four thousand dollars, but if my valuation is higher I would like to get it."

Q. Then Bergevin gave you to understand that he was working for the Transcontinental?—A. Yes, he told me so directly.

Q. He gave you to understand that he was buying or that he wished to buy your rights, whatever they might be, for the exact sum which the Transcontinental was willing to pay you?—A. Yes, sir.

Q. Did you know at the time or did he give you to understand or to suspect that he was acting as an intermediary so as to make money out of it for himself?—

A. No, I thought at the time, and I have always thought, that he was employed by the Department, because he told me so.

Q. He told you that he was employed by the Department?—A. He told me that he was employed by the Department and that he was the only man who could see the valuations in the books.

Q. And he told you that you would receive exactly the amount which the Government was going to pay?—A. Yes, sir.

Q. And not less?—A. Not less. Then O'Neill told me: "I will cause you to sell and you shall give me one hundred dollars."

Q. O'Neill was to get one hundred dollars?—A. Yes, and he gave them to him too.

Q. Did Bergevin speak to you about the election?—A. Yes, sir.

Q. Bergevin also?—A. Yes.

Q. What did he say?—A. That was in the room—he made me enter into a room at Mr. O'Neill's.

Q. In the hotel?—A. In the hotel.

Q. A private room?—A. Yes, and after that he said: "Listen, Chevalier, now that we are buying you up, that we are paying you, that we are doing you a good turn you must not work against us, you must help us in the election." I said: "That is all right."

Q. Do I understand that in this circumstance Bergevin gave you to understand that in giving you four thousand dollars he was acting for the Transcontinental?—A. Yes, sir.

Q. But he told you that in giving you four thousand dollars he was doing a good turn to you so that you would not be against them in the elections?—A. Yes, that is correct, that is so.

Q. Was it long after that that you passed the deed of sale?—A. No, I saw Mr. Dobell and two days later they came to my house.

Q. Is it the circumstance to which you have already referred?—A. On the next day he passed the deed. He asked me to get a copy of my lease and I went and saw Mr. Dobell.

Q. The lease which you have passed with Mr. Dobell as you have stated before is exhibit number four?—A. No, sir.

Q. I mean exhibit number five?—A. Yes, sir.

Q. Did Mr. Bergevin know that lease?—A. Not at the time.

Q. When did he know it?—A. When I showed it to him.

Q. When did you show it to him?—A. When I went at the notary's. He sent me to Mr. Dobell's to try and get a copy of the lease and he said; you shall bring to me at the notary's.

Q. Who said that to you?—A. Mr. Bergevin. I went and saw Mr. Dobell.

Q. Before that, did Bergevin know that you occupied that piece of ground in virtue of the lease from Mr. Dobell?—A. I don't know.

Q. You don't know?—A. I don't know.

Q. Did he ask you what you were able to transfer to him?—A. Certainly he asked me and I told him.

Q. That you had only a lease from Mr. Dobell and that this lease expired on the thirtieth of April?—A. Yes.

Q. When did he tell you that?—A. While the sale was being discussed and before we went at the notary's.

Q. You told him that you held a lease from Mr. Dobell and the lease expired on the thirtieth of April?—A. Yes.

Q. On the thirtieth of April nineteen hundred and twelve, you knew that the lease expired?—A. Yes, sir.

Q. By the terms of the lease it was to expire on the thirtieth of April, nineteen hundred and twelve?—A. Yes, it expires then.

Q. Had you received a notice that it would not be renewed?—A. Mr. Dobell had told me so several times; Chevalier, I cannot renew it.

Q. You had on several occasions asked Mr. Dobell to renew the lease that it might continue after the first of May, nineteen hundred and twelve, and Mr. Dobell had refused?—A. Yes, sir, he had refused.

Q. Did you tell this to Bergevin?—A. No, he did not speak about that.

Q. He did not speak to you about that?—A. No.

Q. After that you went at the notary's?—A. Yes.

Q. And there Bergevin saw the lease exhibit number five?—A. Yes, sir.

Q. You showed it to him?—A. Yes.

Q. You had taken a copy?—A. Yes, it is Mr. Dobell who procured it for me.

Q. Did Mr. Bergevin then ask you if it was possible to renew the lease?—

A. No, he did not speak about it.

Q. Or to extend it for some time?—A. No, he did not speak about it.

Q. He knew at the time that the lease had expired or would expire on the first of May, nineteen hundred and twelve?—A. Yes, sir.

Q. Or rather on the thirtieth of April?—A. On the thirtieth of April, nineteen hundred and twelve, yes.

Q. Not on the first of May, but on the thirtieth of April, nineteen hundred and twelve?—A. Yes, sir.

Q. Then it is under those circumstances that you passed the deed which is produced as exhibit number one?—A. Yes, sir, he bought my lease, nothing more nor less.

Q. By this document you sold him your rights to occupy the piece of ground of which you have spoken?—A. Yes.

Q. And which was leased to you?—A. Yes, sir.

Q. That is to say, number 2525 except what had been leased or underleased to Martineau?—A. Yes.

Q. And moreover, this occupation or right to occupy, whatever it may be, were sold to be delivered on the first of May nineteen hundred and twelve?—A. Yes, sir.

Q. He knew at the time that on the first of May, nineteen hundred and twelve, you had no more lease?—A. He knew it certainly, he read it.

Q. Bergevin knew from what you have shown him and what you had told him, that when you would be called upon to put him into possession of the piece of ground in question on the first day of May, nineteen hundred and twelve, you would no more be in possession of the same?—A. Certainly, he had my lease.

Q. Consequently he was buying something which did not exist?—A. He was buying nothing. So far as I was concerned it suited me very well.

Q. Now the skidway that we have already referred to, is it the same thing as what has been called the slip in the different documents and deeds which you have passed?—A. Yes, sir, that is the way we called it.

Q. You used that expression and you knew that in English this thing is called the skidway?—A. It is called a skidway, yes sir.

Q. Then what is called a slip here is the skidway in question?—A. Yes, sir.

Q. That skidway with the gridiron that was there, where are they now?—

A. They are at St. Laurent.

Q. They are at St. Laurent on the St. Laurent dock-yard?—A. Yes, sir.

- Q. They were removed from lot number 2525, and were put on the ground belonging to the St. Laurent dock-yard, at St. Laurent, on the Island of Orleans?—
 A. Yes, sir.
- Q. And they are now the property of that company?—A. Yes sir.
- Q. To whom they were transferred by a transaction which does not concern the present matter at all?—A. Just so.
- Q. When were they removed from lot number 2525 and brought to St. Laurent?—A. I believe it was in the month of August, nineteen hundred and twelve.
- Q. By whom were they removed?—A. By myself.
- Q. By yourself?—A. Yes.
- Q. Who paid for removing them?—A. The St. Laurent Company, Limited I beg your pardon—it is I who paid for removing them and the company paid to build them up again upon their ground.
- Q. Bergevin never worked at the removal of that thing?—A. No, he is much too lazy for that.
- Q. Had he anything to do with the matter at all?—A. Not at all, I never saw him again after that.
- Q. When you had to remove the skidway and the gridiron and all that was there did you consult with Bergevin?—A. I have no business to do so.
- Q. Did you notify Bergevin?—A. No, because the deed of sale gave me the right to take away my property and Bergevin had nothing to do with this, he did not buy those things.
- Q. The skidway, the gridiron and all what constituted your dock-yard, I understand that this was not sold to Bergevin by that deed?—A. No.
- Q. Is it to your knowledge whether Bergevin did anything else in connection with that skidway—did he have anything to do with Mrs. Chevalier, for instance.
 A. Not for that one, but for another one.
- Q. Was the skidway in question ever sold to Bergevin by anybody in virtue of some other deed?—A. Not at all, not the skidway, it was the gridiron.
- Q. But the gridiron that was on the ground in question has also been removed from St. Laurent?—A. No, I beg your pardon, it is in Levis.
- Q. Then this gridiron belongs to you?—A. Not at all, the wood belonged to my father and when my father died he left it to my mother and I rented the ground and I fixed the wood on the property, but I was earning my mother's living. I was the owner and the business went on under my name.
- Q. If I understand you right, this gridiron was made up of pieces of wood which formerly belonged to your father?—A. Yes.
- Q. Mr. Chevalier the father?—A. Yes.
- Q. Your father is dead?—A. Yes, sir.
- Q. And you are his heir?—A. No, he left it to my mother.
- Q. You took those pieces of wood and you fixed them on the property and built them up into a gridiron?—A. Yes, such as they were before.
- Q. You built that gridiron yourself?—A. Yes sir.
- Q. You built it on the land in question?—A. It was built before that, it is a thing which is taken asunder every fall. My father had begun it before me and had left it to my mother.
- Q. Was it your father who completed it or was it you?—A. It is a thing which is taken away every fall and is replaced in the spring.
- Q. Those pieces of wood were destined by your father for the gridiron?—
 A. Yes, sir.
- Q. The gridiron was built by your father?—A. It was built by my father but I renewed it frequently.
- Q. Did you renew the pieces of wood?—A. Certainly.
- Q. Then it was almost new?—A. No, because they are soon worn out. The ships' keels cut into it.
- Q. You have to replace the pieces of wood, then who furnished the wood?—
 A. I did. When my father died he left me with eight hundred dollars debts to

pay and I had four hundred dollars to pay to Mr. Dobell and there was not one cent in the house. I borrowed two hundred dollars to pay Mr. Dobell.

Q. And you went on that way?—A. Yes, and very hard up all the time.

Q. It was you who used the gridiron and you continued using it?—A. Yes.

Q. You were supporting your mother?—A. Yes, I gave my mother the revenue I got from the slip.

Q. You say that you gave the revenue that you got from the slip to your mother, what do you mean by the slip?—A. I mean the gridiron.

Q. The gridiron?—A. Yes sir.

Q. It has been said that what you call the slip was the skidway?—A. Yes, it can be called a slip.

Q. The revenue from the skidway was your own?—A. Yes.

Q. It did not belong to your mother?—A. No.

Q. And you say that the revenue from the gridiron—A. It went to the mother.

Q. It went to your mother?—A. Yes.

Q. To Mrs. Chevalier?—A. Yes.

Q. What became of that gridiron?—A. Well, the time for the elections came. The mother was expropriated, the mother's gridiron was expropriated, I mean to say a valuation was put upon it.

Q. It was not yet expropriated?—A. Well, yes, the notices were given, people had passed at our place on purpose for that.

Q. By that time you had already sold?—A. I had sold.

Q. To Bergevin?—A. Yes.

Q. By the deed produced as exhibit number one?—A. Yes sir.

Q. Was it before or after the elections that Bergevin had anything to do with the gridiron?—A. It was before. It was on the twentieth of September at three o'clock in the afternoon, on the day before the election.

Q. On the twentieth of September at three o'clock in the afternoon Bergevin went to your house?—A. I have a brother who is a conservative like myself—we have always been conservatives—they fixed the matter up at O'Neill's but that is all I knew about it. They fixed the matter up at O'Neill's and my brother came and fetch my mother and brought her down town without consulting her notary, Mr. Parent, and they made the bargain and I only knew of it three weeks later.

Q. Was it a written agreement which they entered into?—A. A notarial agreement.

Q. Have you got that agreement?—A. Yes, here it is. I produce it as exhibit number seven.

Q. This is an authentic copy which I now show you of the sale by widow Thomas Chevalier to Raoul Rene Bergevin?—A. Yes sir.

Q. I see by this deed that she has sold a slip and its accessories? Must I understand that by the word slip on that deed is meant the skidway or the gridiron?—A. The gridiron. That gridiron does not exist but it was the gridiron.

Q. On exhibit number six you have explained what was the skidway?—A. Yes sir.

Q. And here the gridiron is shown?—A. Yes, this belongs to me.

Q. The skidway belongs to you?—A. Yes.

Q. The gridiron which is visible on that photograph belongs to you?—A. Yes.

Q. In the deed produced as exhibit number seven mention is made of a slip. This slip and its accessories do not include the skidway nor the gridiron which appear on the photograph?—A. That belonged to me.

Q. It refers to another gridiron which is situated a little more to the left on the photograph?—A. Yes.

Q. Towards the west?—A. Yes sir.

Q. That gridiron we say was sold by the deed, exhibit number seven?—A. Yes sir.

Q. What became of it?—A. The sale was made without any notice to me. A couple of weeks after the sale—I was not aware of anything—Bergevin telephoned to me and asked me to come down to his place. I went there and he told me: Chevalier, will you sign this? I said what is this? He said: it is the sale by your mother. I said: you don't need me to sign this. He said: yes, you must sign it. I said: if I was not able to sign it on the twentieth of September, I am no more able to-day. Then I went and saw Mr. Dobell and I explained the matter to him. He even asked Mr. Dobell to sign it. I refused to sign it. One day I came home and my mother was crying.

Q. About what time was that?—A. It was on the eleventh of October, on the same day of the retrocession of the sale.

Q. That was some time, about ten days after the elections?—A. Yes, it was on the eleventh of October. Then my mother told me about it.

Q. Your mother told you she had sold?—A. Yes, I knew it then because Bergevin had asked me to sign.

Q. What took place then—did Bergevin go to your house?—A. No, Bergevin telephoned. Bergevin sent word to the mother that if she did not give him back his money he would have her put in jail.

Q. Bergevin sent word to your mother Mrs. Chevalier that if she did not give him back the five hundred dollars which had been given to her as the price of the deed exhibit number seven he would send her to jail?—A. Yes.

Q. So that naturally Mrs. Chevalier was in great grief and anxiety?—A. Yes, sir, she even died from the shock she received on that occasion.

Q. She died from that shock?—A. Yes.

Q. What took place after that?—A. My sister came to me and told me that my mother was in great grief, she said: "she has done a foolish thing and now she is sorry for it." I went to the other room and said she to me: "Bergevin has sent word to me to give him back the money or else he is going to send me to jail." Then she began to sob. She said "if I get into trouble I won't ask you to get me out of it."

Q. Let us leave all those conversations aside and let us get at the facts.—A. I told my mother: "I shall never give Bergevin the satisfaction to sign this. If you wish, I am going to give you four hundred dollars—she had not got the five hundred dollars.—I am going to give you four hundred dollars and you will transfer the thing to my name and you will give back the five hundred dollars to Bergevin and transfer every thing to my name and I will give you the profits so long as I shall be able to work." She said: "that is all right." We went down to Mr. Parent's and he made a retrocession, which you have here.

Q. Mrs. Chevalier had passed the deed produced as exhibit number seven without speaking to you about it?—A. Yes, even without speaking to a notary about it.

Q. By this deed she had sold to Bergevin the gridiron of which we have just spoken and which is not the one which is visible on the photograph?—A. She had.

Q. But which was built on the land in question?—A. Yes, sir, on my property.

Q. That is to say on the property you had leased from the Bassano estate?—A. Yes.

Q. And this gridiron was precisely the one about which you have spoken, which you had repaired and put together each year as it used to be done and into which you had put new pieces?—A. Yes, sir.

Q. You became aware of this deed about the tenth or eleventh of October?—A. I knew it before that, when he telephoned to me.

Q. You were made aware of it about ten days after the elections?—A. Yes, sir.

Q. By a telephone from Mr. Bergevin?—A. Yes.

Q. And about the tenth or eleventh of October you saw that such was the case because on coming home you found your mother and your family in a state

of great anxiety, your mother crying and much distressed because Bergevin had sent word to her saying: "if you do not give back the five hundred dollars which I paid you for that gridiron I will have you sent to jail"?—A. Yes.

Q. Thereupon, in order to save your mother from the consequences of this business in which she had been taken in you consented to give her four hundred dollars?—A. Yes, sir.

Q. And to buy the whole thing?—A. Yes.

Q. To whom did you hand those four hundred dollars?—A. To my mother.

Q. And it was then that this document was drawn up?—A. Yes, sir, before Mr. Parent, notary.

Q. Before notary Parent, on the eleventh of October, Bergevin re-assigned to your mother, Mrs. Chevalier, the right which he had bought by the deed produced as exhibit number seven?—A. Yes, sir.

Q. For the price of five hundred dollars?—A. Yes.

Q. And on the same day your mother sold that to you the same gridiron and accessories for the sum of four hundred dollars?—A. Yes, to get clear of the whole business.

Q. Such is the story of the gridiron?—A. Yes.

Q. Did you pay four hundred dollars to Bergevin?—A. I paid them to my mother.

Q. Is it to your knowledge that your mother handed over to Bergevin the five hundred dollars?—A. Yes, certainly both deeds were passed in my presence at Mr. Parent's and it was Mr. Parent who gave him the money.

Q. What became of the gridiron?—A. It is in Levis. When Mr. Parent came to visit the premises, he estimated that all the wood that was there was worth about thirty dollars.

Q. Which Mr. Parent?—A. The notary.

Q. The gridiron in question which formerly belonged to your father and which you had repaired as you have said, you removed it to Levis?—A. Yes, sir, some pieces, part of it.

Q. What you removed to St. Laurent consisted in the skidway and the gridiron which are visible on the photograph?—A. Yes.

Q. The other gridiron of which we have just spoken and which passed from your mother's hands into those of Bergevin and which was reconveyed to your mother was removed and brought to Levis?—A. Yes.

Q. When?—A. Last fall.

Q. During the fall of nineteen hundred and twelve?—A. Yes.

Q. You told us that it was quite dilapidated?—A. Yes, it was worn out, it was old, it was made up of all kind of old wood, it was no longer of use, it was old wharf timber, it is not worth anything now.

Q. Since how long?—A. Since last summer. We were obliged to renew it this spring.

Q. Since last summer it was not worth anything?—A. No.

Q. So I suppose that last summer it was not worth much either?—A. No, ever since three years I had been renewing pieces every year—each year it had to be renewed almost entirely.

Q. Each year a gridiron like this has to be renewed almost entirely?—A. Yes, almost.

Q. In order to be worth some thing.—A. Yes.

Q. Since three years it had not been renewed to speak of?—A. Just one piece here and there.

Q. So it was not worth anything?—A. No.

Q. Is it still in Levis?—A. Yes.

Q. It belongs to you?—A. Yes.

Q. So you had inherited this gridiron, or your mother had inherited it when your father died?—A. Yes.

Q. When did he die?—A. He died five years ago last January.

Q. Now listen—you got this gridiron from your father and after using it for one year you renewed a good part of it?—A. I beg your pardon, I did so immediately during the winter. I borrowed money and I bought some wood and in the spring I began to fix it, I lengthened it.

Q. You have told us that a gridiron of this kind, in order to be worth something must be renewed almost entirely each year?—A. Yes.

Q. Or partly renewed in any case?—A. Yes.

Q. You have it in your possession since five years?—A. Yes.

Q. Did you, each year, renew it so as to make it serviceable?—A. Yes, so that I could utilize it.

Q. In order to utilize it you had to renew about half of it?—A. Yes, I dare say one half, because last year I rebuilt one half of the gridiron at my own expense.

Q. Did you do the same thing the first year after you had it?—A. Yes.

Q. And in each subsequent year you renewed it again?—A. At least half of it.

Q. At least half of it?—A. Yes, about one half.

Q. And this went on during five years?—A. During four years.

Q. Consequently when the transaction in question was made you might well claim the gridiron as your own?—A. I would not presume to say that it belonged to me but I left it to my mother.

Q. You did this for your mother's sake?—A. Yes.

Q. Who removed that gridiron, your mother's gridiron, and who brought it over to Levis?—A. I did.

Q. Yourself, personally?—A. Yes.

Q. At your own expense?—A. Yes, because they hid themselves from me when they sold it. They did it so that I should not know it.

Q. Now, this gridiron, together with the skidway and the other gridiron had to be removed on the thirtieth of April, nineteen hundred and twelve?—A. Yes, sir.

Q. You were obliged to remove it then?—A. Yes.

Q. Will you now produce as exhibit number eight the retrocession of which you have spoken already made by Raoul Rene Bergevin to Mrs. Chevalier, on the eleventh of October, nineteen hundred and eleven?—A. Yes, sir.

Q. And will you produce as exhibit number nine the sale already referred to by Mrs. Chevalier to yourself dated eleventh of October, nineteen hundred and eleven?—A. Yes, she made a retrocession on the eleventh and she died on the twenty-eighth of the same month.

Q. You said that it was the cause of her death?—A. It was the principal cause. She was suffering from heart disease and since that time—

Q. Will you produce as exhibit number ten a certain number of documents in connection with the beginning of your evidence, when you said that you were in Ottawa and received a telegram, a telephone message and a letter with notes by Mr. Morency—that is to say, a telegram received by you from Mr. Morency on the twenty-sixth of July, nineteen hundred and nine, while you were in Ottawa, also the letter that he wrote to you on the same date in which he refers to his telegram and tells you that he has something very important to communicate to you, also the typewritten notes which he handed to you when you saw him again?—A. Yes, sir.

Q. And in which he speaks of the valuation made by Mr. Scott?—A. Yes.

Q. Was it written with the pen at the foot of the document, was it written by himself?—A. I don't know, he gave it to me as it is there.

Q. With those notes?—A. Yes.

Q. Is it Mr. Morency's handwriting?—A. No, I know Mr. Morency's handwriting, and this is not his handwriting.

And further deponent saith not.

GEORGE VIDAL, of the City of Quebec, Bailiff of the Superior Court, being duly sworn upon the Holy Evangelists, doth depose and say:

Examined by the Commissioner:

- Q. You are a Bailiff of the Superior Court?—A. I am.
- Q. Do you know Raoul Rene Bergevin?—A. Yes, I do. I know him very well.
- Q. What does he do?—A. He is a merchant, on Notre Dame Street.
- Q. Did you serve him with an order of this Commission to-day?—A. Yes, I did.
- Q. Is this a duplicate original of the order?—A. Yes, sir.
- Q. What did he tell you?—A. He told me he could not come as he was going to St. Romuald, where he was called as an expert. I did not ask him what kind of an expert.
- Q. At what time did you serve him?—A. I served him at about five minutes to one o'clock.
- Q. To-day?—A. Yes, sir.
- Q. Where did you serve him?—A. On St. Peter Street.
- Q. Did you speak to him personally?—A. Yes, I spoke to him.
- Q. And you gave him a duplicate of this order?—A. Yes.
- Q. Which he retained?—A. Yes, sir, he did.
- Q. Which order is filed as exhibit number eleven?—A. Yes. He asked me for some money and I told him I had none.
- Q. He asked you for some money although he told you he did not intend to come?—A. Yes, he asked me if I had any money for him and I told him that I had not.
- Q. When you subpoena a man in the city to attend in the city do you have to pay him?—A. I never do.

And further deponent saith not.

CORRY BUILDING, OTTAWA, ONTARIO, 3 P.M., THURSDAY,

APRIL 24, 1913.

Examination of Mr. C. F. McISAAC, by the Transcontinental Investigating Commission.

Mr. McISAAC, sworn and examined :

By Mr. Lynch-Staunton :

- Q. What is your first name?—A. Colin F.
- Q. You are a barrister and solicitor?—A. Yes.
- Q. And practise where?—A. Antigonish, N.S.
- Q. Had you any railroad experience before you came onto the Transcontinental Railway Commission?—A. No.
- Q. You were appointed Commissioner on August 1, 1905, I believe?—A. Yes, sir.

Q. And you remained on the Commission until the end of 1911?—A. I think the 31st of March, 1912.

Q. So you were a member of the Commission when the original contracts for the construction of the road were let?—A. Yes.

Q. And when they were advertised?—A. Yes.

Q. Are you familiar with the advertisement that was put out, or were you familiar with it at the time?—A. Yes. I was familiar with it at the time.

Q. The advertisement was for the construction of different sections of the Transcontinental Railway, and in that advertisement was there not a condition that each tender must be signed and sealed by all parties to it, and be accompanied by an accepted cheque on a chartered bank of the Dominion of Canada, payable to the order of the Commissioners of the Transcontinental Railway, as follows: for section No. 1, District A, \$75,000; for section No. 2, District A, \$90,000; for section No. 3, District B, \$225,000; for section No. 4, District B, \$75,000; for section No. 5, Districts C. and B, \$225,000. (I am quoting from the second advertisement.) Now, I understand that all the advertisements were in the same words excepting as to the amount of the deposits for the various sections, which differed in amounts. Is that right?—A. So far as I remember, yes.

Q. Each tender contained the following clause, did it not: "Any person whose tender is accepted shall, within ten days of the acceptance thereof, furnish such additional approved security as may be required by the Commissioners, and sign the contract, specifications and other documents required to be sent to the said Commissioners; and in any case a refusal or failure on the part of the party whose tender is accepted, to complete and execute the contract with the said Commissioners, and to furnish the additional approved security within ten days after the acceptance of the tender, the said cheque shall be forwarded to the Commissioners as liquidated damages for such refusal or failure, and all contract rights acquired by the acceptance of the tender shall be forfeited." That is right, is it not?—A. Yes.

Q. Now you notice, Mr. McIsaac, that beyond stating the amount for which the tenderer must fill in his cheque that accompanies the tender, there is no indication given in the advertisement of what amount of security the Commissioners may require?—A. No.

Q. So that the person tendering could be required to give any amount of security which the Commissioners, in their uncontrolled discretion, might require him to put up before he was allowed to have the contract?—A. Yes. It was put there for the purpose of giving additional powers to the Commissioners, in case the lowest tenderer was a man who was not financially or by experience able to carry out the contract.

Q. Why should that be necessary, when Clause 16 of the National Transcontinental Railway Act of 1903 provides, "that the Commissioners shall accept the lowest tender put in by a contractor who, in the judgment of the Commissioners, is possessed of sufficient skill, experience and resources to carry on the work, or such portion thereof as he is tendering for?"—A. Well, we did it for that purpose and that purpose only. In regard to the very first two contracts that were let, the Quebec one and the McArthur one, both Mr. Lumsden, our Chief Engineer and Mr. Schreiber, the Government Engineer, reported that the prices were too low to enable them to carry out the contract, and there was a difference of opinion among the Commissioners. The Chairman, Mr. Parent, wanted to give the contract to the Grand Trunk Pacific, who were higher.

Q. I just want the reasons?—A. For just such reasons as I have given. We considered, at the time, they were necessary conditions.

Q. As a lawyer, do you now think they were necessary?—A. I do. I think it was a good thing to put in.

Q. Is there any precedent, to your knowledge, for putting such a clause in an advertisement, either by the Government or by any railway company in Canada?—

A. I cannot recall any one just now, but in the public interest, I think it is a very safe thing to put in, and we have never had any complaints from tenderers.

Q. But cannot you appreciate this: that it put absolutely out of the running, in tendering for this work, anybody who was not of very large means?—A. I do not think so.

Q. For instance, a man might put up a \$100,000 deposit with his tender for a \$5,000,000 contract. You would ask him to put up additional approved security or forfeit his money?—A. I think it would be absurd to suppose such a case. I do not think the Commissioners or any officials of the Government or a Minister would undertake to do anything so outrageous as that. As I said before, we did it in one case.

Q. As a matter of fact, on the McArthur contract you compelled McArthur to put up, in addition to his deposit, \$900,000?—A. We did so for the reason I told you. Mr. Lumsden and Mr. Schreiber said the prices were low, but the case never occurred again.

Q. But cannot you see there must necessarily be very few people who would risk being put in that position?—A. I never heard of any complaints.

Q. No, because there were very few people tendered for this work?—A. Those who did not tender on account of that would, no doubt, have come to us or the Government or some other source, I should imagine.

Q. We will just consider it: for all this work on nine contracts—Nos. 3, 4, 12, 13, 14, 15, 16, 17 and 20—totalling 760 miles, where the estimated cost would be over \$25,000,000, there were two or less tenderers for each of these contracts. That is right, is it not?—A. I do not remember the number.

Q. This document shows you?—A. Yes.

Q. And these men, did they not, when they were awarded the contracts as successful tenderers, immediately sub-let the work to a great number of sub-contractors?—A. Yes, in the usual way. I understand that is what is usually done.

Q. And those successful tenderers did not require any such deposit as this to be put up by their subs?—A. I do not know anything about that.

Q. If I understand it, you approved of the sub-contractors?—A. Yes, but they were only agents of the large contractors.

Q. Did you see their contracts?—A. No.

Q. They were filed here with you?—A. I cannot recall any of them.

Q. But they were submitted to the Board?—A. I do not think so.

Q. Now I ask you candidly, what possible good could come to the Commission by putting a clause in the advertisement that would leave the contractor at the mercy of the Commissioners or lose him his deposit?—A. It was done for that purpose, so far as I know, and for no other, that is, to secure the public interest.

Q. Was it done under anybody else's advice?—A. Not that I know of. I think it was generally discussed at the time by Mr. Lumsden and ourselves.

Q. Would not you know that it would discourage tenderers?—A. I do not think so.

Q. Don't you think it was rather extraordinary that so few people tendered for this great work?—A. I do not know. I think the number of tenderers was just as many as on the Hudson's Bay and the Halifax, Musquodoboit & Guysborough Railway contracts.

Q. Do you know that as a matter of fact?—A. No, just from hearsay.

Q. But don't you think that you would have got more tenderers if you had divided the work up into shorter stretches?—A. We might.

Q. For instance, McArthur's contract amounted to over \$20,000,000 and extended over 245 miles. Don't you think a huge contract like that might be advantageously split up into two or three stretches?—A. It is just a question.

Q. Did you personally give any consideration at all to that phase of the question?—A. Quite a lot, and I think it was my own view at the beginning, that it should be split up.

SESSIONAL PAPER No. 123

Q. That it should be split up?—A. Yes, that was my idea.

Q. Why did you alter that opinion?—A. I cannot recall all the arguments that were used. It was argued that by cutting up in small sections one contractor would likely interfere with or be in the way of the adjoining one and thus create many difficulties.—Again it was stated a contractor with a large section would be in a better position to purchase a large plant and thus do the work cheaper.

Q. But this is a momentous question. One would have to have very strong reasons for arranging this so that only great millionaire contractors could tender for it, should not he?—A. All I can say is that in discussing it with our Chief Engineer, he thought it better to give longer sections than to cut it up into shorter ones, and thereby get too many contracts.

Q. I might understand that if you had carried out that plan, but you allowed the work to be split up into small contracts and dealt with the small contractors yourselves afterwards.—A. I think that is the usual way with all railroads.

Q. Then how would it benefit the Commission, even in avoiding trouble, to cut it into large sections and then afterwards divide it into small sections for sub-contractors?—A. Of course, experienced contractors and those who are financially well off, are not so apt to give trouble to the Government or to the Commission, in failing, and eventually throwing the work into the hands of the Government, and perhaps in the end costing more. That was an argument used by Mr. Lumsden, I think, and a number of the Commissioners too, which probably had a good deal to do with my coming to that conclusion.

Q. Why did you, then, not require the contractors, excepting Hogan & Macdonell, and McArthur, to put up security greater than the deposit?—A. Why did we?

Q. Why did you not? You started out with that plan and you made McArthur put up \$900,000, and Hogan & Macdonell put up \$568,000 and then you did not make anybody else put up anything at all.—A. Afterwards?

Q. Yes?—A. The reason was that our Chief Engineer, Mr. Lumsden, and Mr. Schreiber, who was also consulted, both reported to us that they felt the prices of these two contractors were too low to enable them to carry out the contract. And for the sake of protecting the public, we required additional security. In none of the succeeding contracts was any report given us by the Chief Engineer, stating the prices were too low, so far as I remember. If you see our report at the time you will notice that there was a difference between the Chairman and the Commissioners.

Q. I read that. In the McArthur contract there was only \$746,000 difference between the tender and the Chief Engineer's estimate of \$13,756,000.—A. I forget the figures, but I have reference particularly to Mr. Lumsden's report on the tenders. I do not want to speak from memory. I would like to see Mr. Lumsden's report at the time and our own report in accepting these tenders.

Q. Mr. Lumsden's letter to the Commissioners, of March 14, 1906, says: "Herewith please find an estimate of the works tendered for in Districts B. & F., exclusive of viaduct. This estimate, which was prepared before knowing any of the prices given by the tenderers, I believe to be ample for the completion of the work and leave a fair margin of profit for the contractor; but a variation of say ten per cent might be a reasonable price for a tenderer to make. If below this margin of ten per cent, it would, in my opinion, be too low to ensure the completion of the work." Now, McArthur's tender was not much more than five per cent below what Mr. Lumsden estimated, and I cannot find any letter from Mr. Lumsden, in which he says that McArthur's price was not high enough. Mr. Schreiber says, in his report of the 28th of March, 1906, after setting out the facts: "The question to be considered is which of these tenders is in the public interest to accept. No. 4 Tender (that is McArthur's) is \$745,624, and No. 2 Tender is \$727,270 less than the Chief Engineer's estimate. Considering the larger amount of the tenders, compared with those for the Quebec section, the disparity between the Chief Engineer's estimate and the lowest tender is not so great. However,

I consider that either of these tenders, though low, would cover the cost of the work." And he goes on to say it is a matter for the Commission to settle under Clause 16 of the Act of 1903, whether they will accept it or not. I have already given you what Mr. Lumsden said, which is that it is sufficient. So they both thought McArthur's tender high enough.—A. I do not think they say that, do they?

Q. I think it would be fair to say this: that as the Chairman thought it was low, and as it was below the amount of the estimate, you, as a matter of perhaps super-caution, insisted on the additional security.—A. I would not put it that way.

Q. How would you put it?—A. We did it because it was the first tender we received, and on account of the engineer's report we felt we should exact it.

Q. But the engineers did not express an opinion that the tender was too low?—A. I think they did in one of the reports. I thought they did it in both. The opinion they expressed, even in this, will show it was pretty low—lower than their estimate, was it not?—

Q. Yes, five per cent lower than their estimate.—A. And we considered that as it was lower than the estimate, it would be safer to make McArthur put up more.

Q. That is your reason?—A. Yes, I have no other reason.

Q. Why did you not follow that out in the tender for Section No. 1? There the tender was \$27,000 below the estimate. That was very nearly the same proportion.—A. Well, I suppose our Chief Engineer did not raise any question or doubt about that.

Q. But you had his opinion?—A. We were satisfied from his report.

Q. In No. 2 you had more than ten per cent below the estimate and you did not exact additional security; in No. 3 it is more than ten per cent below, and you did not exact it. It was twenty per cent below in that case.—The Chief Engineer's estimate was \$933,000 and the tender was for \$767,000.—A. Our Chief Engineer was satisfied in all these cases. I suppose he estimated more generously than in the other.

Q. I cannot find any such statement by the Chief Engineer.—A. I do not suppose there is.

Mr. Gutelius:—It would be for the Commission to decide these things.

By Mr. Lynch-Staunton:

Q. I will show you another one, a very large one, from 98 miles west of Moncton to Tobique River. The estimate was \$2,356,000, and the tender \$1,898,000. No additional security was asked to be put up. In fact, generally, they seemed to be below the estimate. Here is one from Quebec, the M. P. & J. T. Davis division from New Brunswick boundary westerly. The estimate was \$3,139,000 and the tender was \$2,377,000. The 107 mile contract of McDougall & O'Brien was below the estimate. The amount of the tender was \$4,559,000, and the estimate was \$5,715,000 so you see the tenders were, as a rule, below the estimates quite an amount, and yet they were not made to put up this money?—A. The only occasion on which we ever had to consider the question even at the letting of the first contracts, and it was raised then on account of the difference between the Commissioners and the report of the engineers, both Mr. Lumsden and Mr. Schreiber. These contractors were kicking at the time, that we were too severe with them, and so on. Perhaps we were, but we felt we were doing it solely in the public interest.

Q. It put McArthur to an expense of \$200,000.—A. Probably it did.

Q. And if you thought he was low, you were putting him further in the hole, were you not?—A. Yes, if he did not undertake it, he might keep out of the hole.

Q. You got that security from McArthur in a very peculiar form. You got from him three deposit receipts from the Traders Bank of Canada, in this form: "Received from the Commissioners of the Transcontinental Railway the sum of

SESSIONAL PAPER No. 123

five hundred thousand dollars, which amount will be counted over to the said Commissioners of the said Transcontinental Railway upon the surrender of this receipt. Thirty days' notice of withdrawal to be given. This receipt is not negotiable. For the Traders Bank of Canada, H. S. Strathy, Manager." You did not deposit any money with the Traders Bank?—A. No.

Q. How could you collect that money from them? They did not make any contract with you to guarantee McArthur?—A. I presume McArthur deposited.

Q. Don't you, as a lawyer, know that you cannot sue on a contract unless it is made by yourself or assigned to you?—A. You are speaking of the additional security?

Q. Yes. Now, after all that trouble, costing McArthur \$200,000, you got a receipt from the bank for a deposit which he did not make?—A. That is a question of law.

Q. I am not saying you could not collect it, but is it not rather a formidable question of law?—A. I do not care to give any opinion on that. I think that security was fairly good security, in addition to what else we had.

Q. You were dealing with a very large sum of money, and did it never dawn on you that you should have had either the money or a sure contract with the Traders Bank that they would make good if McArthur failed? It looks to me as if that is a receipt from the bank for money which both you and the bank knew you did not deposit; if you went to sue on that receipt the bank would say, "We never received any money from you," and if you went further then and said, "But McArthur did," they would say, "But you didn't, and we never agreed to guarantee his contract, and McArthur never deposited a dollar either." However, you did not consider that?—A. We considered, at the time, that that was additional security.

By Mr. Gutelius:

Q. Did you pass on that security as being ample and conforming with your recommendations to the Government, when letting the contract to McArthur?—A. I presume so, but of course, as I have said before, I do not like to be positive about these things.

By Mr. Lynch-Staunton:

Q. Mr. Fielding objected to that. He said it should not be done. In a letter written by him to Mr. Parent, on June 14, 1906, he objected to the form of advertisement and to your receiving any such stage money as that, and suggested that the advertisement for tenders should show what security was going to be required from successful tenderers?—A. Yes, I remember that now.

Q. Mr. Fielding says, in his letter of the 14th June, 1906: "Do you not think it expedient that whatever conclusion the Government and the Commissioners arrive at should be, in substance, expressed in the advertisements, so that parties tendering will be in a position to know exactly what class of security and what amount would be required of the successful bidders? This would avoid some of the questions which arose upon the awarding of the recent contracts." You did not accept the suggestion of the Finance Minister, and the advertisements continued in the old form?—A. What was the reply to that letter?

Q. On December 17th, Mr. Parent wrote Mr. Fielding, saying that they were about to let certain contracts and suggesting a conference between themselves and the Government, so that the matter of securities required might be settled. Mr. Fielding replied on the 18th of December, 1906, and after referring to a conversation he had on that day with Mr. Parent, goes on to say that he thinks it is desirable "that the commission, in letting contracts, should conform to the practice of the Department of Railways and Canals, and if, owing to the large sums involved, full application of the ordinary rule would require too large a deposit, there might be modification in the percentage, so that the amount deposited, while substantial as security, would not be such as to unduly embarrass intending contractors; but it should be distinctly understood in all cases that the cheque so

sent in when the tender is accepted shall be converted into cash for the Government." That is the opinion Mr. Fielding gave to the Commission: that in the first place they should let the tenderer know what he had to put up as security, and that they should also, when he had put up that security, convert it into cash?—A. Let me have a look at those letters?

(Letters handed to witness.)

This letter has reference altogether to depositing deposit receipts to the credit of the Receiver General.

Q. Yes, but you did not do it?—A. I think we did after we got this notice.

Q. You did not deposit McArthur's. All I am drawing your attention to is the fact that Mr. Fielding apparently thought that you should require not any more security from contractors on the Transcontinental Railway than they do in the Departments of Public Works and Railways and Canals?—A. I do not think that is just what he meant.

Q. He insisted in two letters, one on February 20, 1906, and another on May 21, 1906, that these deposit receipts should be cashed, and then on May 26th he wrote to Mr. Parent, "My dear Mr. Parent, I beg to acknowledge receipt of your letter of the 23rd instant. Without expressing any opinion as to the course which the Commission have deemed it proper to take, in relation to the securities required in connection with the construction of the Transcontinental Railway, I think I should remind you that the general practice of the Government's Departments, in relation to such matters, as established by Order-in-Council, is to require all deposit receipts to be sent to the Department of Finance and to be dealt with as so much cash." That is pretty straight?—A. So far as deposit receipts go.

Q. Now we will see the rest. Then on June 14th he makes the suggestion I have already quoted, as to the expediency of stating in your advertisements how much security should be put up, so that contractors could know what they are doing. Then on December 18th he says: "I think it desirable that the Transcontinental Railway Commission, in letting these contracts, should conform as far as possible to the practice of the large constructing Departments of our Government, namely, the Railways and Public Works Departments. The practice there is to require a certified cheque for a certain percentage of the value of the work, which cheque, on the acceptance of the tender, is sent to the Finance Department and is at once converted into cash. I would suggest that you adopt this rule." Then he goes on: "If, owing to the large sums involved, full application of the ordinary rule would require too large a deposit, there might be a modification of the percentage, so that the amount to be deposited, while substantial as security, would not be such as to unduly embarrass intending contractors, and it should in all cases be distinctly understood that the cheques so sent in when the tender is accepted, are converted into cash by the Government." This suggestion was not carried out with regard to Hogan & Macdonell and McArthur?—A. I do not remember, but I know we carried it out afterwards.

Q. But you did not carry out his suggestion about naming the security in the advertisements?—A. I do not know just exactly whether that is what he meant. I think he had reference altogether to the lump sum that we asked.

Q. But you did not carry out his suggestion, that you follow the practice of the Public Works and Railways Departments, which never require a man to put up more than five per cent, and that only in contracts under \$200,000. It all comes down to this: That it seems to me that the conditions of your advertisements were so exacting that they prevented many people who were quite competent and were financially able to perform this work, from tendering, and thereby the country lost the benefit of competition? A. I do not know. We never heard any objections, as I said before, and we did it for the sole purpose of additional security.

By Mr. Gutelius:

Q. But there was objection. Mr. Fielding speaks of it in his letter?—A. I think his objection was chiefly to the fact that we took a deposit receipt instead of certified cheques or cash.

SESSIONAL PAPER No. 123

By Mr. Lynch-Staunton:

Q. You could not have read his letter very carefully. He says in his letter of June 14th: "Do you not think it expedient that whatever conclusion the Government and the Commissioners arrive at should be, in substance, expressed in the advertisements, so that parties tendering will be in a position to know exactly what class of security and what amount would be required of the successful bidders. This would avoid some of the questions which arose upon the awarding of the recent contracts."

Mr. Gutelius: So that there were questions raised?

By Mr. Lynch-Staunton:

Q. Then Mr. Parent replied on the 16th of June, "After the interview I had with you this morning, your letter of the 14th, referring again to the inspection of securities on our contracts, was submitted by me to the other Commissioners. They concurred in the suggestion which you made, and consequently the next time tenders have to be invited, for construction on our line, we will see that an understanding is reached on those points beforehand." But it never was done. I imagine it was forgotten, was it not?—A. I am not sure of that, but I do not remember. My memory of it is that it had reference chiefly to the cashing of certified cheques.

Q. We will go on to something else. In your specifications for the grading and for the general contracts for the building of this railway, engine houses and section houses are included in the general grading contract, but no prices are provided for which this work is to be done. Did you know that?—A. Is that in the first, or all of them?

Q. In all of them.—A. I really cannot remember about that.

Q. The contract is here, and you know that it provides for unit prices, and it also provides that these buildings shall be put up by the grading contractor; but luckily for the contractor, he was not bound to give the prices for constructing them. I want to point out to you the consequence of that: it was this, that while one-three-six, made up of one cement, three of sand and six of gravel, was, on other works, put up for from \$10.50 to \$16.00, when you came to build these engine houses the contractors got \$17.00 for them because they said: We are going to have the work, and you will have to pay our price. We have got you in a cleft stick. Is not that right?—A. I do not know. The prices were fixed by the Chief Engineer.

Q. Yes, but the law required that they should be fixed by tender. It is an error. Why was it not discovered after you found the first trouble. Do you know anything about it?—A. I do not remember.

Q. Now, with regard to bricks. They charged you, for common bricks, \$34.40 to \$40.00 a thousand, in place. They charged you, for lumber, \$60.00, \$70.00 and \$75.00 a thousand feet board measure, and I figure it out, that little mistake cost \$800,000 more than if it had been in the contract. Has your attention not been drawn to that fact before?—A. I do not remember. The Chief Engineer in all such cases fixed prices that were fair and reasonable as I understood.

Q. I want to ask you something about Transcona. Why were those shops built on such an expensive scale? They have cost nearly \$4,000,000 to date. I am told by Mr. Calvert that the original intention of the Commission was to spend \$1,500,000. That afterwards the Grand Trunk Railway approached the Commission and the Government and an understanding was arrived at, that the capacity and extent of the shops should be increased so as to accommodate both the Eastern and Western divisions, that is, the Transcontinental and the Grand Trunk Pacific, west of Winnipeg; and he says he understood that the Grand Trunk were to pay for the use of those shops, in so far as they were used for their Western division. Now, I am asking if you agree with him, because we cannot find anything about it, and it is an important matter to know what the Commission's understanding was.

Q. Would you mind, if you have any recollection, giving just your own view?—

A. The shops were built for the Eastern Division.

Q. You can see it is a very important matter, because the Grand Trunk Railway will use those shops?—A. Yes.

Q. And where is their liability to pay for the use of them? Don't you think there should have been a contract made with them?—A. It was always thought there would be if they would use the shops.

Q. A contract?—A. Yes.

Q. I would like you, very much, to think that over, because we would like to have you write us a letter on that.—A. I would not care to do that, because I might not remember the details accurately enough, but it was always expected that they would pay for the use of these shops for the Western division.

Q. It was recognized, then, that the shops were made larger than originally intended, so as to accommodate the Grand Trunk's requirements for the Western Division?—A. The shops were built for the Eastern Division, but it was considered that if the Western Division would make use of them, they should be made to pay for such use.

By Mr. Gutelius:

Q. Was there any written contract?—A. No.

By Mr. Lynch-Staunton:

Q. Can you tell me by what lawful authority either the Commission or the Government made that expenditure?—A. We felt we had authority to build them, so far as the Eastern Division is concerned.

Q. And you arrived at the conclusion to spend \$1,500,000?—A. That is the original estimate given by Mr. Lumsden, but after the plans were prepared by the Grand Trunk Pacific it was found out that that sum would not be at all sufficient to build the accommodation required.

Q. For both railroads?—A. It was considered that \$1,500,000 would not be sufficient to cover the requirements of the Eastern Division itself.

Q. Is your statement correct, that your recollection is that the shops were made the size they were to accommodate both divisions?—A. The shops were built for the Eastern Division but if used by the Western they would have to pay for such.

Q. Then by what authority did either the Commission or the Government make shops to accommodate the Western Division?—A. I do not think we had authority to build for the Western Division.

Q. Yes?—A. We assumed we had the authority and that settlement could be made later on.

Q. I want to ask you, did you yourself or did any Commissioner, to your knowledge, receive any sum of money or sums of money from any contractors or intending contractors on the Grand Trunk Pacific?—A. Never.

Q. Never received any?—A. Never received any.

Q. Will I understand that to be a full denial by you of ever having been a party to receiving money for any purpose from any persons who had contractual relations with this Commission?—A. Yes. I think I can go further, Mr. Staunton, and say that so far as I am concerned neither any contractor, sub-contractor, engineer, or anybody else, directly or indirectly connected with the Transcontinental Railway, ever made a corrupt or what I consider an improper offer or suggestion to me, and I desire my statement to be recorded.

Q. I am glad to hear you say so.—A. So far as I am concerned, I repeat that statement and you can put it as wide as the English language can put it.

Q. Can you say so, so far as your knowledge goes, about others?—A. I know of nothing.

Q. I want to go back again to the tenders. Before the advertisement was put in the press, inviting tenders for this work, estimates were made by the engineers of the Commission, of the probable cost of the work. Is that not right?—A. Yes.

Q. Those estimates, with profiles of the work, were sent in here to the head office of the Commission by the various district engineers. Is that right?—A. Yes.

Q. Those estimates were not supposed to be shown to the tenderers?—A. No.

Q. And if any tenderer saw those estimates, was it or was it not improper, under the practice adopted by the Commission?—A. You mean to show them to the tenderers?

Q. Yes?—A. I think it is improper.

Q. It would give the tenderer who saw the estimate an advantage over one who did not see it?—A. They say it would. Other people say it would mislead them.

Q. But in your opinion, would it not be an advantage to one tenderer if he got that information and his competitor did not get it?—A. Yes. That is generally conceded, although it may not always be the case.

Q. You would not, at all events, have been a party to showing those estimates to one contractor and not to another?—A. No. I took the position, myself, in the beginning, that those estimates were not of much value any way. They were guess work, and I thought it proper to give them to the whole public, for all they were worth.

Q. But it was agreed that the public should not see them?—A. Yes. Mr. Lumsden thought that should be the custom, and Mr. Simon too.

Q. Mr. Simon wrote a very strong letter about it?—A. I was very strong the other way, at first, until I saw all the engineers were against me.

Q. The reason was that they were not reliable and a contractor might afterwards complain that he had been misled?—A. Yes. That is the reason they were not to be shown.

Q. But the tenders were to give unit prices. There were 103 items in the price list, covering clearing, grubbing, solid rock, loose rock, and so on, and the amount was to be put opposite those unit prices, under each of those headings, by the engineers?—A. That is, in figuring out their private estimates for us?

Q. Yes, the amount?—A. Yes. They named their own figures and figured them out upon their own supposed estimate.

Q. I will give you one case. In Fauquier's contract they estimated there was over 600,000 yards of moss. Fauquier said he knew from information he got out on the ground that the engineers thought there was an enormous amount of moss, but he said, "I knew the engineers were wrong. There was a very small quantity of moss. I therefore put in 11c a yard for moss; although I knew that was a cheap price, yet I knew there was not much of it." As a matter of fact, he only had 16,000 yards, and he expected that his competitors, not knowing this, would put in a big price for moss. He says he got the contract on this knowledge?—A. Could not any other contractor have had that knowledge?

Q. No. He says, "I picked up the knowledge myself?"—A. I suppose any other contractor could do the same thing.

Q. I am not saying that they could not, but I am pointing out to you the advantage of having a knowledge of what was in the estimate. The consequence in this case was that the engineers, when they looked at their estimate, put down \$63,000 as the amount at which Fauquier said he would remove 600,000 yards of moss. Other tenderers put down 35c for moss, and so when they moneyed it out, it was found that these other tenderers agreed to remove the moss for about \$200,000. So that Fauquier, although for the real work to be done, had in a higher price, yet on the supposed work to be done, he had a lower price and got the contract. Now you can see from that the advantage of knowing what those estimates were, if his fellow-tenderers did not know?—A. Yes. You can say that about all contracts where there are schedule prices and estimates.

Q. That is right. That is a general rule. Therefore, you will agree with me that it would be very wrong to show those estimates to one tenderer and not to another?—A. Yes. I think so.

Q. And it might result in the lowest tenderer for the actual work not getting the contract, as did happen in two cases, might it not?—A. Yes.

Q. Now, do you know, personally, of any tenderer having been shown those engineers' estimates?—A. No. I do not.

Q. Did you ever hear they were shown?—A. No. Of course you see this, that and the other thing in the papers. People sometimes say this man got information or that man got information, but I never heard of such a case from any person who would have knowledge.

Q. You have never heard more than the merest street rumour?—A. Exactly.

By Mr. Gulelius:

Q. Did you know that Fauquier got their contract on account of that moss?—

A. I never heard it until to-day.

By Mr. Lynch-Staunton:

Q. You undertook to settle with the right of way people in Madawaska County, did you not?—A. You mean personally?

Q. Yes?—A. No. I did not.

Q. Did you personally conduct the negotiations for the land, with the men along the right of way?—A. No. I did not. I went down there once or twice and heard them talk about it, but I did not undertake to settle anything.

Q. Who did the work in your time?—A. There were some appraisers, first, and they were getting along very well, but some French people objected that they were all English speaking people and that they could not understand them, so we got an English and a French appraiser. The English appraiser, Mr. Stoat, was one of the appraisers in Victoria or Carleton County and did satisfactory work there. The District and Division Engineers had instructions to watch the work of the appraisers. After they were to work for some time, Mr. Foss, the District Engineer, held back a number of the claims and reported to the Commission when the appraisers were dispensed with and Mr. Stevens was appointed.

Q. Now, Stevens reports to Atkinson on November 30, 1911, after the general election:

"The causes leading up to my appointment may be briefly stated as follows:—

The first appraisers appointed to appraise lands in Madawaska County and take options or agreements were inexperienced in such matters and muddled things badly by seeking to obtain agreements based on land values only and without taking into consideration or allowing anything for damages caused by injurious affection such as severance, loss of water, cutting off from the River St. John, etc., etc., so that it was not long before considerable dissatisfaction was expressed by the land owners, resulting, in many cases, in their refusing to treat with these men, or, in cases where agreements had been obtained, not recognizing the validity of such agreements, alleging fraud and misrepresentation on the part of the appraisers in obtaining them.

New appraisers were then appointed and they, in many cases, went to the other extreme and made agreements with the land owners for what appeared to be excessive amounts, which agreements, on the recommendation of Mr. C. O. Foss, the District Engineer, who considered them exorbitant, the Commissioners would not approve and the District Engineer gave instructions to hold up a number of them, which had not then been paid, pending investigation. This action on the part of these new appraisers made matters still worse, especially among those who, by comparison, had accepted much less, or had agreed to accept much less, and also among those whose agreements were not approved by the Commissioners, and such settlements, before they were held up, had the effect of encouraging all the others to hold out for large amounts

These new appraisers were then discharged and things were at a deadlock with only about 100 claims paid and about 450 not paid, when I was requested by the Commissioners, on the recommendation of Mr. Foss, to meet them at Ottawa (which place was subsequently changed to Quebec) to discuss the rather grave situation which had arisen in regard to right of way matters in Madawaska County."

Q. Is that right?—A. Yes. That is right.

Q. Who picked out these appraisers that Stevens speaks so unfavourably of?—A. They were recommended, I suppose, by some of the members down there. I think they were as good men as we could get in the localities, but the situation in Madawaska was very peculiar. A lawyer, by the name of La Forey, went to most of these people before the appraisers were appointed at all, and made some sort of agreement with them, to fight their claims, for a certain percentage or consideration, and that made it very difficult for the appraisers first appointed to make any settlement at all. The people complained, of course that they were not offered enough, and that was the trouble our first appraisers had. I think Mr. Stevens mentions, in that letter, that the first appraisers only took into consideration the exact value of the land taken, and did not allow anything for damages. The people would not settle with them and we had afterwards to get the other appraisers to try and settle. That letter puts it fairly well, I think. We always tried to get the best arrangements and settlements we could with the people.

Q. Now, the average cost of land in Madawaska County was \$457.40 per acre, and in only four instances are buildings included. Did you know that?—A. How much an acre?

Q. \$457.40. In Westmoreland, Queens County, Victoria, York and Sunbury County (all in New Brunswick) the cost of land was from \$46.00 to \$93.00 per acre. Why did Madawaska get such enormous prices? In the other counties the road passes unsettled country as a rule.—A. I would much rather you would get Mr. Stevens to explain that. I would not undertake to do it. I do not remember any of these cases in particular, but I remember this: Along the Transcontinental Railway in Madawaska County the houses are all pretty well in a line, and the C. P. R. goes pretty near their buildings, so that with the Transcontinental on the other side of their buildings the road really injures their land very much.

Q. What you say then, to put it fairly, is that conditions were peculiar in this county?—A. Exactly. They were peculiar, and if you ask Stevens or any person down there who knows the individual cases, I think you would find that fully explained. At least, we did all we could to fight down the prices and get them as reasonable as we could.

Q. Will you explain this to me: You first thought of entering Winnipeg from Transcona, through St. Boniface, alongside of the Canadian Northern Railway. That was afterwards abandoned, and on the advice of the Chief Engineer you ran a straight line farther west of the Canadian Northern into Winnipeg, where you built that great embankment. Is that right?—A. That is what you call the new entrance into Winnipeg?

Q. Yes. Now will you tell me why you did not treat with the owners and secure that land either by compulsory proceedings or private contracts, before you built the railway?—A. Before we built the railway?

Q. Yes.—A. I do not think that has been done anywhere.

Q. But was it not an awfully reckless thing to do?—A. We would have had to go to the Exchequer Court to settle with them.

Q. It has never been settled to this day.—A. No.

Q. And Mackenzie & Mann are now claiming \$2,500,000 for a piece of their land. Don't you think it would have been the part of wisdom to have quietly approached those men before committing yourselves to the building of the railway?

—A. Yes, if you could get it.

Q. You should make a try, shouldn't you? So far as I can find out, they never tried to secure it. They simply built over the land and left themselves in the hands of the land-owners.—A. Or left themselves in the hands of the Exchequer Court.

Q. Is that a prudent way to act?—A. What applies to one place does not always apply to others.

Q. You agreed on the terminal, you built the bridge across the Red River, and so made it impossible for you to deviate your track, before you even filed your plans, and let the owners see you were coming and get ready for you. Do you think that was prudent?—A. Of course it may have been prudent in some cases and not in others.

Q. How could it be prudent in any case?—A. I think, as a rule, we tried to get settlement beforehand, but we had great difficulty in that Winnipeg end of it, I may say, because everybody wanted a big price.

Q. But was it not the part of prudence to try and settle on the cost before you went in?—A. Well, I will tell you. No. We bought the land for the shops first of all, at what we considered very good terms under the circumstances. We were found fault with a great deal afterwards, for giving excessive prices, and we were told that we should have gone to the Exchequer Court.

Q. But you know that as a public commission, you are bound to be found fault with?—A. Yes.

Q. And when you accept the responsibility of a Commissioner, you should act as a prudent business man, quite irrespective of street criticism.—A. I am not giving that as a reason, but as an answer to your question that we should, in all cases, settle beforehand.

Q. Now before it was known that you were going to put the shops where they are, you bought the land. That was a business proposition?—A. Yes.

Q. Why didn't you buy the land before the people knew you were going into Winnipeg?—A. I do not know that we could, because the question was under consideration for a long time, as to the two routes.

Q. On the advice of your engineer, you could make up your mind quietly, where you were going, and then get busy and buy the land just as you bought the land for the shops, could you not?—A. I do not remember how much of that land was not taken. I am just talking now without recollection of the facts.

Q. As I understand it, Mr. Young took umbrage at the criticism that was levelled against him, for his purchase of these shops, and said, "Oh well, after this we will let the court decide. We won't decide to buy it ourselves any more.—A. I have no doubt he did.

Q. He expressed himself in that way, did he not?—A. He was very much disgusted at the criticism of what he considered a very good bargain, and I have no doubt he did. We could not settle with Mackenzie & Mann who I think controlled most of the land, as they strongly opposed this Northern entrance and we were delayed over a year in bringing suits in the Exchequer Court on account of Judge Cassel's decision that he had no jurisdiction. The matter had to go to the Supreme Court of Canada.

By Mr. Gutelius:

Q. In connection with letting the McArthur contract, we find, in looking over the moneyed-out statements, that the Chief Engineer filled in some twenty prices that were left blank in McArthur's tender. Did you know that they were filled in at this office by the Chief Engineer? Had you any personal knowledge of it?—A. So far as I can remember, the Chief Engineer after he moneyed out the tenders and reported the amount of each, informed us that he filled in some prices that were left blank in McArthur's contract. The Chairman, I think, called his attention to it and Mr. Lumsden stated that McArthur was the lowest according to his quantities, or words to that effect.

Q. Do you remember receiving or seeing Mr. Lumsden's estimate of \$114,000,000. Was that given to the Commissioners?—A. \$114,000,000 for what?

Q. For the building of the whole railway.—A. I cannot remember.

Q. There was an estimate made, and I just want to know whether you personally saw it.—A. Do you mean the estimate sent to the Government?

Q. No. It was sent to you, I think. Here is a print of the original. You will probably recognize it.

(Document handed to witness.)

A. If this was sent to us, I should probably have seen it.

Q. You would not forget, when the \$114,000,000 first came out. And now in connection with this large security, which you had in your power, as Commissioners, to demand from tenderers or contractors: in the light of subsequent events, do you not recognize that that advertisement had the effect, or would have the effect of deterring contractors from figuring, unless they knew about what you were going to demand?—A. From my experience, I do not think it has had that effect.

Q. It did have the effect, did it not, of placing the work in the hands of one or two contractors? A.—I never heard of any person that was prevented. Possibly a man of small means might have been prevented. The question is, whether it is desirable and in the public interest that people who are inexperienced and without financial means should get the work.

Q. If you would have to accept the tenderers, yes; but you had in your hands, according to the Act, absolute control. It looks, you know, to us, as though competition, on account of that advertisement, was throttled, and I do not see how you can escape agreeing, to a certain extent, that our idea is right.—A. I do not agree for this reason: it was put in so far as I am concerned, solely in the public interest. I never saw any reason, in the actual working out of the contracts and tenders afterwards, for thinking that any person or persons who otherwise might have tendered, had been deprived from tendering by that advertisement. That is, so far as any complaint reached us.

Q. Your position is based on the lack of complaint. You would not be surprised if I showed you a list of contractors who would have tendered under the ordinary conditions of the Public Works Department.—A. Contractors will say anything. You are trying to draw me out.

Q. Just as a business man, I wanted to see if I could not get you to agree with what seems to be right.—A. It might, of course, prevent some people from tendering, but if there was any contractor who had any fears on that score, he could make inquiry and ask what the conditions were.

By Mr. Lynch-Staunton:

Q. Do you think it was right to let the Grand Trunk Pacific tender at all?—
A. I would not like to pass an opinion on that.

By Mr. Gutelius:

Q. Did the Commission agree to and authorize the construction of a double track at Winnipeg on that new line?—A. This line we are speaking of?

Q. Yes?—A. I do not remember that.

Q. It is a double track line?—A. Yes.

Q. You think you just accepted Mr. Grant's recommendation?—A. I presume so. What is the record?

Q. He recommended the construction of that line and it was built double track. The point is, had you any right, under the Act, to build double track railroad?—A. No. I think the Act says single track, does it not?

Q. Yes.—A. Unless the entrance into a city like Winnipeg would be more like a terminal, and it might be double tracked under that heading, might it not?

Q. Do you remember whether you have given the Commission any opinion as to whether they could build double track under the Act, at such a place?—A. I forget.

Q. There is also a double track from Cap Rouge Bridge down to the yard at St. Foye, where a large amount of money was required for the heavy rock cut. Do you remember how that double track happened to be constructed?—A. No, unless it was considered part of the terminals.

Q. You do not think the proximity of the Canadian Northern had anything to do with that double track?—A. I do not remember.

Q. You do not remember any discussion as to the Canadian Northern proposing to use double track?—A. No.

Q. Were you down at Quebec the day they settled the price of 55 cents for train fill on tracks Nos. 9 and 10 (the Davis and O'Brien division)?—A. No, I do not think so.

MR. LYNCH-STAUNTON: No. He would not.

By Mr. Gutelius:

Q. Did you have anything to do, as a Commissioner, with the adoption of the use of pneumatic caissons in the construction of the foundation of the Cap Rouge Viaduct where it crossed Cap Rouge River?—A. Our Chief Engineer and Mr. M. J. Butler reported in its favor and the Commission approved the report so far as I remember.

Q. But you were personally not a factor in arranging it?—A. Except in approving the engineer's report.

Q. Did you understand the Act to provide for betterment on the part of the Government, after the railway was completed?—A. Yes.

Q. That the Government would furnish additional capital money, as it was desirable or necessary? Your understanding of the Act was after the road was turned over and the lease completed the Government was still under obligation to expend capital money, where desirable or necessary? Is that right?—A. Yes.

Q. And knowing that, you did not take advantage of it to defer any capital expenditures, did you?—A. I cannot remember any particular case.

Q. You do not remember one case where a big expenditure was to be made in the future?—A. No. I do not remember, unless you can call my attention to some particular case.

Q. Did it occur to you, while you were an active Commissioner, that upon the cost of this railway would depend the possibility of securing lower rates between the East and West?—A. Yes.

Q. Did you appreciate that if the railway was made unnecessarily expensive, the rent which the Grand Trunk Pacific would have to pay for it would be so high as to prevent their being able to carry freight more cheaply over that road than at present rates?—A. Of course, the more the road would cost, the higher the rental would be and the higher the rental, the more they would have to get out of the traffic to pay for it. But an engine on a road with the grades and permanent structures of the Transcontinental Railway can haul, so engineers say, nearly double the freight, and the maintenance and operating expenses would be less.

Q. That is right. Was that the idea that the Commission kept before it at their various decisions?—A. I cannot speak for the others, but speaking for myself, that was the idea. We all wanted to build it as cheaply as we could, that is, consistent with the grade.

By Mr. Lynch-Staunton:

Q. Is there any place along the whole railway where you took cost into consideration at all?—A. There is a portion of the road which we did not want to construct according to the plans and specifications.

SESSIONAL PAPER No. 123

Q. You had the control of those plans and specifications and did not you make them such that it was the very highest priced single track railroad that could be built?—A. Yes. We could have built it for less money if we had chosen an inferior standard.

Q. It was a very expensive class of railroad you undertook, was it not?—A. Yes.

Q. Do you know any railroad in America as expensive, I mean in its original construction and subsequent development?—A. I do not know. I cannot remember just now.

By Mr. Gutelius:

Q. Was there ever discussion before your board on the subject of economy, in connection with the size of yards?—A. I think so. I think we discussed these matters with a view of getting everything done as cheaply as possible, consistent with the plans and specifications.

Q. I am speaking of the criticism of the plans. You may as well be frank about it. Did you ever see a letter written by the Minister of Railways or by your Chairman, Secretary, or Chief Engineer, the subject of which was economy in the execution of this work?—A. Well, I do not know what would call for that. We certainly had objections from the engineers of the Grand Trunk Pacific as to the cost, and so on.

Q. Can you point to a letter or a line that was ever written and signed by anybody, on the subject of economy in connection with the construction of this railroad?—A. I do not remember any letters, but we always endeavoured to honestly carry out the work according to plans and specifications, so far as I know.

Witness discharged.

(CORRY BUILDING, OTTAWA, THURSDAY, APRIL 24th, 1913.)

Examination of Mr. W. S. CALVERT, by the Transcontinental Investigating Commission.

MR. CALVERT, sworn and examined:

By Mr. Lynch-Staunton:

Q. What are your initials?—A. W. S.

Q. Where do you live?—Q. That is pretty hard to say. My home is in Strathroy, Ont.

Q. And your business?—A. Well, I guess I am a manufacturer. I am interested in two or three different companies.

Q. You have been a manufacturer all your life?—A. For the last twelve or fourteen years.

Q. Were you ever in the railway business?—A. No, only while I was on here.

Q. You never had any connection with railway building or operating until you became a Commissioner?—A. No. I have just been a business man all my life.

Q. When were you appointed a Commissioner?—A. In October, 1909.

Q. Whom did you succeed?—A. Mr. Reid.

Q. Which Reid?—A. Robert Reid, of London.

Q. Will you tell me who were the other members of the Board at the time you joined it?—A. Mr. Parent was Chairman and the Commissioners were Mr. Young and Mr. McIsaac.

Q. None of the contracts for the construction of the road were advertised for or awarded after you became a Commissioner?—A. No. I think the last one was in 1908, a year before I was appointed.

Q. So it would be vain to inquire from you anything in connection with the advertising or letting of these contracts. You know nothing about it beyond what we can learn for ourselves from an inspection of the papers.—A. Exactly. All the contracts were let before I came on.

Q. When you joined this Board, were any particular duties assigned you, in connection with the business of the road?—A. No, nothing in any particular way. I was just appointed a member of the Board and we went on in the usual way that a Board does. We did rather understand that each one would look more particularly after individual sections: for instance, I was on D and E.

Q. Did you exercise all the patronage in Ontario?—A. You mean appointing young men to go up on the line?

Q. Yes.—A. Yes, pretty much up there, east and west of Cochrane.

Q. You were a member of the Board at the time of the Hodgins inquiry?—

A. No. I do not think so. I was at the time of the Lumsden inquiry.

Q. When the controversy over the classification which culminated in the Lumsden inquiry arose, did the Commissioners, so far as you know, take any legal opinion on the interpretation of the clauses in the specification relating to classification?—A. I do not think I can answer that. I really do not remember. As I understand it, we engaged Mr. Smith to look after our own interests, also Mr. Chrysler. The investigation was asked for by us and I was under the impression that everything necessary was done.

Q. But can you recall whether either Mr. Smith or Mr. Chrysler or any other counsel gave any opinion as to the meaning of the specification on solid rock?—

A. I must confess that I cannot just recall that. He may have, but I do not recall it.

Q. You were not a Commissioner at the time that most of the work, the classification of which was then under consideration, had been done?—A. No.

Q. Were you present at La Tuque at the time the contractors and Mr. Lumsden were there?—A. No. I never was on the work with Mr. Lumsden.

Q. Was Mr. Lumsden in the employ of the Commission while you were there?—A. No. Mr. Grant had been chief engineer for some time before I came on.

Q. So that you can give us very little reliable information about the Lumsden or Hodgins controversy?—A. I know nothing of them.

Q. All that you know about them is really hearsay?—A. Yes.

Q. You know that the chief engineer was appointed, not by the Commission, but by the Government?—A. Yes.

Q. By whom, in your time, were the engineers who were appointed, appointed?—A. Well, I do not know that there were any new engineers, except resident engineers, appointed during my time. I think that Mr. Molesworth, Mr. Balkam, Mr. Doucet, Mr. Eustace, Mr. Foss, Mr. Poulin, Mr. McFarlane and Mr. Grant were engaged on the work when I came on. A odd resident engineer might have been put on afterwards.

Q. What was the date of your appointment, again?—A. October 21, 1909.

Q. Was the question of momentum grades ever raised in your time?—A. No.

Q. Do you understand what a momentum grade is?—A. I understand it means a kind of toboggan slide down which a train is allowed to run, and then it runs up the other side. I am not very much in favour of it, but I understand that is what it is.

Q. You say you are not very much in favour of it. Why not?—A. I do not know that I can give you any reason further than that, according to my judgment, the level road is preferable

Q. You would prefer the level road if you thought the toboggan slide, as you call it, was cheaper and just as useful?—A. Yes. I certainly think I would prefer the level road to a road of the other class.

By Mr. Gutelius:

Q. No matter what it would cost?—A. I would not say that, because, according to Mr. Grant, the intention is to fill up grades and level up the road later on.

By Mr. Lynch-Staunton:

Q. You are referring now to Mr. Grant's letter of December 3, 1912.—
A. Yes.

Q. In that letter Mr. Grant says, "Disregarding ordinary sags in long fills or fills over soft ground, it has been considered inadvisable to bring up to profile grade, at present, and take contractors' prices for the necessary work. There are, as you will see, only two places where virtual grades have been adopted, and the saving effected with this slight change amounts to \$27,797. They are both well within velocity limits, and will not affect the hauling capacity of a locomotive to the extent of a single pound. The introduction of virtual grades in railroad construction, for the purpose of economy in first cost and subsequent economy in operation, by reason of reduced interest charges, cannot be considered other than as a good business proposition." That is Mr. Grant's opinion. Did you ever hear the question of momentum grades discussed while on the Board?—A. No.

Q. Were you at all familiar, at that time, with the advisability or inadvisability of adopting them?—A. It never was discussed, to my recollection. The question for us was to build a four-tenths grade road to the East and a six-tenths grade road to the West.

Q. And you understood that meant to keep the grade uniform from one end to the other?—A. With the exception of one or two places where they used pusher engines, I think they call them.

Q. Don't you know that if you are building a given length of railroad, and if you have a pusher grade in one spot, that destroys it as a low grade road?—A. I suppose it does, to a certain extent. It means a little more expenditure to keep a pusher engine to haul the other train up, but I suppose, if it is a question of saving a large amount of money, then you must consider whether it is better to use a pusher engine or to spend an additional amount of money.

Q. I quite agree with that.

By Mr. Gutelius:

Q. What is the difference between actual and virtual grades on a railroad?—
A. I do not know that I can just answer that properly.

Q. Did you ever hear that matter discussed?—A. No, not if you put it that way. In fact, I may say I was not very conversant with momentum roads until this question came up.

By Mr. Lynch-Staunton:

Q. Since you left the Board?—A. Yes.

Q. Do you know anything about curvature in railroads? Did you ever hear it discussed at the time you were on the Board?—A. Oh, well, sometimes, I suppose, the question was discussed, but not very much at the Board meetings.

Q. You never became very familiar with it?—A. I would not like to say so.

Q. You could not form any judgment as to curvature?—A. I would not like to give an opinion on a thing like that.

Q. Did you have anything to do with the Transcona shops?—A. Something.

Q. Were they undertaken before you came on the Board?—A. They were started in 1908, I believe. The contract was let for about one and a half million

dollars, which was supposed to be all that was necessary, so far as the Transcontinental was concerned, and was what Mr. Lumsden recommended.

Q. Why did you go to the additional expense?—A. That question, of course, was settled later by the Government.

Q. That is just what I want to find out. What was settled by the Government, what did they do?—A. I cannot give you the full particulars, further than this: As I understand it, there was a meeting of the Grand Trunk people with our Chairman and some members of the Government, in regard to further expenditure for the building of those shops, and they eventually decided, the Government, that it was necessary to have additional shops, and on the report of our Chairman, which, as you know, had to be concurred in by the Government, we went on and built the rest of the shops. Our intention, of course, was that the Grand Trunk Pacific would pay rental or a percentage of the cost of what would be more than one and a half million dollars, as was intended in the first place, when Mr. Lumsden recommended that figure. But that has not really been settled yet.

Q. In your understanding, they were for the joint use of the Eastern and Western road?—A. It was supposed that it would do for both portions of the road, and that the Grand Trunk Pacific should certainly make an allowance to the Transcontinental for the use of those shops.

Q. Now, we will get into a country with which you are familiar, that is to say, the purchase of land. Everybody has more or less knowledge of that.—A. I never purchased any land.

Q. Why did not the Commission make a bargain for and secure the right of way into Winnipeg before they built the road?—A. Well, of course, I cannot tell you that, because the road was built into Winnipeg before I came on: that is, not the last portion, but the road up to Dundee Junction.

Q. Do you know that Mackenzie & Mann put in a claim for about \$2,500,000 for the land on the St. Boniface side of the river, and that it has never been settled in any way?—A. There was no claim put in to us.

Q. Don't you think it was an unwise thing to build a railway through a man's property and then deal with him afterwards?—A. The first intention was to build alongside the C. N. R., but they objected to having another road built along their line. Later on, Mr. Grant, Mr. Poulin and, I think, the council of St. Boniface, with the concurrence of the Grand Trunk Pacific people, recommended the route we have now. That question, of course, was debated for a considerable time, and referred to the Minister of Railways; but all the interests, and especially the Grand Trunk people themselves, who were to pay the interest on the money, wanted the route we have now, and to my mind, although it may have cost more money, we were building a road which would be there forever, and I think if I were going to run the G. T. P. I would like to have my line into a city like Winnipeg.

Q. You know, I suppose, that in cities ten times the size of Winnipeg the railroads do not have it?—A. I suppose that is true, and in some places they don't even allow the engines to go in.

Q. In Chicago and New York they do not have their own entrance.—A. I think it would have been built alongside the line if Mackenzie and Mann had agreed to it.

Q. When you came to that conclusion, why did you not settle about the land before you built the railway, instead of making the bargain afterwards?—A. I do not think we could have settled. It had to be expropriated.

Q. Why didn't you expropriate it?—A. Was it not expropriated?

Q. You built over another man's land. It was not expropriated and has not been settled to this day. It is now in the courts.—A. I should think we would have had to expropriate it.

By Mr. Gutelius:

Q. The road was practically completed before the plans for expropriation were filed.—A. That may be. I could not just say in regard to that point.

SESSIONAL PAPER No. 123

By Mr. Lynch Staunton :

Q. You had nothing to do with it?—A. I was more particularly interested in what was considered my own section, Cochrane, and I endeavoured to look after anything there that I could. Just the same as Mr. McIsaac looked after his eastern portion, and the Chairman his Quebec portion, and Mr. Young the West. Then, if anything came up, it would be referred to the particular member of the Commission concerned, to get all the facts concerning his own division. So that I cannot speak about that other portion.

Q. After you became a Commissioner, Mr. Mattice issued a circular to his staff, which I produce:

COPY OF CIRCULAR NO. 252, DISTRICT "D."

OFFICE OF DISTRICT ENGINEER.

Cir. 252.

NORTH BAY, February 24, 1910.

To Division Engineers:—

Mr. Calvert is asking that no appointments be made to the staff in future without his consent, and these instructions must be carried out, except in so far as cooks and building gangs are concerned.

Promotions of the staff will also be referred to me before being carried into effect.

Please acknowledge receipt.

Yours truly,

(Signed)

C. L. MATTICE,

District Engineer.

Do you recollect that?—A. I do not just recollect in regard to that. I know I had to call Mr. Mattice down in regard to purchases. I insisted on his buying very, very small things and what was needed immediately, through our Purchasing Agent, and I gave him instructions not to go on buying without consulting our Purchasing Agent. In regard to these appointments, I do not just remember, but I suppose I wanted to know what he was doing. I did not want any engineer to make appointments without at least advising us in regard to the matter, and perhaps asking us about it before he did anything.

Q. That is what it would amount to?—A. Yes.

Q. But after you came on the Board you made all the appointments for that district yourself?—A. No engineers, I think, but the linemen, cashmen, time-keepers, and appointments of that kind.

Q. Just the ordinary run?—A. Yes, and I appointed both Grits and Tories, I can tell you that, only I wanted to be in touch with Mr. Mattice. I did not want him to run haphazard, without our knowing what he was doing, and I did insist on his seeing our Purchasing Agent before buying a large amount of goods.

Q. Did you take any interest in the classification up in that district?—A. I cannot say I did. That was left in the hands of our engineers; I had nothing to do with it; I did not presume to classify.

Q. That is what I understand. All the policies for the construction of the road were adopted before you came on the Commission?—A. I think that is right.

Q. So that it is correct to say that it had got beyond the stage of discussion when you came on?—A. That is my impression. We were endeavouring to carry out the contracts as best we knew, as we went along.

Q. The contracts were based on a preconceived policy, approved and settled?—A. Yes.

By Mr. Gutelius:

Q. Is there anything that you would like to tell this Commission, that has not been brought out in your evidence?—A. I can only say that all the time I was on this Commission I was under the impression that everybody tried to do what was absolutely right, as between the Government and the contractors. We did not want anybody to have an advantage: we wanted to deal fairly with everyone, and personally, I know of nothing that I can say was wrong. We may have heard things, but from what our engineers reported to us, I believe everybody tried to carry out his duty as honestly as he could.

By Mr. Lynch Staunton:

Q. You say that so far as you are concerned you were guilty of no wrong yourself, nor was anybody else?—A. I am not conscious of being wrong any way. Witness discharged.

(NATIONAL TRANSCONTINENTAL RAILWAY ENQUIRY COMMISSION
MEETING AT OTTAWA, FRIDAY, APRIL 25TH, 1913.)

Before G. LYNCH-STAUNTON, K.C., Chairman: F. P. GUTELIUS, C.E.

S. N. PARENT, former Chairman of the Transcontinental Railway Commission, sworn:

MR. STAUNTON: Mr. Parent has written saying that he wishes to take his examination in French and I think he is perfectly right. I was suggesting to him that perhaps it could be taken in English, but we will see as we get on. Do you want me to put the questions in French, Mr. Parent?

MR. PARENT: Just as you like.

MR. STAUNTON: Is that your desire?

MR. PARENT: Of course, if the question is put in French I will answer that way.

MR. STAUNTON: Well, we will see. I will commence in English.

Q. How long were you Chairman of the Transcontinental Railway Commission?—A. From, I think, the 1st of August, 1905, until the 6th of October, 1911.

Q. You were Chairman during the time that the contracts for the building of the road were let?—A. Yes, from the first contract until October, 1911.

Q. Before advertising for these contracts, you had estimates made by the Commission's engineers of the probable cost of the work about to be let?—A. Yes.

Q. The estimates were made by the District Engineers and their assistants, and then forwarded to the Chief Engineer?—A. Yes.

Q. I see, that under the advice of Mr. Collingwood Schreiber, it was decided by the Board that the estimates made by these engineers should not be shown to the tenderers?—A. Yes, sir.

Q. And the reason given for that was, that as the estimates might be inaccurate the contractors afterwards might complain that they had been misled by the Commission?—A. Yes, one of the reasons.

Q. I want to draw your attention, Mr. Parent, to Contract No. 8, which is the contract embracing the railway from a point at or near the Quebec Bridge, running easterly 150 miles; do you recall that contract?—A. I think so, that is the Davis contract.

SESSIONAL PAPER No. 123

Q. Yes, just the 150 miles east of the Quebec Bridge—now the tenders for that contract were—you can take these to be right:

- No. 1. Russell Chambers, Limited, \$5,213,542.
- No. 2. O'Brien & Mullarkey, \$5,196,745.
- No. 3. Grand Trunk Pacific Railway, \$5,018,554.
- No. 4. M. P. & J. T. Davis, \$5,011,346.

I leave out the cents. These were all the tenders that were taken then?—A. I presume so, the tenders speak for themselves.

Q. That is correct, I tell you it is correct, I will let you look at them in a little while. The estimates were made by the engineers at unit prices on a form which contained 101 printed items; is that right? I will put this in in a moment?

—A. Yes, the form speaks for itself.

Q. The engineers on contract No. 8 originally put in no estimates for items 24, 25, 26 and 27 which are:

- 24. Framed trestles per 1,000 feet board measure, except stringers.
- 25. Gaps, walings, and braces for pile trestles, per 1,000 feet board measure.
- 26. Sawn ties and guard rails for bridges, per thousand feet board measure.
- 27. Stringers per thousand feet board measure.

Do you remember that there was no estimate put in for timber for trestles, included in items 25, 26 and 27?—A. You mean quantities?

Q. Yes, for example, they said in the case of common excavation that there would be 3,091,210 cubic yards estimated?—A. You mean that was the estimate made before tenders were called?

Q. Yes exactly. Did they estimate they would not require any lumber at all for trestles?—A. Well, they may have done so.

Q. Do you remember that?—A. Those things were made by the engineers themselves.

Q. Do you remember that when you first saw the estimates that they had no allowance for timber for trestles?—A. We told them they should have an estimate for lumber.

Q. Mr. Lumsden says, I might as well explain it to you, and Mr. MacPherson says that there was no estimate for lumber for permanent trestles, and afterwards the engineers changed it and put in an estimate for lumber for trestles?—A. Well?

Q. That you then came and told them to strike that out, that it should not be put in?—A. The estimate for lumber?

Q. Yes?—A. I never did that, on the contrary we obliged them to have them in.

Q. Come over here and examine this, I want you to be sure, he says that after he put them in you told him to change it back to where it was?—A. He made a mistake there. The quantities which they prepared before tenders were made by the engineers and nobody at all interfered with them because they were the sole judges of what was required, and I could not on my own hook come and dictate to them what they had to do on these estimated quantities.

Q. Mr. Lumsden and Mr. MacPherson say that the engineers made these estimates, forwarded them to the head office, and that then he gave you a copy of this estimate, is that right?—A. If he gave it to me, he gave it to the Board.

Q. He gave it to you for the Board; he says he gave it to Mr. Parent?—A. He may have given it to me; anything that came to me that way went to the Board.

Q. Then he says that after the advertising was done he changed this estimate and put in these items: 25, 26 and 27, that you, after he made these changes happened to see it, and that you said to him: why did you make these changes, and he explained that he thought they might require some lumber, and that you told him to put them back the way they were before and that he then changed them back and left them out, what do you say to that?—A. Well if Mr. Lumsden says that he must have a very queer memory. Whatever instructions were given to him were given to him through the Board, and so far as these things are concerned, for my part personally I had no reason at all to have that changed.

Q. Did you have it changed?—A. Not that I recollect. I do not believe I ever did either. I do not see any reason at all why they should have been changed. It would be an advantage to nobody. Everybody would be on the same footing. I do not see why I should suggest any change.

Q. I will show you why I am asking you, and you will see the gravity of it in a minute. They say you got them to sign this estimate after it was changed, and that this is the one they changed they signed?—A. Was that before tenders were called?

Q. No, after the tenders were called, after the tenders were in?—A. Well, I suppose if they signed it it must be correct.

Q. They say you got them to sign it?—A. What do they mean?

Q. I am trying to call your attention to it, do you remember?—A. There is one thing, Mr. Chairman, that I would be the last man to force the Chief Engineer or anybody else to do anything they would not like to do, and I suppose if they signed it it must be according to their own will and because it was right.

Q. Well, but you see the position now is this: that in the first place before the tenders went out the engineers had made an estimate, and that estimate did not include any estimate for timber on these items?—A. These items never went to the contractors and never went to the bidders; they are not supposed to go to the bidders. They never went to the bidders, they would deceive them.

Q. I will come to that in a minute?—A. All right.

Q. Then they say that you told them that they should change those estimates after the bids were in or while the contractors were figuring on them?—A. That I told them?

Q. Yes?—A. That is not so, I never did that.

Q. Then they say they made a fair copy of it so as to bring the estimates back as they originally were, and that you got them to sign it; that is the only case in which they signed it?—A. When you say "they" do you mean I was dealing with MacPherson?

Q. MacPherson and the Chief Engineer?—A. MacPherson was the last man I was dealing with. I dealt with the Chief Engineer; I had only to deal with MacPherson in a very few cases.

Q. I will show you what he says. He says: that the Chairman on the 21st of January asked for the statement of the engineers' estimated quantities for each item of the Schedule, Form 89, covering the five sections for which tenders were closed on the 14th of February—do you recollect that?—A. I may have to the Chief Engineer; I do not remember.

Q. And that you got these copied. He says that when the Chief Engineer after the tenders were called for, altered these items, 24, 26, and 27, and instead of estimating nothing for these, he estimated for item 24: 732,190 feet instead of nothing; for 26, 166,600 feet instead of nothing; item 27, 192,780 feet instead of nothing. He said that when you saw that you told him to strike out these items and not to estimate for any of these items?—A. When?

Q. Some time between the 15th and 18th of February, 1907?—A. Can I look at that letter?

Q. Yes, I do not know that I want to show you the whole letter, as it is a private letter, yes I will hand it over to you now?—A. It is a letter from MacPherson.

Q. Yes, there may be something in it of a private nature?—A. Never mind, if you don't want to show it.

Q. Oh yes, I think you ought to see it—I will show you the letter, do you understand it now?—A. I do not understand it very much, because I do not know where he got all that.

Q. What answer do you make to that, he says that when you saw that on the form you said to strike out these items, and not to estimate for any of these items, 24, 26, and 27?—A. I never did that, because there was no reason in the public interest to do so.

Q. He said then that you had him and Mr. Lumsden sign these revised estimates, make a clean copy of it and bring it back to the original shape and sign that?—A. I do not recollect that.

Q. Come over here till I show you something—the reason I am so particular about it is this—I will put this in as an exhibit. Hugh D. Lumsden and D. MacPherson, Assistant Chief Engineer, signed this apparently on the 8th of February, 1907. Now, as a matter of fact, somebody has erased the figure one from that 8. It was really signed on the 18th of February, and somebody has erased the figure 1 from before the 8, making it to read that it was signed on the 8th of February?—A. It is the first time I have ever seen that paper.

Q. Mr. Lumsden was not here on the 8th of February at all; he was, as he swears, at Kenora on the 8th of February, and some person has altered his certificate, so as to make it appear that he signed that document before the tenders came in for that contract, while, as a matter of fact, he signed it after the tenders came in. Do you say you know nothing about that?—A. I never knew anything about that. This is the first time I saw the papers. I would not be surprised if anything is made up in that way it has been made up since I resigned.

Q. It has been made up by somebody has it not?—A. You say so.

Q. I do not say so?—A. I do not know when it was done, I know nothing about it. For my part I am prepared to swear now that it is the first time I saw that document. If the alteration which you suggest there has been done, I am perfectly well convinced that it has been done since I resigned here, they have the new administration going on and they try to find fault with the last administration.

(The document was filed as Exhibit A in Mr. Parent's evidence.)

Q. You say you do not know anything about that?—A. So far as I am concerned I do not see anything at all which would affect the public interest as to these quantities that you are talking about there.

Q. I am going to show you how it could affect the public interest?—A. Well that is my answer at present.

Q. Now supposing that one of the tenderers had seen the original estimate, he would know that he would not be required to furnish any of the material covered by items 24, 26, and 27; if he saw the estimates, he would know that?—A. That would be a matter of assumption.

Q. That is not assumption at all. If the tenderer had seen it he would know. I do not say now that the tenderer did see it, but if he had seen it he would know that he would not be required to furnish any material under these three items?—A. That would go so far as to say some tenderers may have had the privilege—

Q. Not yet; after a while it will go that far but not yet; I say now, that if a tenderer saw it, you will agree with me that he would know that he would have no material under these three items to furnish?—A. That may be the case but at the same time the form of contract would tell the contractors that any quantity or anything they would have seen would not have been binding on the Commission, and they would do it at their own risk and have no claim against the Commission. Even if they had seen it, I do not know what good it would have been to them. That is why we refused them the quantities.

Q. You keep your mind on this now: the fact that these three revised estimates were struck out, gave M. P. & J. T. Davis that contract?—A. What do you mean?

Q. M. P. Davis would not have got that contract if that change was not made in these estimates?—A. I cannot see that. The way the things were made was this: tenders were coming in, they were put in a box with two keys, one kept by me and one by the Secretary. The tenders were opened publicly by the Board and copies made of their contents by the clerks and they were referred, without any names on them at all, to the Engineers' Department. Then they came to

the Engineers' Department and they did not know who they were coming from and they were asked to figure who was the lowest tenderer, and they came back with a report showing who were the lowest tenderers.

Q. Let me show you where the trouble would be. If M. P. Davis saw that estimate, or anybody in his firm, I do not mean him particularly and I do not mean he did see it, but if he saw that estimate he would know that he was not going to be asked to supply any of that material, and he tendered under these heads: M. P. Davis and J. T. Davis tendered for item 24, \$80 per thousand; item 26, \$80 per thousand; item 27, \$35 per thousand—that is a huge price for that material—

A. I cannot say.

Q. He did so tender; there is the thing signed by you?—A. The tenderers speak for themselves; there is no question about them.

Q. Now then you see the only difference between Davis and the Grand Trunk Pacific Railway, on the tender for that contract, was \$7,200, and if these items had been left in they would have raised Davis' price by \$27,000 and they would have lost the contract by nearly \$22,000; do you agree with that?—A. For my part it is a hypothetical question; to assume a fact that I do not know anything about.

Q. All I ask you to agree with me in is this— A. You suppose things there, that Davis might have seen something that somebody else might not have seen?

Q. Yes?—A. I deny that.

Q. So far as you are concerned, I want to ask you— A. So far as I am concerned Davis had no more privilege on the Transcontinental Railway than anybody else had.

Q. The inference is that the Davis firm, or some of them, might have seen that estimate, you say you do not know about that; you say if they did it was not with your knowledge?—A. If the Davis firm had seen something, I do not think they did, if they did the Grand Trunk people or somebody else would have the same chance of seeing it. There was no more preference for Davis than for any other tenderer. So much so, that for my part from the start I was against all these contractors, I was in favor of the Grand Trunk Pacific Company accepting the whole work, because I was convinced that if we did give them the contract we would have saved money, delays, and trouble. My opinion was this: they were the company who were to pay the interest on the capital expenditure and I thought they would be interested in saving money and building the line at a low cost, and as they were also obliged to have the Western Division line finished for 1911, they would have been anxious to get the line finished in that time, and doing that, if they had been late in their contract, they could not come against the Government or the Commission for delays, because they would have been the principal party and it would have been their own fault. From the very first contract I made a distinct report to my own colleagues on that. I knew Davis for a long time before but at the same time I made a dissenting report, stating that the work should be given to the Grand Trunk Pacific at the price of the lowest tenderer. My idea was to give them the preference of the work at the price of the lowest tenderer.

Q. Then you utterly deny any knowledge of the Davis firm having had information with respect to the estimates, that everybody else did not get?—A. If Davis got some information I am prepared to swear that somebody else who was asked for it got the same information, because nobody would say, on the quantities like that, even if they had seen them, what the figures would be. You will find in some of the contracts a difference of two or three million dollars and a figure of a few dollars here and there would not make any difference in that.

Q. There is only a difference of \$7,000 in this case?—A. In this contract it happened to be that, but certainly the Grand Trunk Pacific, or anybody else, if they asked for information which was given to somebody else, would have got it. There was no preference given at all.

SESSIONAL PAPER No. 123

Q. As a matter of fact, did the Davises see these estimates to your knowledge?
 —A. I cannot say that.

Q. Do you know whether they did or not?—A. I do not think so, for this reason, that I do not recollect at all the changes that MacPherson and Lumsden speak about.

Q. Did you show the Davises this estimate?—A. I cannot say that. If it was asked of me, and I thought it was in the public interest to do so, I would have done so. Davis may have seen it, or the Grand Trunk may have seen it, or somebody else may have seen it, but I gave no preference to Davis over anybody else.

Q. I understand that, but I want to know if you remember whether or not these estimates were shown to the Davises?—A. I cannot swear that.

Q. You do not know whether they were or not?—A. I cannot swear that.

Q. You do not know whether you showed them to them or not?—A. If I did the others must have seen them too.

Q. Do you remember whether you showed Mr. Davis?—A. I cannot say as to that. There were so many things going on in the Commission that you could not recollect a special thing like that. We refused to give quantities to any contractor from the start, because by doing so we might get into trouble.

Q. The chief engineer, Mr. Lumsden, says he was asked not to be present at the Board meeting when the tenders were opened?—A. Why?

Q. I do not know?—A. Neither do I. If there was anything we were cautious about it was the opening of tenders. The whole Board was there, the Secretary was there. I was opening the tenders and handing the cheques to the Secretaries, I initialled every one of them and handed them over to the Secretaries, and they were sent afterwards to the engineer upstairs without my name. I do not see why the chief engineer should not have been present. I do not know why he was not present and I do not recollect he was asked to retire. It would, of course, be a matter of no importance to be cautious, if one contractor received the estimates and another did not?—A. Nothing has been done like that to my knowledge.

Q. Mr. Fauquier said he got his contract because he knew from his own observation on the ground or from information he got from engineers out on the ground, that there was no moss on his contract, or very little moss, and he said he knew that the engineers thought there was a great deal of moss and he put in a tender at twelve cents for moss, and the other tenderers put in thirty-five cents for moss, and he got the contract, and instead of there being 655,000 cubic yards of moss, as was estimated, there was only 13,550 yards. It was a great advantage to know the estimates you see. Fauquier says he got his information, picked it up out there. Do you know anything about that?—A. Nothing at all, it is the first time I heard anything about it.

Q. Were you in favor of giving out the estimates?—A. I was against it.

Q. Why?—A. Because so far as I knew it, the engineers were not far enough advanced in their location, and these estimates were supposed to be changed, and in doing so we would have deceived the tenderers and the contractors if we gave out these estimates, because they would say we have been in good faith in tendering on the estimates, and they have afterwards been changed, and we will have a claim in equity against you. I was against it, and it was referred to Mr. Schreiber, who gave his opinion on that point also. That is why I say now, speaking about Contract No. 8, that I did not see any difficulty at all about the estimated quantities, because we put them aside completely, and if it happened that there was a small difference between the Grand Trunk Pacific tender and Davis' tender, for my part it makes no difference at all so far as the public interest is concerned, because Davis was the lowest tenderer, and he was a perfectly good contractor, and he got the contract.

Q. Listen to what Mr. Lumsden swore on the point of not being present when the tenders were opened:

"Q. On the 14th February your entry in the diary is that you were in the office all day and you say: 'Commissioners opening tenders, not present'?—

A. Yes."

"Q. Why were you not present when the tenders were opened?—A. I was not wanted. I was not asked to be present. I was asked to leave."

"Q. It was intimated to you that your presence was not required?—A. I do not know it was on that occasion, but it was on a previous occasion."

"Q. Why didn't you remain when the tenders were being opened?—A. Because I was told by the Commissioners I was not wanted. I do not say I was told on that day, but on a previous occasion I was told they would open the tenders themselves and give me the figures afterwards."

"Q. It was understood you were not to be present when tenders were opened?—A. Yes, that is the long and short of it."

You have heard the evidence of Mr. Lumsden given at his examination with regard to his not being present in the office when the tenders were opened. Would you like to add anything to what you have already said on this point?—A. I say this: It may have happened that somebody, somebody on the Board I cannot say whom, would have made the remark that as the tenderers were to go back to the chief engineer's staff, and as the staff were not to know the names of the tenderers when they figured them out, it was better that he should not know the names of the tenderers, which he would if he were present. We wanted to keep the engineer's staff completely in ignorance of the names of the tenderers, so as to get an unbiased report from the engineers.

Q. That may be the reason, and it seems to me it may have been a very good reason?—A. Yes, because there was nothing to hide from the chief engineer, because everything was done on his report and approval all the time, and if he was asked to withdraw or not to be there it was to protect him in one way or his staff by not knowing who the tenderers were, and thus to give a completely fair report to the Board.

Q. Mr. Parent, you are an eminent lawyer in your own province, are you not?—A. Well I will say I am a lawyer.

Q. You are a lawyer in your own province?—A. I was.

Q. You have been connected with large business enterprises most of your life?—A. Yes, for a good many years. Since 1890 I have been in public life, in politics and municipal affairs.

Q. You were Premier of the Province of Quebec?—A. I was Premier for five years, from 1900 to 1905.

Q. And you were Mayor of Quebec?—A. I was Mayor of Quebec from 1894 to 1906, nearly 12 years. I resigned to come to Ottawa for the chairmanship of the Transcontinental Railway Commission.

Q. And you enjoyed a large practice at the Bar for years?—A. Yes, I made my living from my practice.

Q. So that you ought to be pretty familiar with contract?—A. I know something about contracts.

Q. I want to ask you some questions about this contract respecting the Cap Rouge Viaduct. The Cap Rouge Viaduct was a great bridge built across the Cap Rouge River near the Quebec Bridge and it cost \$316,000 to build it, and it was designed to carry the railway from one side of the Cap Rouge Valley across on its way to the Quebec Bridge, that is right is it?—A. Yes, sir.

Q. In Contract No. 9, District B, which was originally let to HoganMacdonald, it was afterwards assigned to M. P. & J. T. Davis?—A. No, it was afterwards assigned to McDougall & O'Brien.

Q. Explain that?—A. After that 50 miles of that contract was sublet to M. P. & J. T. Davis.

Q. And the 50 miles covered the Cap Rouge Viaduct?—A. Yes, sir.

SESSIONAL PAPER No. 123

Q. Under the contract which is dated 15th May, 1906, they agreed to have the work completed by the 1st of September, 1907?—A. The contract speaks for itself.

Q. Is that correct?—A. That is correct, if the contract says so.

Q. You agree with me that it is correct?—A. Yes.

Q. And that included the building of the Cap Rouge Viaduct?—A. Yes, well it included the foundation.

Q. It included the substructure in connection with the Cap Rouge Viaduct?—A. Yes, and the substructure was to be done by the Dominion Bridge Company.

Q. Now, the concrete price on this contract did not cover pneumatic caisson excavations?—A. No.

Q. Did it cover all material which was used in the sub-contracts of the Cap Rouge Viaduct?—A. Yes, sir.

Q. Now under their contract the Davis people had to put down these foundations for the price mentioned in the contract?—A. You mean pile foundations?

Q. Yes, whatever foundations were necessary, they were to put down for the price mentioned in the contract?—A. Yes.

Q. And they had to have it completed by the 1st of September, 1907?—A. Yes, I presume so.

Q. You know that the Board changed this contract and allowed them to use pneumatic caisson works at an additional cost to the Board of \$250,000, do you know that?—A. Well, when the work was proceeding on the foundations they discovered that it was too risky to build a viaduct on these pile foundations and it would require pneumatic foundations. The matter was referred to their own engineer, to Mr. Lumsden, and I think Mr. Uniacke, one of the bridge engineers here, was asked to look into it, and the matter was referred to Mr. Butler, then Deputy Minister of Railways, and to report on, and after looking over the matter they found that it would be too risky to do the work as the contract was signed, and they ordered the new work, which was approved, if I remember well, by order in council.

Q. Here is what Mr. Uniacke says. Mr. E. A. Hoare was in charge of the construction of the bridge site; is that right?—A. Yes.

Q. The preparations for work for the sub-contractors were begun in May, 1906, that was before the change was made?—A. Yes.

Q. Mr. Lumsden, dealing with the question of river piers, favored a bottomless caisson with the addition of piles, and Mr. Uniacke was directed to make plans on these lines, is that right?—A. Not that I know of. Of course that was the special work of engineers, and what they say there must be correct, but I do not know anything about it.

Q. You are not familiar with it?—A. No, in an enterprise like that we have to rely on the report of the engineers for these works. We were not experts. Sometimes they don't agree amongst themselves either.

Q. Read this letter of May 31st, 1912, to Mr. Gutelius, from Bridge Engineer Uniacke, and tell me what you think about it. You see what is stated on page 5 of that letter which is in effect: The Chairman decided these questions himself and directed what the engineers were to do?—A. Mr. Uniacke is mistaken there. I would never take on my own shoulders to decide such an important question. When the engineers are in a bad box, generally speaking they try to put it on somebody else's shoulders.

Q. Is it true they met you and Mr. Davis in your office. He says in this letter: while we were discussing it we were summoned to the Chairman's office, bringing down the plan to lay it before him. Mr. Davis was already with the Chairman. Is that so?—A. That may have happened.

Q. Then he says: the Chairman refused to consider the change decided upon by Mr. Butler. Is that so?—A. My own recollection is that it was the contrary. When they found out the thing was wrong, it was referred to Mr. Butler and Mr.

Schreiber, and then Mr. Schreiber referred it to Mr. Butler to act himself, Mr. Schreiber having no time. He referred it to Mr. Butler to fix the matter. At that time we did not know what would be done.

Q. He says that you did not follow Butler's advice?—A. We did follow Butler's advice because the order in council was passed later on on Butler's advice. Butler and Davis and Uniacke fixed the price for the pneumatic works amongst themselves.

Q. Was Mr. Butler's design accepted?—A. It was I think Uniacke's design, but it was fixed between Uniacke and Butler.

Q. Mr. Uniacke says he recommended the design "C" and that was approved by Mr. Butler?—A. I suppose that was correct.

Q. But that you did not follow that design but changed it?—A. In what way was it changed?

Q. Here is what he says was done: the Chairman refused to consider such a change decided upon by Mr. Butler, impressing upon me the fact that time was the most important consideration and that the object was to have the Cap Rouge trestle ready by the end of 1907 so as to complete the transport and heavy structural section of the Quebec Bridge from Belair Station and Cape Rouge for the Quebec Bridge, and instructed that the caisson method be followed. I thereupon gave Mr. Davis the following day blue prints of the pneumatic caissons and a bill of timber and iron which he took with him to Boston, where I believe he placed the order for Southern pine. It was Mr. Davis' statement that he could have the pneumatic caissons finished ready for steel by August, 1907, and he did as promised, but the lamentable fall of the Quebec Bridge in August rendered further haste unnecessary and it was finished in 1908. What he says is that that was your absolute direction that Davis should be given this job, that it was to be done by pneumatic caissons and that you took that on your own shoulders?—A. Why should I have done that, I did not know anything about it. We referred the matter to Mr. Butler.

Q. Did you do it, that is the point?—A. As far as I remember I could not have done it, because for my part it would have been impossible to do it, not knowing the importance of it from an engineering point of view.

Q. You did know it was going to cost a lot more money?—A. I did not know how much it would cost more. The change was not suggested by me, the change was made because it was a risky job.

Q. They said it was only made because they wanted the job done in a hurry?—A. Not at all.

Q. That is not so?—A. No, it is not so at all, because at that time Davis objected to go on with the work because it was a risky job, the viaduct might have sunk and gone down with the first foundation and the change was made in the public interest so as to avoid a collapse of the viaduct.

Q. Why could he not have put it down with open caissons instead of pneumatic caissons?—A. The engineers agreed on that I presume, because it was not my report, it was the engineers' report that they should be pneumatic.

Q. Under the contract, you had a right to make them put down any form of foundation you liked; you had a right to change your plan if you wished?—A. I do not know about that.

Q. The first contract was given to Hogan & Macdonald?—A. Yes.

Q. Did they make an assignment of that contract to Davis?—A. Yes.

Q. He was bound to put down whatever kind of foundation you directed?—

A. Certainly.

Q. And he had to put the foundation down at the price of the contract?—

A. Certainly.

Q. Then why should you give them more money?—A. Because the work that was done afterwards was more expensive work but it was sure work.

Q. But you could make him put down that work without giving him more money?—A. No, you could not do it. The engineer said pneumatic work was the best way, and we had to follow it, and the Government followed it all right, and

SESSIONAL PAPER No. 123

the order in council was passed on it, and Uniacke and Butler approved of the pneumatic work being the best.

Q. Do I understand you to say it was not a question of base but a question of safety?—A. Certainly, it was a question of safety, it was a question of safety for my part.

Q. So far as you know it was a question of safety?—A. Certainly, we would never have changed that work only it was a risky job the way it was at first. I do not think the contractor will tell you otherwise or the engineer on the spot either. The work would be dangerous work and would not stand.

Q. Why were M. P. Davis and J. T. Davis given contract No. 29A without public competition?—A. Which contract is that?

Q. The Quebec branch line running down the river front from St. Foye to Champlain?—A. They had that contract before on the old Quebec Bridge contract.

Q. Did they get a new contract?—A. They had a new contract because at that time it was contended that Davis had some rights from the Quebec Bridge. The Quebec Bridge having assigned their rights to the Government, the Government afterwards gave their right to Davis. It was referred to us and there was an agreement entered into with Davis with the consent of the Grand Trunk Pacific.

Q. But the law says you have to advertise all your contracts?—A. And so we did.

Q. How could you override the statute?—A. We did not override the statute.

Q. You did not advertise that contract?—A. That contract was agreed between the Government and the Grand Trunk Pacific.

Q. What right had the Government to do that?—A. It was Quebec Bridge work, not Transcontinental work at all. The Government assumed the obligation of the Quebec Bridge Company, and that is why Davis continued the work.

Q. Your idea is that this was a Government contract and not a Transcontinental Commission contract?—A. It was a Quebec Bridge contract and the Quebec Bridge having assigned its obligation to the Government, the Government assumed the obligation and Davis was contractor for the Quebec Bridge Company for that part of the line.

Q. You know what is called the Sillery incline?—A. Yes.

Q. You built a road there quite off the Transcontinental Railway entirely, and it cost \$40,000?—A. What kind of a road?

Q. A highway road down from Sillery Church, what right had you to do that?—A. They made a change there, that replaces an old road with a new one.

Q. The old road is there yet?—A. The other one, I understand, is in the way of the yard, and so on, if I remember well.

Q. Is it there yet?—A. It may be there yet but it belongs to the Transcontinental Railway Company, it is an exchange that was made.

Q. What I can learn about it is this: that a lot of your fellow-citizens down there came up with a petition and told you that that road was dangerous now by reason of your having a railroad down there and they got you to build them a nice road up the side of the hill for their benefit?—A. I can tell you one thing, Mr. Chairman, about the cutting of that road. I never saw the road myself. I remember there was a delegation came to my office in Quebec for that, and the matter was referred to Mr. Doucet, district engineer, to look into and what has been done has been done, there through him on his approval, and what he has done, I cannot say exactly, because when I left the Commission the road was pretty well advanced, but I am surprised the road cost \$40,000.

Q. You have never gone over it?—A. No, I do not think I ever went over that road, because when I went there first it was not started. There is no doubt there is something in what they were saying about the danger at one spot. The slip might have given away and caused an accident, and it was a deep road there and the horses might get frightened. At the time it appeared to me that it was a small affair to make the change. If the amount comes to \$40,000 it never entered into

my mind that this would be such an expensive undertaking. Doucet was down at my office one day and I think he said it would be a small affair. I cannot understand how it would cost that sum of money for the highway alone.

Q. I have not before me the exact figures, but I know it was very nearly \$40,000 or perhaps more than that?—A. If it is, I can hardly believe it and I do not know why it cost that much.

Q. To pass on to the question of classification, you heard of the Lumsden Enquiry?—A. I did.

Q. The Lumsden Enquiry grew out of a dispute between Mr. Lumsden, the chief engineer, and some of his own engineers as to what should be classified as solid rock?—A. Yes, solid rock, loose rock, and common excavation.

Q. Mr. Lumsden said that his opinion was that only rock should be classified as solid rock, do you recollect that?—A. Yes, you have all the letters on the file; at first he said that.

Q. And that the rock should be at least a cubic yard, that was his first idea?—A. Boulders of the size of a cubic yard.

Q. Then he said that Doucet and the other engineers were classifying the smaller stone, stone less than a cubic yard which they said was cemented together so that they had to be blasted, they classified that as solid rock, and Mr. Lumsden objected, is that right?—A. I suppose it was at first.

Q. At first, I am coming to that—then he said that the contractors got five or six opinions from eminent lawyers to show that they were right and that Lumsden was wrong?—A. That the district engineers were right?

Q. Yes, that the district engineers were right and the chief engineer was wrong?—A. Yes, and also the Deputy Minister of Justice gave an opinion.

Q. I will come to that but I want first to get the history of this. Then he says that you gave him a copy of these opinions of these lawyers obtained by the contractors?—A. Everything was brought before the Board and referred to the chief engineer in due course.

Q. I did not mean you, I mean the Board. The Board gave him a copy of these opinions and then he said he consulted Mr. Collingwood Schreiber; you understood he consulted Mr. Schreiber?—A. Yes, I think his letter says so.

Q. And Mr. Schreiber suggested that he should put in the famous clause with the blue print, about assembled rock, do you remember that, I will show you the blue print—rock in masses of over one cubic yard or assembled rock, which in the judgment of the engineer can best be removed by blasting. He says that was put in by reason of the lawyers' opinions, and by reason of what Collingwood Schreiber said?—A. We had to take for granted that blue print with Lumsden's signature.

Q. That is right, I only want to know if that is what he said?—A. No, I do not know.

Q. He signed it all right?—A. He did.

Q. Did you yourself ever ask for any lawyer's opinion about that specification as to what solid rock meant?—A. Our own lawyer for the Commissioners of the Transcontinental was the Minister of Justice. That is the man to whom we had to go for an opinion on matters connected with law. We had our law clerk here but on these important matters we had to go to the Minister, and generally his Deputy Minister gave us an opinion for the Board.

Q. I cannot find that you ever got an opinion from the Minister of Justice on that question?—A. We had it from Mr. Newcombe the Deputy Minister of Justice.

Q. But Mr. Newcombe does not give any opinion as I read it; Mr. Newcombe was the Deputy Minister of Justice and according to the file, on December 20th, 1907, Mr. Ryan, now Secretary, under instructions from the Board, wrote a letter to Mr. Aylesworth, Minister of Justice, and Mr. Ryan in that letter says:—

"The Commissioners accordingly herewith submit all the correspondence with respect to this matter and request that you will favor them with your

"interpretation of Clauses 33, 34, 35, and 36 of the general specifications for construction, a copy of which accompanies this letter."

Then Mr. Newcombe answered that letter on January 6th?—A. Yes.

Q. And he says in his letter:—

To the Secretary of the National Transcontinental Railway Commission.

"Sir,—

"Referring to your letter of the 20th ultimo, with which you submit the correspondence with regard to the classification of excavated material and the interpretation of Clauses 33, 34, 35 and 36 of the general specifications for construction of the Eastern Division of the National Transcontinental Railway, I have the honour to state that upon consideration of the papers submitted I see no reason to differ from the classification stated by the chief engineer in his letter to the Commissioners of the 16th ultimo except as to the statement that rock, assembled (the individual pieces of such assembled rock exceeding one cubic foot in size) such as in the judgment of the engineer may be best removed by blasting, is to be classified as solid rock excavation under clause 34. I do not understand upon what principle the chief engineer limits the size to pieces exceeding one cubic foot. The specification speaks of rock found in ledges or masses of more than one cubic yard which in the judgment of the engineer may be best removed by blasting. If 'rock assembled' may be regarded as a mass of rock, and if it may be best removed by blasting, I do not see why under the specification it is material whether the individual pieces exceed or are less than one cubic foot in size, and if 'rock assembled' is not regarded as a mass, the minimum limit of size which can be classified as solid rock exceeds one cubic yard.

"It seems to me, however, that these quantities are largely engineering questions, the solution of which depends principally upon the judgment of the engineers and, having regard to the terms used in the specifications, I must call your attention also to clause 15 of the contract which provides that the engineer (this term to be construed as defined in clause 2 of the contract) shall be the sole judge of work and material, and that his decision on all questions in dispute with regard to work and material shall be final, thus expressly stipulating that such questions as these shall be submitted to the decision of the chief engineer.

"I wish to say that it is very difficult for me to advise generally upon the interpretation of these specifications, and a general ruling may not infrequently overlook the peculiar facts or circumstances of an individual case which if stated might lead to an exception or modification. I would prefer to advise upon any special case as it may arise, having all the particulars and circumstances stated.

"Papers returned herewith.

"I have the honour to be, Sir,

"Your obedient servant,

"Sgd., E. L. NEWCOMBE,

"Deputy Minister of Justice."

"Ottawa, 6th January, 1908."

He does not give any opinion at all in that letter?—A. I am not here to criticise Mr. Newcombe. I had to take his opinion as it was.

Q. That is why probably the chief engineer has modified his opinion when Mr. Newcombe writes this:

"To form a judgment as to whether or not it is best to move by blasting the chief engineer must view the work in process or leave it to be decided by the engineer in charge, whose duty it is to frequently visit the work during its operation and be governed thereby and act accordingly."

That meant that the engineers who saw the work done day by day were the best judges of the classification? I guess that is right, but the question there is as to being judges of the material; it is not to judge what the specification means?—A. Well, the specification interpreted by the legal opinion and also by the modification brought afterwards by Chief Engineer Lumsden, in his letter of January, in which he shows that the legal opinions on record were correct, because he had to follow them, and which also corroborates the opinion given by the district engineers who saw the work going on in their respective districts.

Q. But what I am coming to is this: the first thing to be done was to find out what the meaning of Clause 36 was, what the meaning of the language was. No lawyer gave an opinion on that on behalf of the Commission that I can find?—

A. Well, so far as we were concerned, we were satisfied with what had been on record. We had the best lawyers' opinions on record and the Minister of Justice did not in his letter raise any objection to the opinions given by these gentlemen which were taken irrespective of party politics, and I am convinced that the interpretation given by these lawyers is perfectly correct.

Q. But, Mr. Parent, you are too old a lawyer to take the opinion of your opponent's lawyer?—A. Well, I can test that. A good lawyer, a man of reputation that would put himself on record on a thing like that, takes the legal point of view strictly speaking, as to the right interpretation, because it is not a matter of a few dollars with the lawyer to leave his client in error and at the same time try to have a case before a court of justice with the result that he would be beaten.

Q. Then why don't we in this world always take the opinion of the plaintiff's lawyer and settle it?—A. That is why we went to the Department of Justice which by their opinion does not at all contradict the legal opinions on record given by the parties interested. Of course our law clerk also is a lawyer. His opinion was to the same effect. For my part, I may add at once that I am perfectly convinced there was no error and that there was nothing done on that interpretation which is against the public interest.

Q. Let me ask you this: we went over the ground at La Tuque and all over that country, and we asked the engineers to show us any cementing material and they did not do it, and they said under oath they could not show us any in the whole country?—A. These engineers have been examined in the Lumsden investigation. There were photographs produced at the time. We went over that place a few times ourselves and we found out it was a very hard piece of work. It was one of the worst you could find and now as Chairman of the Transcontinental Commission I have always based myself a good deal upon the interpretation of Clause 7 of the agreement which says that for the economical construction of the work, specifications and plans should be approved before the work started and inspection and supervision of the work was given to the Grand Trunk Pacific because they were the party interested in the construction, they were the party interested in the payment of the expenditure incurred and any difficulties that arose were to be settled by arbitration, and when the engineers of the Transcontinental and the Grand Trunk agreed on the classification, we would naturally suppose everything was all right. When they disagreed as they did in some cases, arbitrators were called in to settle the differences, and nothing more could be expected from the Commissioners. We could not go on the work hundreds of miles away from the line and follow what was doing from day to day. We had to rely on our own engineers and also on the supervision of the Grand Trunk Pacific in doing that work.

CORRY BUILDING, OTTAWA, ONTARIO, 2.30 P.M., FRIDAY,
APRIL 25, 1913.

Examination of MR. PARENT, by the Transcontinental Commission.—Continued.

By Mr. Lynch-Staunton:

Q. Before you let any of the contracts, you advertised for tenders?—A. Yes.

Q. And the advertisement provided that besides the deposit to be made by an intending contractor with his tender, the Commission could require him to furnish such additional approved security as the Commissioners might require?—A. Yes.

Q. And in the case of District F (the McArthur contract) McArthur had to furnish an additional security of \$900,000.—A. As I told you this morning, I did not agree with my colleagues as to McArthur's contract. I made a dissenting report. I you refer to the record, you will find out, I think, that my three colleagues made a special report on that work and they asked, I think, fifteen per cent guarantee.

MR. GUTELIUS: Thirteen per cent for Hogan & Macdonell and ten per cent for McArthur.

MR. PARENT: I was not a party to that at all. In McArthur's it was ten per cent, as you say, but I did not sign the report. I dissented from my colleagues.

By Mr. Lynch-Staunton:

Q. Mr. Fielding said, when it was brought to his attention, that the advertisement should not contain a clause like that: that the contractors ought to know what they were going to be required to put up. In his letter to you on June 14, 1906, he says: "Do you not think it expedient that whatever conclusion the Government and the Commissioners arrive at should be, in substance, expressed in the advertisements, so that parties tendering will be in a position to know exactly what class of security and what amount will be required of the successful bidders. This would avoid some of the questions which arose upon the awarding of the recent contracts." And in your letter to Mr. Fielding of the 17th December you said it would be necessary, in order to avoid the possibility of any misunderstanding with the contractors or tenderers as regards the nature of the securities to be required, to have the question settled in the near future. Mr. Fielding, in reply to that letter, wrote to you on the 18th of December, and said: "I beg to acknowledge receipt of your letter of the 17th, on the subject of contracts on the Transcontinental Railway. I had an opportunity of having a conversation with you on this subject to-day, in the anteroom of the Privy Council, so that now I need only write in confirmation of what I then said, I think it desirable that the Transcontinental Railway Commission, in letting these contracts, should conform as far as possible to the practice of the large constructing departments of our Government, namely the Railways and Public Works Departments. The practice there is to require a certified cheque for a certain percentage of the value of the work, which cheque, on the acceptance of the tender, is sent to the Finance Department and at once converted into cash. I would suggest that you adopt this rule. If, owing to the large sums involved, full application of the rule would require too large a deposit, there might be a modification of the percentage, so that the amount to be deposited, while substantial as security, would not be such as to unduly embarrass intending contractors, but it should in all cases be distinctly understood that the cheques so sent in, when the tender is accepted, are to be converted into cash by the Government." Now, after that, the Board did not change the form

of its advertisements at all. You still left the contractors in the dark, as to what would be required from them as security. How do you explain that?—A. We kept to the old form, and I do not think there was a change of 5c. between the contractors and the Commission.

Q. Why did you not accept the Finance Minister's suggestion?—A. What Mr. Fielding wanted was a cheque. He wanted the cash. On McArthur's contract we took deposit receipts. The amount involved was so large that he had trouble to get the money from the bank, and to help him, the Commission, although I dissented in the report, took deposit receipts, and Mr. Fielding did not like that. He said we should have got the cash, but if we had insisted on the cash, McArthur could not have taken the work at all, and that is one way of justifying my contention with my colleagues, that the Grand Trunk Pacific had the lowest figure. I am still of opinion that what Mr. Fielding was suggesting there could not change our position at all. Under Rule 17, I think, of the law, we were responsible for the security to be asked, and we took great care to avoid bogus tenders, and if I were Chairman I would do the same thing again to-day.

Q. Don't you think it might frighten off intending contractors?—A. No. They were all anxious to tender and we had no complaints about it. I have no knowledge of it doing that.

Q. Very few people tendered, though?—A. There are not very many in this country who can tender on a contract like that, and in doing that we were certainly avoiding trouble by having good contractors.

Q. I suggest to you, it might have been better to have had smaller contracts.—A. Smaller contracts would certainly bring trouble. The engineer was of opinion, and the government also, that in order to have the work done cheaply big contracts were necessary. A small contractor cannot do the work as cheaply as a big contractor, he cannot afford to buy the plant. But a big contractor can recoup himself for the cost of his plant because he has lots of work. The small contractor who has not the plant certainly cannot compete with the man who has a big plant.

Q. But these big contractors did not do the work. They sublet it to small people.—A. You could not prevent that. It is done every day with private companies. You cannot prevent that. And as long as the Government and the Commission were secured, that is all we had to do.

Q. Your idea was that a big contractor would have a big plant, but you knew that a big contractor would not do the work because it was not the practice?—A. We did not know that at first. Some of the contractors have kept a large stretch of work for themselves; others sublet. We were not in the confidence of the contractor; we did not know who was going to do the work and consequently we could not know in advance if they would sublet. For instance Hogan & Macdonell sublet fifty miles to O'Brien & McDougall. They were good subcontractors. We could not prevent that. We had sufficient security and we accepted the subcontractors in their place. Speaking generally, the subcontractors were certainly glad to make the money. Some lost money and some made money. Some did not have a plant of their own and they were glad to get the work.

Q. That is your explanation of why you did not follow Mr. Fielding's suggestion?—A. His suggestion was as a member of the Government. As a member of the Commission responsible to the people and the Government I was not inclined to follow it. I follow my own opinion in a case like that. I am sure of one thing; if the tenderers at that time had put up cash instead of deposit receipts Mr. Fielding would not have made any remark. He was looking for the cash.

Q. You received from McArthur three deposit receipts on the Traders' Bank in Toronto?—A. Yes.

Q. Acknowledging that the Traders Bank had received from the Commission in all some thirteen hundred thousand dollars. That is right, is it not?—A. I would like to see the deposit receipt. As far as the Fielding letter goes, I may add

SESSIONAL PAPER No. 123

this: we agreed with him about getting a certified cheque. We stopped the deposit receipt question but we did not amend the form of tender.

Q. Did it strike you that there might be some difficulty, if it ever became necessary, in collecting that money from the Traders' Bank?—A. In what way?

Q. You did not deposit any money with them?—A. The deposit receipt was money at the bank. They had at our credit there the sum of so much and the only thing was that we said they should not be responsible unless the contractors defaulted.

Q. If your banker were to write you a letter to-day, telling you he had \$10,000 at your credit and he had not the money there, you could not get the money out of him in a lawsuit?—A. That is a matter of law, and I think the way receipts were made out the bank would have been liable if there had been any default on the part of the contractor.

Q. The bank did not agree to guarantee the contractor?—A. No, I think they acknowledged they had money in the bank at our credit.

Q. They knew that that was not true; they would say that you knew that was not true?—A. In business we could not argue like that.

Q. I think it is very serious?—A. I do not think so.

Q. You did not think anything of it?—A. Not at all, and as the contract was executed there was no harm done, anyway.

Q. I want to ask you about three contracts, Nos. 16 and 17, about Lake Nipigon. These two contracts which covered over two hundred miles grading are located due north of Lake Superior. Do you know where those are? They were let to M. P. and J. T. Davis?—A. Yes.

Q. You first advertised this work in July, 1908, and received a tender from the Grand Trunk Pacific to do it at cost, plus 10 per cent?—A. I refused that.

Q. You refused that. Did you advertise again?—A. We did later on.

Q. On September 12th, 1908, you advertised again?—A. Yes.

Q. You got two tenders: one from M. P. & J. T. Davis for \$3,308,000 and one from the Grand Trunk Pacific for \$3,402,000?—A. Yes. In regard to the Grand Trunk Pacific, I do not think it was a plain tender.

Q. The second tender was an ordinary tender in the regular way. You awarded the contract to M. P. & J. T. Davis?—A. They were the lowest tenderer.

Q. Yes, they were some \$94,000 lower than the Grand Trunk Pacific. Why did you award that contract then?—A. Because it was the time to give it.

Q. For what reason—did you want them to start work on it?—A. Certainly. The Grand Trunk Pacific at that time was urging to have that contract given as soon as possible. It was at their request the tenders were asked.

Q. They wanted the work started as soon as possible?—A. Yes.

Q. The work was to be completed under the contract on December 31st, 1910?—A. I suppose so.

Q. No work was commenced on that until the 16th of January, 1910?—A. I guess so.

Q. And at the close of that year it was reported that 12.49 per cent was completed. Do you agree with that?—A. If that is the engineer's report, it speaks for itself.

Q. Work did not commence on contract No. 17 until March, 1911. So that one contract was let nearly a year and a half before work was commenced and the other was let two and half years before work was commenced. Is that right?—A. A. In what month?

Q. October 29th, 1908. Work commenced on 16th January, 1910, and on 17th of March, 1911?—A. Those contractors could not get their supplies on the spot.

Q. It took two and a half years?—A. I do not know about the time. They must have started work before that.

Q. Davis never did anything on the work at all?—A. I understand he sublet to O'Brien.

Q. Yes on September 29th, 1909, he sublet to O'Brien, and he has up to date received a profit on that of approximately \$600,000 for doing nothing?—A. That is his own business. We lost nothing by it.

Q. I do not agree with you on that. I think you did?—A. In what way, would like to know?

Q. O'Brien was a big contractor was he not?—A. Yes.

Q. He could take the work himself?—A. Why did he not bid?

Q. He could take the work?—A. O'Brien had the right to bid.

Q. The point is this: you let the work when it was inaccessible, and nobody started to work on it until the railway got up to the work?—A. Nearly all the contracts were let at a time when the work was not accessible.

Q. Now Mr. Hayes wrote to you and asked you to cancel that contract?—A. He did.

Q. He says in his letter of October 9th, 1909: "Dear Mr. Parent, I have your of October 7th in regard to the contracts covering certain sections in Districts "D" and "E". You do not seem to cover the point to which I made reference. There is no question as to the regularity of the tenders at the time they were asked. The point I am making is that these tenders—as well as those made by other contractors—were all based on the work having to be taken up at once and completed within a certain time, thereby making necessary the taking in of the supplies overland at great expense. Several months have been allowed to pass without anything having been done by the contractors; in the meantime the work immediately adjoining the sections under discussion has been completed to an extent that will permit the bringing in of the supplies at a very much lesser price, meaning thereby a much greater profit to the contractor on the sections named, than if he had commenced work as was assumed he would be required to do when the contracts were let.

"What we are asking now is that since we are to pay the interest on the cost of this work, and the contractors having not been pushed, that new tenders should be asked and if this is done, the work could be let very much more reasonably than was the case in the first place at a saving to the Government and eventually to the Grand Trunk Pacific, which is to pay rental based on the cost.

"May I ask you what were the provisions in the contracts referred to as to the commencement of the work, and when was it to be completed, and what was the penalty for non-completion.

"Since commencing this letter, I have had laid on my desk clipping from the Montreal Gazette of October 9th, in reference to this very piece of work, and you will note it states that Fauquier Bros. will have 50 miles of steel laid on the Transcontinental west of Cochrane before winter sets in, and that 'this will enable supplies to be taken forward by rail over the T. & N. O. and the Transcontinental, leaving a "tote" of only 50 miles to the east end of the big M. P. Davis contract. Of course, this will very much cheapen the cost of getting in the supplies, and unless the contract is revised and lower prices for the work obtained, it will correspondingly increase the profit to the contractors."

Why did you not act on that suggestion and cancel the contract?—A. You have my answer.

Q. Your answer is dated the 14th October, 1909.

"Dear Mr. Hayes:

"The essential point in your letter of Aug. 2nd to the Honourable the Premier, regarding certain contracts in districts 'D' and 'E' was a request that they should be cancelled. In my answer, I therefore endeavoured to show that, the award having been quite regular in every respect,—which you admit—such a step as was suggested would be illegal on the face of it.

"I noticed your contention that the prices were too high, but did not think necessary for the reason just given, to dwell at very great length on that side of the

SESSIONAL PAPER No. 123

question. Even granting the propriety of the ground taken, there is little doubt that it would not be sufficient before law to render void actions which were regularly performed.

"For the purpose of discussion, however, I am willing to go into particulars.

"Among other proofs that your Company had urged with us that the work referred to should be let at an early date. I shall quote from a letter written by Mr. Morse to the Honourable the Minister of Railways, on May 12th, 1908, which says: 'In order to give the Grand Trunk Pacific an outlet to the east through Northern Ontario, the contracts for the unlet portions of the line between Lake Superior Junction and the T. & N. O. Railway to be let without further delay, it being understood that the surveys are sufficiently advanced to permit this being done.'

"We complied with these wishes and contracts were signed on the 26th December of the same year. At such a late date in the season the contractors were unable to get their supplies, material and plant in soon enough to begin operations during the next season.

"Our forms of contract provide, it is true, that work be started at once and pursued diligently until completion, which in the present case is to take place on or before December 31st, 1910. Allowance must be made, as you know, for adverse conditions. I need only point out the fact that we have done so for more than one of your sub-contractors, namely the J. H. Reynolds Construction Company, who were so much behind in their work and gave us endless trouble. They were unable to carry out the undertaking and we had at one time to advance money to pay their men. Yet your company could not withdraw its contracts, although they were practically in default. There is surely much less cause and possibility to do so in the present instance where the facts are altogether different.

"Now we come to your statement that tenders were all based on the work having to be taken up at once and completed within a certain time. As supplies had to be taken overland at great expense, prices would naturally be high. Perhaps the work done on the adjoining section may reduce somewhat the cost to the contractors in one way, but the difference would not be as large as you claim. There will be still a considerable distance to cover by 'tote' roads, while haulage by rail through to the point of delivery is no small item, and this remains the same. Labour conditions, which you represented as favourable at the time, must have been taken into account by the tenderers. It is not likely that workingmen can be had to-day as cheaply as could be expected a year ago during the financial stringency.

"There is no certainty, therefore, that better prices than before could be obtained now if new tenders were to be called for. Any advantage that might be gained on one hand would be more than counterbalanced by the loss of time on the other, not to mention the liability incurred. It would take a year or more before another contractor could get down to work.

"We are told that preparations have been made to proceed actively with the work, and it can be expected that these two sections will be ready in good time.

"In any event there would be no way of complying with your suggestion, as stated before, unless the contractors would give their consent to the work being let anew, which, it seems, would be a most unusual course in business.

That is your answer?—A. Yes.

Q. That was in October, 1909, and Davis & Co. had sold the contract to O'Brien at that time?—A. They may have done so. Reports will show.

Q. Section 20 of the contract provides that if the contractor shall make default or delay in diligently continuing to execute or finance the work to the satisfaction of the engineer, and such default or delay shall continue over six days after notice in writing shall have been given, you can cancel the contract. You had it absolutely in your power to cancel the contract.

Q. And you agree, in that letter, that it might be let cheaper, and Davis was not going to do it.—A. I do not agree to that. I gave my reason in the letter. To try to cancel a contract like that would involve litigation.

Q. Why did you not make Davis get busy and go on with the work?—A. Well, I will tell you. The country has lost nothing by it. To my mind, the country has gained by the delay. If we had pushed that part or some other part, we should have had to pay interest on it and taken care of the line pending the operation of the whole line. For instance if Davis finished ahead of the others we could not use the line but we would have to pay interest on the money and take care of the line which would involve a large sum of money. So the country has lost no money.

Q. That being so clear, why on earth did you let the contract so early.—A. Because we were asked by the Government and the Grand Trunk to do so.

Q. Why did you not compel them to go ahead?—A. We did, but they are just like contractors for private companies. For instance if you let a contract to be completed within a certain time, I think you won't find one perhaps who will do the work in the time specified. They never do it in the time specified.

Q. Don't you think it was a great piece of folly to build the National Transcontinental end of that line before the West end was completed?—A. That is a matter of opinion. We were asked by the Grand Trunk Pacific to have the contract let, and as soon as the location was prepared we did so.

Q. You know that work has been completed down there for years, and is no use?—A. It has been completed.

Q. And it is no use yet?—A. If we had finished the Davis contract, which you were talking about just now, we should have been in the same position with that. In building that line, contractors had to meet a lot of difficulties. There was fire, in some cases, and they lost their supplies in others. They could not do any better. It is very easy to criticise an enterprise when it is over, but when you are meeting all the difficulties, that is the time to talk about it. It is easy to find fault with it when it is finished, and very unfair sometimes.

Q. I want to ask you, did you or any of your fellow Commissioners receive any money from any of the contractors?—A. Not that I know of.

Q. Neither for yourself nor for political purposes?—A. Not that I know of. Speaking for myself, I have been in public business for many years, and it has always been my duty to put public interest before private interest, here or elsewhere, and in this case, if I were to die to-day, I would say the same thing: that so far as I am concerned, I have been taking care of the public interest as much as possible. For my part, I would not give undue preference to anybody, contractor or otherwise, for money or other consideration.

Q. Did any contractor pay any sum of money to you or to any of your fellow Commissioners for personal or political purposes?—A. I do not know that.

Q. You say they did not.—A. Not to my knowledge.

Q. Did they pay any to you for personal or political purposes?—A. No.

Q. Did any of their friends pay money for them to you?—A. No.

Q. Do you know of their paying any money for personal or political purposes during the time they had this contract?—A. To me?

Q. To anybody.—A. Not that I know of. Those contracts were let on their merits, without any compromise or favour whatever.

Q. Did any of the contractors make any contributions for personal or political reasons, after they got the contracts?—A. Not that I know of. If they did, it must have been elsewhere.

Q. But not through you or with your knowledge?—A. No.

Q. Nor through you?—A. Certainly not. If it had been through me, I must have had the money.

Q. Did they pay it to any other person, at your suggestion?—A. Not at all.

Q. Do you know of their paying any money?—A. I cannot say that. I am speaking from my personal knowledge.

Q. Did they tell you they paid any other, money?—A. I won't tell that. I do not know that.

Q. Will you say they did not tell you they paid money?—A. I do not remember that.

Q. Try and remember.—A. If they paid money to somebody, it would be their business.

Q. Did they tell you they had paid any money to anybody during the time they had these contracts?—A. To anybody outside?

Q. Yes.—A. A fellow talks that way sometimes. He might say, I contribute to both sides of politics, to both parties, but without giving any name particularly.

Q. Did any of those contractors tell you, during the time they were doing this work, that they contributed any money for political purposes?—A. I do not remember that.

Q. You don't remember?—A. No.

Q. Will you try to remember?—A. If I knew, I would tell you. In a thing like that, I speak for myself. I cannot speak for anybody else, nor will I speak from hearsay.

Q. You do not remember their telling you so?—A. No. I always avoid politics.

Q. You say they never told you they put up any money for personal or political purposes?—A. I do not remember that. You think I know better than I do. We did not touch those matters. I had a duty to perform and I performed it.

Q. And you say now, candidly, you do not know of any case where any contractor put up money while he was contracting with this Commission?—A. I do not say they did not put up any money.

Q. But so far as you know?—A. So far as I know, they did not, to me.

Q. Do you know of their doing it?—A. To know it, I must have been with them when they did it.

Q. Oh no.—A. If they did, I was not with them.

Q. This is not the point. Did they tell you they did?—A. I do not remember that. They may have said so, I do not know. I do not remember it and I could not swear to it.

Q. Do you remember their telling you they were going to put up money?—A. That is about the same thing. They may have said so, some of them, but I could not point out exactly. They may have said so.

Q. Cannot you recall any case?—A. There were no special cases.

Q. Think it over now. Cannot you recall some case?—A. No. What case?

Q. Never mind just now.—A. Have you a case to point to?

Q. Just see if you cannot think of a case.—A. No. I cannot find a case.

Q. You mean to tell me that you cannot remember a single case during all the time you were Chairman of that Commission, where a contractor told you he paid money?—A. You must think of this. I never bothered myself with the contractors about a money question. My sole duty, as Chairman, was to see that the work was done in the public interest and according to the specification, and I would not have dared to speak to contractors about subscriptions or anything else.

Q. Did you ever speak to them?—A. I have had experience enough in politics not to bother with this question. If these things were done, they were done by outsiders, but not by those having the responsibility of the work. That is why I am not in a position to talk about them.

Q. Do you mean to tell me you were never curious to find out whether they had put up any money?—A. That would not be doing any good at all.

Q. But you never were curious enough to find out?—A. I am not very curious on those questions.

Q. Did you tried to find out?—A. No. I never tried to find out, because it would have been against my whole interest and duty to do so.

Q. And do you say you did not find out?—A. I did not look for it. I did not want to bother with it.

Q. I knew you did not want to bother with it, but sometimes when these men become generous they would likely want their generosity to be known to the proper people.—A. That is as old as Adam and Eve. You will find some thing like that on both sides of politics. We know very well both have their friends at election time, but this has not been done, so far as I know, by a party contracting with us. I would take it to be an offense to do it. That is why I would not touch a thing like that.

Q. Do you say you do not know anything about it?—A. Not personally.

Q. Anybody told you?—A. On that question I would not swear. I do not remember.

Q. You do not remember?—A. No, because so many things pass in election times that a fellow may say, well, I have given so much to this person and so much to that—not on this special question, but generally—and therefore, I would not take on me to swear on a thing like that.

Q. Was there anybody that you know of that got any money from the contractors for political or other purposes, during the time they had contracts for the Transcontinental Railway?—A. I answered that. I said no.

Q. Now your answers are without any mental reservation?—A. No mental reservation on my part.

Q. It is an absolutely frank statement?—A. A frank statement, so far as I know.

Q. I could not get a 'yes' out of you by putting the question in another form?—A. Put it any way you like. You will get the same answer.

Q. Now I want you to explain a matter down at Quebec. I think it is only fair that I should draw your attention to this. You know the Chevalier case down there?—A. In Cap Baleine.

Q. Yes, the ice house case. On the 1st of October, 1908, Alfred C. Dobell leased for three years, from May 1, 1909, to Adolphe Chevalier, a lot of land known as cadastral No. 2525 in Champlain Road. That is Cap Baleine, is it not?—A. Yes.

Q. Now, Chevalier says that a man named Bergevin came to him through a hotelman named O'Neill, and bought out from him in the summer or autumn, just before the general election in 1911, his lease for \$4,000; and he reserved the right to occupy that land until the end of the lease. The notarial deed was executed before Joseph Allaire, notary public for the Province of Quebec, and it provides that Chevalier is to give him all his rights and interests of occupation, of a certain piece of land known as cadastral No. 2525. He is not to give up possession until the 1st of May next, when the lease runs out.—A. (After examining the deed and lease). Both are the same thing.

Q. Did Bergevin, under those deeds, receive any consideration for his \$4,000?—A. I do not know about that.

Q. You ought to know. You are a lawyer.—A. But I have not studied the conditions enough to answer that.

Q. But under those deeds?—A. They speak for themselves.

Q. I have shown you the deed, and you can see by that deed, can you not, that Bergevin got nothing at all for his money?—A. I know nothing at all about that.

Q. I am asking you now to look at the deed from Dobell to Chevalier and the deed from Chevalier to Bergevin, and tell me, as a lawyer, whether Bergevin got anything for his \$4,000. (handling deeds to witness). Generally they show Bergevin got nothing for something, and knew it when he took that deed.—A. I cannot say that.

Q. You know he did not get anything. The deed says he does not.—A. The deeds speak for themselves.

Q. Do the deeds say so?—A. I do not want to speak of a lease to which I am not a party.

Q. Am I not correct in stating that the lease from Dobell to Chevalier is for three years?—A. That will be for you to say in your report, whether correct or not.

Q. Now, won't you say to me whether I am correct or not: whether that is not a lease for three years from Dobell? You have read both?—A. It looks like that. You asked me whether I knew Bergevin had got nothing

Q. Leave that out. Does not the deed to Bergevin provide that Chevalier shall occupy the land until the end of the lease?—A. It does, according to this, but there may be something else. This does not show he had very much, but he may have something else. I do not think a man is such a fool as to pay money for nothing.

Q. Under these two deeds he had nothing to sell, had he?—A. Not very much, judging by that alone.

Q. Now here is a deed to which you are a party yourself. In 1911, Bergevin received \$4250 for a graving-dock. The deed I have in my hand is in French, but I will translate it. "Considering that it is necessary for the Transcontinental Railway to demolish, for purposes of their line of railway, the graving-dock belonging to the said Bergevin, situated on Lot 2525, and considering that Bergevin is ready, in consideration of a certain indemnity, to give up the said graving-dock, therefore, Bergevin accepts \$4250.00 in full and final discharge of all damages resulting to him from the demolition of the said graving-dock." Now, why did you give him \$4250? Your notary had all the papers before him?—A. That was built by Chevalier when he was a tenant of the property.

Q. Yes, but Chevalier did not sell that graving-dock to Bergevin. What did you want with the graving-dock?—A. The engineer wanted to cross that property, and we had to remove the graving-dock.

Q. Now, Chevalier's lease was up, and they had to remove their buildings. That is as plain as a pikestaff.—A. Not so plain as you think, because at that time I understand Chevalier could have got an extension of his lease, and so would not have had to remove that dock.

Q. But he could not get the lease if you chose to take the property. Dobell could not give him the lease.—A. We did not pay for the property itself, but as a place to build on.

Q. If you chose to expropriate that property, Dobell could not give him another lease?—A. Certainly not.

Q. You knew that. Now then, he would have to move that graving-dock, and he would not have any claim against you. You do not mean to tell me that you thought for one moment that that man had any claim for damages against the Transcontinental Railway for that graving-dock?—A. Why did the engineer and the right of way agent recommend it if it were not wanted?

Q. I do not care if all the men on earth recommended it. Any lawyer knows that that man had no claim.—A. You could not remove his house without paying for it, and moreover, I think it was used by our own men, who were picking borings in the river at that time.

Q. What do you say you paid that money for?—A. For what is specified on the voucher here, and approved correct by the right of way agent and the engineer. If I remember rightly, our men who were picking borings in the River St. Lawrence used that dock all summer.

Q. But that is not what you paid \$4250.00 for.—A. I cannot say exactly, but if my memory is correct, I think we paid that money to use it.

Q. Chevalier say that everybody knows all about it, and he says that when he got this from Bergevin, Bergevin knew all about it. Now Bergevin, according to the law of Quebec, would have to produce the papers to show his title, and his papers show no title. Is not that true?—A. I cannot say as to that. If I remember the facts, the graving-dock was bought and used by the Commission during the whole summer.

Q. Is that all the explanation you want to make about it?—A. So far as my memory is concerned, but we would never have bought it if our men had not thought it was worth that amount. I did nothing to Bergevin or Chevalier, and they did nothing to me. I have no interest in the property at all.

Q. This transaction was made with you, yourself, and I cannot understand how any lawyer would put that deal through?—A. The certificate of the right-of-way agent is there, and the matter was fully discussed with those fellows, and they agreed to pay that amount of money. I would not have paid that amount of money if I thought it incorrect.

Q. But the point I am trying to impress on you is this: that this man's tenancy had expired, that he had no claim whatever against anybody, that he must remove his things or leave them there, and he had no claim on earth against the Commission, and I want you to explain to me how he got that money?—A. He got that money because we bought the thing. It was valued by our right-of-way agent and engineer at Quebec. We were satisfied it was correct, and we bought it.

Q. You say Bergevin bought this tenancy from Chevalier and never mentioned anything about the graving-dock in the deed, and he professed to give \$4,000.00 for what he knew, if he read his deed, was nothing at all?—A. So far as I am concerned, I had nothing at all to do with these matters.

Q. But the notary did?—A. Yes, but it went to our engineer's office.

Q. No. Bergevin and Chevalier say it went through you?—A. Did they know what was going through me and my office?

Q. They say they came to you personally?—A. They came to me personally but it was referred to our engineer's office.

Q. No, no. It was referred to the notary?—A. Not at all. You find, on the voucher, the certificate of the real estate agent.

Q. That certificate of the real estate agent shows this: Mr. Tremblay says that the voucher means that the statement is wrong, but the voucher is in conformity with what is intended in the deed. He says that voucher only means the amount that is stated in the deed?—A. It does not mean that to me. When a real estate agent certifies an account as being correct, he does so because he has put his valuation on.

Q. Supposing he did put a valuation on. How could that make you responsible? You might send him out and tell him to value anything, but that is no reason why you should buy it?—A. I do not ask any man to value anything. He has to notify me. I say if we want something, it is for him to certify the value of what we want.

Q. What was the duty of the notary? To see that there was a proper title and to see the deeds?—A. I never studied those deeds. We were discussing the value of the graving-dock at the time, and if I am not mistaken, we have used that thing; but I am not sure about it. But surely we would not have bought that if it had not been valued by our own men in Quebec.

Q. There was another man named Martineau in exactly the same position. He had a lease of part of the land from Chevalier, and he had an ice house on it?—A. Yes.

Q. Martineau sold out to Bergevin his right to occupy the premises under his lease. It was agreed that Martineau could remain in possession until the lease expired. Bergevin paid him, as appears by the deed dated the 18th of August 1911, \$2,000.00 for nothing. Did he get anything for his money? I will show you the deed. (Deed handed to witness.)—A. This is not our own deed.

Q. It is the deed to Bergevin. You can see there he did not get anything for his money?—A. In this case, it was only the sale of an ice house.

Q. The ice house is not sold there, is it?—A. Yes. They were selling the ice house.

Q. I did not see the sale of an ice house in that. Will you point it out to me?—A. Here it is (indicating).

Q. Oh yes. Bergevin bought that ice house?—A. The deed shows.

Q. And he would have to move out at the end of the lease if he wanted it, would he not?—A. Well, it would be a question between him and the landlord.

Q. If the lease came to an end, he would have to move it if he wanted it?—A. If there was no renewal.

Q. Yes. If you expropriated the land, he could not get a renewal?—A. Not a renewal, but he could have remained there a few months more.

Q. But he could not have got any damages out of you?—A. No.

Q. And therefore, when he got \$2,500.00 for damages, he got it for nothing?—A. It might be for damages alone, it might be for the building, also.

Q. It does not say for the building. It seems to me that you ought to pay that money back to the Commission.—A. It is a question of having value for the money.

Q. I cannot see where they got any. I would like you to explain it, because it is a transaction that needs explaining?—A. For my part, the transaction was bona fide. So far as we are concerned, I say frankly we never received anything at all either directly or indirectly from any of these parties.

Q. They say it is an election transaction. They swore to it. Chevalier says he did not sell anything, and it was just a cloak to give him money for the elections?—A. Did he?

Q. He swore to it?—A. If he did swear, I am swearing too, now, that I do not know anything about it, neither from Bergevin nor Chevalier. This was made after the election, was it not?

Q. No. It was made before the election?—A. No. It was after the election.

Q. Bergevin is a man of intelligence, is he not?—A. I suppose he is.

Q. A business man?—A. Yes.

Q. And he has large property in Quebec?—A. Yes. He has some there.

Q. And he is not a shipwright?—A. I do not think Bergevin got a cent for election purposes. I will be more than surprised if he subscribed to the elections, and as far as we are concerned, there was no election in the business.

Q. It is my duty to tell you what they say, because there is the evidence?—

A. What did Bergevin say?

Q. Oh, he denied it, but he could not make any decent explanation of it?—

A. We never paid any money to Chevalier.

Q. You know everybody in Quebec is talking about it?—A. They can talk as much as they like.

Q. I would like to see it explained, because it seems to me it needs explaining. Bergevin said what he bought from Chevalier was bought by him to sell to the Commission. That is his evidence. Listen:—

"A. (Bergevin) Well, I do not say that I do not know. I was buying them to sell to the Commission.

"Q. You knew the Transcontinental would pay you that money for it?—A. Yes.

"Q. What did you know?—A. I knew I could sell the property to the Transcontinental Railway. The way to prove to you that what you say is not correct—because some I sold at \$259 profit. I was pretty sure I could sell it to the Transcontinental Railway."

Now, so far as I can see, Bergevin got nothing for his money. Chevalier had no claim for damages, and the Commission got nothing for its money. If you can explain to me where I am wrong, I will be delighted to hear it?—A. I cannot explain to you the value put on those properties. I never saw those deeds. They were supposed to go to the notary, and he handled them in due course. The property was valued by our own officers. So far as I am concerned, I never went there myself. The real estate agent was supposed to satisfy himself that that was correct.

Q. Your notary, then, has to bear the blame of putting through that transaction?—A. There is something in that. I cannot say whether the amount is correct or not. If the graving-dock or the ice house or whatever it is was bought too high, I am not prepared to admit it. I do not see those things myself, but I

never did a thing unless my right-of-way agents had certified or recommended it. I relied upon this man, who is supposed to be honest and perfectly honourable, and when such a man certifies a thing to be correct and comes to me like that, from the Quebec office, it is supposed to be correct.

Q. Did you know yourself—you ought to know, I should think—that that was something which the Transcontinental ought not to buy at all and did not have any use for?—A. It was not the way to do it. The Government would never dare to go on or go through a property because a lease had expired or was on the eve of expiring, and pay nothing at all for it. I know that although Bergevin's lease might have expired, he would have got some little time.

Q. Mr. Dobell swears he had given him notice. Chevalier swears he had got notice. Chevalier says he told Bergevin he had no right to stay on there any more.—A. When they came to me they said the lease had three more years to run. There was a building on the property and they were asking so much for it, (I have claims, if I remember right, up to \$5,000 and \$7,000). The matter was referred to Mr. Tremblay and to Mr. Doucet. Tremblay, later on, recommended that amount of money and the thing was put in the notary's hands, but I never saw anything of those deeds.

Q. Did you think you were buying the lease?—A. Certainly. At the time they came to me there was supposed to be an unexpired time of lease.

Q. The deed shows you did not buy the lease?—A. The deed was not before me. I suppose the notary was looking after that.

Q. You signed the deed yourself?—A. I signed this, and it was supposed we were buying something.

Q. It did not show you were buying any lease?—A. This one was for an ice house.

Q. What did you intend to do with the ice house and graving dock?—A. I do not know.

Q. But you did not buy the ice house?—A. Yes, we did.

Q. You were giving this man \$2,500 for moving an ice house which he had to move himself?—A. But we bought the ice house.

Q. Oh no, you didn't, and you didn't buy the graving dock—the demolition of them, I think, but you did not buy either of them?—A. The demolition is about the same thing.

Q. They moved the graving dock over to Orleans Island?—A. I did not follow that. We bought the property to get the right to demolish it.

Q. Knowing he was to demolish it himself?—A. We were buying it for that.

Q. You were giving him the money for the expense of demolishing the ice house?—A. We were buying the ice house because it was to be demolished.

Q. I do not see it in there (indicating)?—A. We had to demolish it.

Q. To move it off?—A. Yes, or demolish it.

Q. You had a very eminent Ontario lawyer, Mr. Taschereau?—A. He is supposed to be.

Q. Then you had a solicitor. You had a lawyer to examine the title and a notary to put through the deeds, both of the name of Taschereau. The lawyer is the Minister of Crown Lands for Quebec, is he not?—A. The Minister of Public Works.

Q. And did he certify there was a title to that?—A. I did not say that. I see his brother signed the deed.

Q. Well, his brother had all the papers before him?—A. He was supposed to have, and it was his duty to have them.

Q. And you signed the deed before the brother?—A. All the deeds in Quebec are on the minutes.

Q. It is not. I would like to see it explained?—A. I have given you my explanation. It was a bona-fide transaction like the rest, so far as I am concerned. It went through our office in Quebec and we paid lots of money there. I never

SESSIONAL PAPER No. 123

saw the place myself. I am most surprised to hear you state that too high a price was paid. I never put a valuation on the building myself. There is no politics attached to it.

Q. Do you understand the transaction?—A. I understand it as it is now. I signed, that is all.

Q. Here is what Bergevin says about it himself:—

“Q. Your deed says that that was for damages for removing the slip?—

A. Yes.

“Q. So that you got \$4,250 for nothing?—A. Why?

“Q. Because you did not own the slip.—A. No, but I bought the right from the 1st of September to the 1st of May. That is what I sold them. I could not have sold them anything that did not belong to me.

“Q. But you did not sell them anything?—A. No.

“Q. According to your own deed, you sold something which you did not own?—A. No. I did not sell them anything which did not belong to me.

“Q. But did you own the Bassin de Radoub?—A. No. I owned only the right, as I explained.

“Q. You did not own the Bassin de Radoub?—A. No, only the right to the 1st of May.

“Q. You knew quite well you did not own the Bassin de Radoub?—A. I did not buy any property.

Q. Why did you sign the deed and say in that deed that you owned it? (Deed shown to the witness) Now, be honest about this. Did you not give that man that money and then find yourself in trouble after the election and get your money back at this date?—A. No.

Q. Yes you did. You got it on the 16th of October.—A. Yes, but that transaction was made before the election.

Q. The transaction with whom?—A. The Transcontinental Railway.

Q. With whom did you make it?—A. Mr. Parent.

Q. He is a lawyer?—A. Yes.

Q. And a very distinguished lawyer?—A. White puts him before the Ontario Taschereau.

Q. And you made the bargain with Mr. Parent himself?—A. Yes.

Q. And he agreed to give you \$4,250 of Transcontinental money for destroying the Bassin de Radoub?—A. Yes.

Q. And you knew you did not own it?—A. For the right I had there.

Q. For the Bassin de Radoub?—A. No. That was for the demolition of it.

Q. What was your bargain with Parent?—A. \$4,250, the way the deed says there.

Q. For the demolition of the Bassin de Radoub?—A. No.

Q. Tell me the bargain. What did you say to Parent?—A. I told him, I will sell what I have there made with Chevalier, and that is all. I produced my contract with Chevalier, and that was the arrangement. I would get \$4,250 for the thing.

Q. Did he write it?—A. Yes, and the notary too.

Q. Did Parent go to the notary with you?—A. No. Mr. Tremblay would not bother me, but I gave them the papers and they went to the notary with it.

Q. Did Mr. Parent give Tremblay instructions?—A. Yes.

Q. In your presence?—A. Yes, to send the papers to Taschereau.

Q. Did Mr. Parent get the deed from Chevalier?—A. Yes. He must have given it to him, because he had it in his hand.

Q. When did he make the bargain with you and Parent?—A. I cannot tell you, but it was a week or so before the election.”

Now, there he says very plainly that you knew all about it.—A. I never saw those deeds. I referred the whole thing to Mr. Tremblay, as I did other things.

There were no exceptions made in the case of Bergevin or other fellows. Tremblay was the man to look after those things, and he was satisfied to pay a sum of money, that was all I knew about it.

Further on he says this:

"Q. To go back to the Martineau ice house. You bought the ice house from Martineau for \$2,000?—A. Yes.

Q. You did not sell the ice house to the Commission. You only were paid by the Commission compensation for the removal of the ice house, and damages to cadastral No. 2525, \$3,700, according to your receipt. That is correct, is it not?—A. Yes.

Q. So that you removed the ice house?—A. Yes.

Q. And the Commission was giving you \$3,700. for the expense of moving it?—A. Yes, to take it away from them.

Q. Don't you think that was a pretty tall price for removing the ice house?—A. I do not know. You can judge of that.

Q. I am asking you?—A. I sold for what I thought I could. If I could have sold it for more, I would have.

Q. With whom did you make the bargain?—A. With the Transcontinental.

Q. With Mr. Parent personally?—A. Yes.

Q. He agreed that you should take the ice house away?—A. Yes.

Q. And they would pay you \$3700. for taking it away?—A. Yes.

Q. No doubt about that?—A. No."

Now, they put it right up to you.—A. Well, the facts are as I told you. Our own men are responsible for the valuation of those things, not myself. I never was in any of these things. I do not settle a thing like that unless it goes through in the regular way.

Q. But you must have known that this man had no claim whatever against the Transcontinental Railway, no matter who valued it?—A. If I had known he had no claim, do you think I would have signed the deed?

Q. I would not think that you would sign the deed?—A. I signed it because the certificate of our real estate agent was there on the voucher and I supposed it to be correct. Mr. Tremblay was satisfied the amount was correct.

Q. But Mr. Tremblay would not know whether the Commission was liable or not?—A. He is supposed to know. If our plans show that the line has to go through certain property and he finds that property belonging to Bergevin or somebody else, and he finds out that so much money is required for the removal or demolition of that property, and says, I will recommend the payment of so much, I would assume that to be correct. I will say this: that nothing, directly or indirectly, has been paid by Bergevin, Chevalier, or anybody else, on account of this deal. There was no election business in it. There was not a cent paid, to my knowledge. I never heard anything about it, and I am pretty sure that Bergevin had not spent a cent on the election, on account of these exactions. I never had any. I never expect to get money from any of those fellows. I never deal in that way with anybody. If that thing is too high, the ice house, the Bassin de Radoub, or whatever it is—I do not admit it—but if it so, Tremblay and the notary and the real estate agent are responsible for it because they deceived us by certifying an amount which is not correct. For my own part, to be perfectly frank, under the same conditions I would repeat the deal again to-day, having confidence in my agent. Tremblay was a man of great honesty. He was as good a man as you could get, a good land surveyor with good judgment, and when I found his certificate on a document I had no doubts about it.

Q. Mr. Tremblay struck me as an extremely conscientious, honest man.—

A. He is too. I never put through any deal in Quebec without going to see him.

SESSIONAL PAPER No. 123

I always referred them to Tremblay and Tremblay would come back and say: Compromise the thing or pay so much, and we would do it.

Q. But Tremblay says he did not do it? A. For my part, I never did anything unless Tremblay certified it. There is the voucher showing he certified it.

Q. He says that the account showed the amount mentioned in the deed? —A. Of course, but the amount was fixed by him.

Q. He says not.—A. I say yes.

Q. Bergevin says not too?—A. Bergevin was not there when I dealt with my real estate agent. The man does not stay there all the time.

Q. Bergevin says he fixed the amount with you?—A. Of course, I knew how far Tremblay was prepared to go, but when Bergevin came back to the office we did not close the deal in the first instance. I knew how far Tremblay was prepared to go, and we agreed on it.

Q. I think it is only fair to you to read you this portion of the evidence:

“ Q. Who gave you your instructions?—A. The President.

Q. Mr. Parent?—A. Yes.

Q. What did he tell you in respect to this transaction?—A. Of course, I did quite a lot of things, and I do not remember exactly what was done in respect to that particular case, but if I remember right I think Mr. Bergevin came in to see Mr. Parent when he was here; and I was called into the office here and a discussion took place between Mr. Bergevin and Mr. Parent as to what he should get for the property he had to sell to the Transcontinental, and it was agreed—we sold at the valuation that was made by the valuator, and it was agreed that the transaction should be made at the price as made by the valuator.

Q. That is, that all the properties that Bergevin sold to the Commission should be at the valuation made by the valuator.—A. Yes. That was for this transaction, and further than that, I had instructions from Mr. Doucet to make all the transactions for the price given by the valuator, with all those landowners that would be ready to settle with the Transcontinental Railway, whose property had been valued.”

I think that is all I want to ask Mr. Parent.

MR. PARENT: I never concluded any of these transactions for damages unless they had been discussed beforehand and agreed to by the agent or the engineer. Sometimes they would come into my office, discussing matters and then come back another day, and I would discuss it with the real estate agent or engineer. I had not the least interest in that matter directly or indirectly. I want to go a step further. Bergevin says that Tremblay went to the notary with the deed. That shows that Tremblay was supposed to know all about it.

By Mr. Gutelius:

Q. This railroad has been a very expensive one, and it is supposed to be a very high class road. Who designed this railroad? Was it the Commission or was it the Government?—A. It is an expensive road because the law says we were to take the outline into consideration, bridging, curves, etc., and because the standard of the road is high. When I became Chairman, the specification had already been made by, I think Mr. Butler, who was then second chief engineer, and by the chief engineer, Mr. Lumsden. The plans were supposed to be approved by the engineer and the Board of the Grand Trunk Pacific.

Q. Do I understand you correctly, then, to say that so far as you personally are concerned, or the Board, after you became Chairman, had no responsibility for fixing the standard of the road?—A. When I came in as Chairman, the standard

of the road had been settled on and the specifications made, and my duty and the duty of the Board under me was to build the road according to the design and specifications already made. Standard means the class of road: four tenths one way and six tenths the other. I do not think there is anything in the specification which mentions four tenths and six tenths.

Q. Was that settled before you came in?—A. I cannot say whether it was or not. I know the specifications were.

Q. Although the curvature and the gradients were settled before you took charge of the Commission, the question of the construction of wooden trestles, had not been settled. Why did you not use wooden trestles, in the interest of economy, in the construction of this railway?—A. I am not an engineer, but I think any engineer will admit that steel bridges are better than wooden trestles, because, in the first place, they are permanent, and in case of fire it would be disastrous to have wooden trestles on the line. Further, if you take into consideration the cost of lumber, at tender prices, and the cost of filling for wooden trestles, you would come to the conclusion that steel bridges, in the end, are cheaper.

Q. Did you ever have the engineers make comparative estimates for you to prove what you have just suggested?—A. We discussed matters more than once, especially when an offer was made by the Grand Trunk Pacific to build wooden trestles, and for them to do the filling afterwards at so much per yard. At that time we discussed the matter thoroughly and came to the conclusion that it would not be worth while to make a change, in view of the fact that we were building a first class road, and that besides the Grand Trunk had nothing for the filling and we should have had to have the consent of the main contractor. We thought it better to refuse their offer and finish the road at once with steel bridges and make it permanent.

Q. If you had been advised, in the early stages, of the construction of the railway, that you could have saved \$7,000,000, do you think you would have come to the same conclusion?—A. In a case of that kind, I would have gone a step further and submitted it to the Grand Trunk and the Government.

Q. It would have made you perk up your ears?—A. If our chief engineer had put the question, say, in a special report, as you have put it to-day, that there would be a big saving in wooden trestles, then it would have been our duty to submit it to the parties interested. When we thought we could save a few million dollars in La Tuque, we did it.

Q. I do not find that you were ever advised of the money involved?—A. The specifications were approved beforehand by the Government and the Grand Trunk Pacific, that was before I came on. It was modified, perhaps, a few times afterwards, about twice or something like that, but the specifications could not be changed by the Chairman or modified by our Board, neither by the Government alone, but only by the common consent of the Grand Trunk Pacific and the Government. If we had undertaken, ourselves, to modify the specifications, we should have been doing something illegal and might perhaps have been thrown out.

Q. The specification did not say anything about wooden trestles or steel bridges?—A. Oh no. I do not think so.

Q. In the matter of using new eighty pound steel in sidings, if you had known that by purchasing lighter rails you could have saved \$300,000, would you, with the Grand Trunk Pacific's concurrence, have undertaken that?—A. That matter was taken up once by Mr. Morse, and he said, I remember well, that perhaps they would save some money on the sidings, but in order to make it a uniform road, they would not object to having the 80 lb. rails in the sidings, the same as the main line.

Q. So that you let it go through?—A. So at this point we let it go through. We had trouble about getting rails. We had to wait sometimes for months and months after the contract was let.

Q. But if you had known you could save that amount, and if it had been satisfactory to the Grand Trunk, you would have, in the interests of economy, used lighter rails, would you not?—A. If the rails are all of the same standard and

SESSIONAL PAPER No. 123

weight, it is very easy to change them. That is one advantage of having a uniform weight. At that time, Billings seemed to object to 80 lb. rails. About wooden trestles, I want to be fair on that point. Considering the fact that we asked for prices for tender from contractors, I have my doubts whether, taking tender prices, you could save \$7,000,000, as compared with steel bridges, but of course, assuming for a moment that you could get timber at prices lower than we have now, you might be able to save a large amount. But I have my doubts, when I consider the tender prices, whether wooden trestles would have made such a difference in the cost of construction.

Q. That is only your opinion?—A. Certainly. I am not an engineer. The transportation of timber is a great factor in construction. The distance and the place it is to be put have all to be considered. To build a railway in some places would be very cheap, but in building a trestle at a long distance, and where there is no railway communication, the transportation alone might sometimes cost much more than the material. That is where the trouble comes in and the expenditure increases.

Q. \$45.00 to \$50.00 a thousand was the average, was it not?—A. I do not think so. I think the average was over \$60.00.

MR. LYNCH-STAUNTON: I do not think so.

MR. PARENT: I did not make any calculations, but that was my impression. Although I am not an engineer, when I was Chairman of the Board I used to figure out for myself at night, to help me along. They have tried to get an engineer at the head of this Commission. It is a matter of opinion whether he would be any better than a business man. Unless you could get an ideal engineer, his plans might be often worse.

Q. Was the payment of \$350,000.00 to the Grand Trunk Pacific for surveys made with your approval?—A. It was before my time.

Q. How did you happen to build double track between Cap Rouge and St. Foye, and between Transcona and Winnipeg, and provide for double track over the Little Sturgeon River near Graham, when the Act seems to call only for a single track railroad?—A. They are not double track; they are terminal facilities. At Cap Rouge there will be more than two tracks. No railway can do without terminal facilities. You have to have them whether you are going to Winnipeg or Quebec, and we do not consider them as double track at all, or that we are going against the law in providing them, because it was required and approved by the Grand Trunk Pacific and the Government. What could you do in a city like Winnipeg or Quebec, with a single track? You have to accommodate the cars coming in and going out. Take the C. P. R. in Winnipeg, for instance. I think their yards are over thirty miles long.

Q. They are only building their second track now?—A. But they have lots of tracks into Winnipeg and in the yards. In regard to Quebec, the Government assume the obligation of the Quebec Bridge Company, which called for more than one track, and we had to carry out that obligation. When the bridge collapsed, the Government took it over and assumed all the obligations. The Quebec Bridge Company was going into Champlain Market in Quebec, and they were to build four tracks or more and a station there. That is why, I suppose, there is more than one rail from Cap Rouge to Quebec.

Q. At the Winnipeg terminals, when you made that agreement with the Canadian Northern, why did you not extend the terminal so as to connect up with the Transcontinental at Dundee Junction?—A. At that time Winnipeg was supposed to be their terminus. Going further on was a matter for discussion afterwards. Dundee Junction was on the Canadian Northern, and at that time the chief engineer never suggested anything else than what we had at first supposed.

By Mr. Lynch-Staunton:

Q. Why did you not bring the terminal yards at all events down to the banks of the river?—A. We were not asked to do that.

Q. Were you actively engaged, personally, in making the terminal agreement with the Grand Trunk Pacific and the Canadian Northern in Winnipeg?—A. Certainly. The Board had a long discussion with the Canadian Northern on that matter, and the Grand Trunk Pacific people were also often met. I have many recollections of the first deed they made, before it went to the House for approval. On one occasion they sent for Mr. Lash, their lawyer, who was in New York, because they objected to something in the deed, and they wanted to find out if we were correct. It was approved of and sent to the House for approval.

By Mr. Gutelius:

Q. It looks as though the Canadian Northern were in a position to extend the terminal from the passenger station down to Dundee Junction, if the other parties to the agreement had insisted on it?—A. It was not discussed at that time.

Q. You did not think of it at that time?—A. No. The point was not raised at that time. The matter came up afterwards when they modified the line in Winnipeg.

By Mr. Lynch-Staunton:

Q. I want to ask you about the Transcona shops. Your first intention was to spend \$1,500,000 there. That was the estimate of Mr. Lumsden?—A. Yes.

Q. I am told by Mr. McIsaac, and I think by Mr. Calvert, that the reason the shops were made so much bigger and so much more money was spent on them was because there was an understanding with the Grand Trunk Pacific that those shops should be used not only for the Eastern but for the Western division as well. Is that right?—A. No.

Q. It is not so?—A. No.

Q. And that the Grand Trunk should pay a rental for whatever use they made of those shops for the Western division.—A. I do not think it was so.

Q. Nothing of the kind?—A. Nothing of the kind. We built those shops for the Eastern division and we had no right to do anything else. We could have made an agreement for the Western division, but the shops were essential for the Eastern division. I do not know any railway company of any importance that has not got its own shops, and we started to build shops for repairing locomotives. Afterwards we were asked to build repairing car shops, coaches, and so on, and we made provision for that later. At first they were asking us to build more than that. Morse had very big plans for constructing car building shops, and I said, we cannot do that, all we can do is to get shops to repair cars and locomotives, you cannot have shops to build cars, but only to repair them. They were not satisfied with what we had done. They thought we should have got much larger shops for locomotives and also for building cars. Incidentally, I presume that when the Grand Trunk Pacific has finished the Eastern division, they will take control of and operate the Western division. Nothing will prevent them repairing their cars in the Transcona shops.

Q. Will you tell me why it is that when they agreed to supply the rolling stock and keep it in repair at their own expense, the Government supplied them tools and machinery for doing it?—A. The law says so.

Q. No.—A. If you read Sections 14 and 15 you will find something to that effect. They are only bound to furnish their rolling stock.

Q. They are bound to maintain the line themselves?—A. You will find out there is a reserve by which the Government has the right to make permanent improvements, even during the lease, to be charged up to capital account.

Q. Shops are not mentioned once, for the Eastern division.—A. Terminal facilities includes everything. We had the right, by law.

SESSIONAL PAPER No. 123

Q. You have not to provide terminal facilities, only land for terminal facilities. Accommodation only means holes through the tracks, and things of that sort.—
A. The general opinion of the law is that you have to build shops. They are only, bound, themselves, to build rolling stock.

Q. My opinion is that you should not have built the shops at all, but you built shops there that you could make anything in. You will not find any shops mentioned in that agreement at all?—A. If the Government was operating the line, they would require shops.

Q. So they would, and they would require cars too?—A. Of course, there is a clause (No. 47 I think it is) modifying the Act. You seem to doubt whether we could build shops. We discussed it at the time with the Minister of Justice and members of the Government, and we came to the conclusion that we were bound to build the shops. That is why we did it. They referred the matter to Sir William White, but whatever Clause 47 says is binding on everybody.

By Mr. Gutelius:

Q. With reference to letting the contract, District F, to McArthur. When the tenders were received, it was found that McArthur's tender contained a great many blank spaces for prices, which required that they be filled in or that his tender be thrown out. Mr. Lumsden tells us that he filled those prices in with the knowledge and consent of yourself. Do you remember that transaction?—A. No, because at the time I had protested against it.

Q. You had protested against it at that time?—A. Yes, at that period, and he explained that it was necessary to put in the prices to make it a bona fide tender. I was, as I said before, against those tenders, against McArthur's and all the others.

Q. Now stay with the red figures. Did you finally agree to let the red figures that were put there go in?—A. The chief engineer did not ask me to do it. At that time I was a new man to him, and he was more familiar with the other Commissioners than myself. Mr. Reid and Mr. Young were before me and I was a comparatively new man. He said it was perfectly regular to do that for everybody.

Q. Did it strike you as though it were not regular?—A. I just asked for an explanation about it and he satisfied me it was the right thing to do, and I thought, at the time, that being the lowest, the Government perhaps gave the contract to the Grand Trunk Pacific at McArthur's prices.

Q. Suppose it had been pointed out to you that McArthur was not the lowest tenderer excepting for those red ink figures. Would you have taken any firmer stand in connection with putting them in?—A. Then he would not have been the lowest tenderer.

By Mr. Lynch-Staunton:

Q. You would have got rid of him if you had not put those figures in?—A. I was against them all the time, but you have to rely on your engineer. MacPherson made the figures, I think. Lumsden didn't.

Q. He signed the paper, though.—A. But MacPherson is the guilty party.

By Mr. Gutelius:

Q. But you all knew of it?—A. I did not know of it at all.

Q. You knew they had put those red ink figures in?—A. Afterwards.

Q. But you did not know at that time that the red ink figures gave McArthur the contract?—A. Oh, certainly not. If what you are telling me now is correct, that but for those figures McArthur would not have been the lowest tenderer, I would not have accepted him.

Q. Well, it happens that if those red ink figures had not been put in, the contract would have been given to the Pacific Construction Company and the Government would have saved \$400,000 on the final estimates?—A. My report was in favour of the Grand Trunk Pacific.

Q. This is the Pacific Construction Company, Fauquier's, I think. You did not know anything about this at that time?—A. Not at all.

Q. And if you had been advised that the red ink figures filled in here meant that McArthur was getting the work for which he was the second tenderer, you would have made a row about it?—A. I was, at that time, making a row, by objecting to this tender.

Q. That was on general principles, and not on this detail?—A. No, but I would have taken action to have these contracts rejected. If I had known that it would have supported me in my position.

Q. You would have taken advantage of that?—A. Yes.

Q. Now in the printed specification, you include on Page 4 engine houses and section houses, but you do not show prices for engine houses or section houses in the description of the work to be done?—A. No.

Q. Your personal attention was called to that by your secretary, Mr. Ryan, in a letter dated January 25, 1906, in which he says: "I cannot find, in our schedule of prices, items calling for prices for buildings such as depots, section houses, shops and round houses," but you continued to let those words remain in all the subsequent specifications, and as a result paid for those engine houses about twice as much as, in our judgment, they would have cost if you had let the contract for engine houses separately. What defence have you to offer for that?—A. I have no defence, because I think we were right.

Q. You think you were right in letting a contract for buildings that would have cost over \$100,000 and not asking for prices?—A. You could not, at that time, put an initial price on an engine house, because you could not tell where it was to be built and what kind of plan it would be built on; and at the same time we thought that the contractor who had the main contract could do that work later on at prices agreed on by our engineers, with the help of the Grand Trunk Pacific engineer, and thereby get better conditions. I do not think, today, any man can say we could have built them for less money than we have, unless by calling for tenders. I think we did right, and if I were there to-day I would do the same thing again.

Q. You will be surprised then to know that one at least of these engine houses was sub-let by the original contractor, and in his evidence he told us he made \$50,000 on that building?—A. You might have paid just as much if it had been otherwise, because your own contractor had the advantage of his line, over which to transport his material and supplies, and I presume he makes money by furnishing all these things to the subcontractors, and that is where a big portion of the profit would come in, but another man could not do it. When a man has not the difficulty of transportation, that helps him to make money; and as I said a minute ago, all those contracts have been given through MacPherson, generally speaking, fixing prices with the contractor and the chief engineer of the Grand Trunk Pacific, and if they are not good judges of what they have done, it is their fault. Our engineers were supposed to be good men who knew what they were doing.

Q. But their hands were tied when the contractor knew he had to build the houses, and that you had to pay such prices as he demanded?—A. We never consented to agree to the prices they demanded. They have, of course, brought down figures a good deal. On a couple of occasions they came to me and I said they had to agree to the engineers' prices, and they were forced to take them too.

Q. Now, in connection with the La Tuque pusher grade. Your engineers recommended that 3½ miles of .65 grade, constructed immediately west of La Tuque, instead of four tenths, would have saved the Commission about \$500,000. You recommended to the Government that you would be permitted to construct this steeper grade at that point, did you not?—A. We did.

Q. You took the matter up with Mr. Hayes of the Grand Trunk Pacific?—
A. Yes.

Q. And he was willing that you build it, was he not?—A. You have his letter on record. The tenor of his letter left the thing open, and I thought, in a way, it would be just as well to have a four tenths grade all along, but did not object. At the same time, he was satisfied to submit to the Government view.

Q. The argument that he gave, for building it four tenths, reads as follows: "In my opinion, however, the Commission should carefully consider the effect upon the minds of the public, regarding the Transcontinental Railway, which has been widely advertised as being the only low grade line from the Atlantic to the Pacific, with the definite statement to the effect that the maximum limited would be limited to four tenths of one per cent east of the Rocky Mountains." You remember that clause in his letter, do you not?—A. Yes.

Q. That seems to be, to you, the real reason that you have advertised the line as being a four tenths?—A. Yes.

Q. Then the Government instructed you, did they not, to build four tenths?—A. Yes. After that I saw Mr. Hayes. He came up to Ottawa and told me he would prefer to get a uniform line, although it would cost more. It was on that we made no recommendation.

Q. The Government decided not to approve any pusher grades in the line between Quebec and Winnipeg?—A. Yes.

Q. And on account of that decision you refused to consider the opportunity to save \$240,000 by introducing a pusher grade east of the Chaudiere. You remember Mr. Lumsden wrote to you about it and said in his letter that in view of the La Tuque decision he did not suppose there was any use in taking it up with the Government?—A. He was right too.

Q. And that had the effect on the minds of the Commissioners and the engineers?—A. We made up our minds that it would be a four tenths, regardless of cost.

Q. And that the Grand Trunk Pacific would agree?—A. Yes.

Q. Just one more question, and that is in regard to the selection of engineers for the manning of the engineering department. We have been told that Mr. Lumsden's recommendations for engineers were always based upon the selection of men made by the various members of your Commission. Did you interfere at all with the personnel of the men in the field?—A. When I came on, the engineering staff was all engaged, and working. Very few were chosen afterwards, except in the case of a man resigning or death, but the bulk of the engineers, those who were on the line, were appointed before I became Chairman.

Q. So that your answer is that there were very few changes after that, and in those changes the various members of the Commission did have some influence?—A. I do not think we had much to say about the appointment of engineers, except in one case, when we appointed Grant. Other than that, I do not remember any case where we forced on Mr. Lumsden anybody that he did not like.

Q. He did not make any protest?—A. Not that I remember. He did not like it when we appointed Grant, but we thought we required an inspector, to report very often to the Board, in view of the complaints prevailing. Mr. Lumsden was an old man and could not get out on the line himself very often, and consequently we had no accurate information by which to govern ourselves. That is why we appointed Grant as engineer.

MR. GUTELIUS: All right. That will do.

Witness discharged.

(EVIDENCE TAKEN IN N. T. R. OFFICES, AT QUEBEC, MARCH
14TH, 1913.)

E. A. HOAR, sworn:

By Mr. Gutelius:

Q. You were Division Engineer of that portion of the railway on which the Cap Rouge Viaduct was being constructed, were you not?—A. Yes.

Q. At the time of constructing this bridge the question arose as to the character of foundations and the kind of structure which would be used over the Cap Rouge River?—A. Yes.

Q. And when you were discussing the various kinds of foundations and the method of building, you secured from Messrs. M. P. and J. T. Davis a preliminary estimate, based on unit prices, did you not?—A. Yes, they made three estimates to handle that foundation work three different ways, and not only the estimate of cost, what they would do it for, but the time it would take to do it.

Q. With reference to the first estimate which you used in preparing your figures for the chief engineer, you recall a letter or memorandum which they sent you and you sent to Mr. Uniacke not a bid, simply figures to be used in the estimates. Do you recall that? I show you a memorandum dated October 27th, 1906, signed by M. P. and J. T. Davis. Just turn to the letter immediately preceding that, October 31st, which you wrote to Mr. Lumsden, enclosing this memorandum?—A. That recalls the whole thing: that is all right.

Q. With that letter and memorandum, you then discussed the matter with Mr. Uniacke as to how these piers should be constructed, and, on account of the low price of the pneumatic caissons, were of the opinion that that would be the proper thing to do?—A. Yes.

Q. Then you asked Mr. M. P. Davis for an official tender, for official prices, that could be used in the contract?—A. I think they asked him for that, yes.

Q. I show you a copy of his final tender. What is the difference between the final tender and the original estimate in the matter of excavation. Refer to the prices under "Pneumatic foundations" in the estimate of October 27th. What was to be the price per cubic foot for excavation in that estimate?—A. Forty cents.

Q. What is the price for the same work in the final estimate?—A. 70 cents.

Q. Timber in caissons in the original estimate was at what price per cubic foot?—A. He has not any price for timber at all.

Q. What is this?—A. 80 by 40 by 25: that is the price for the timber in the caissons.

Q. What was the price for timber in the final?—A. That is not the same thing. You would have to take that money for the timber in the caissons and divide it by the cubic contents in this estimate to get that.

Q. Refer to concrete. What was the price for concrete in his original estimate?—A. That is 75 cents.

Q. What did they finally put in the timber?—A. Same price.

Q. In the crib what was the original price?—A. I do not know what it is here: 44.5. That is 44.5, I suppose.

Q. What was the final price?—A. 55 cents.

Q. And concrete?—A. 45 cents.

Q. And what was the ultimate price?—A. 60 cents.

Q. So that the prices were, in the final bid, very much higher than in his estimate?—A. Yes.

MARCH

Q. What effect did that higher price have on you when you were considering the character of structure? Were you surprised to receive such a high tender, in view of the low estimate?—A. It occurred to me first that there had been a mistake made somewhere: that is all. I thought there was an error some way in figuring.

Q. You thought they must have made some mistake?—A. I thought there was some mistake in figuring in one estimate or the other at first: I did not know which.

Q. But after you saw those higher figures you were ready with Uniacke then to change the design, were you not?—A. Yes.

Q. And while you were figuring on changing the design you were called down into Mr. Parent's office, and he then took the bit in his mouth and told you it must be caisson work: is that right?—A. I am not quite sure where it came from, exactly who said it, but I know caisson work was decided to be the work by somebody, I do not know whether it was Mr. Parent, or who it was: it was settled by Mr. Parent and Butler and Uniacke, between them.

Q. You must remember very vividly that day you were called down: M. P. Davis was there, Mr. Parent was walking up and down the room, and the two of you came in, and he wanted to know what business you had to talk about changing this plan, that caissons were to go, and to get out and do it: is that about it?—(No answer).

Q. Read the fyle and consider it, and see if it is a fair statement of the case, if you recall it, and if you find anything that you think is not right, mark it, and we will talk it over. (Witness retires.)

(EVIDENCE TAKEN IN N. T. R. OFFICES, QUEBEC, MARCH 14TH, 1913.)

E. A. HOAR, Recalled:—I have refreshed my memory, and wish to make the following statement:—

Statements in Mr. Uniacke's letter, May 31st, 1912, are substantially correct, to the best of my recollection, except respecting myself, when I was called to Ottawa December 22nd, 1906, I did not see comparative designs A. B. C., or any estimate showing cost of a long span to dispense with river piers. Mr. Uniacke showed me Mr. Davis's figures for foundations and piers before going to Mr. Butler's office, and I understood him to say that Mr. Butler considered them fair and had approved them. At a meeting at Mr. Butler's office the question of construction was discussed for saving time and cost as well. Mr. Butler favored a single span as being the most expeditious, but no figures were given, nor had any estimate been made to my knowledge at the time. Nothing in the conversation conveyed to me any positive decision to change the river piers, but a suggestion to get rid of the latter work for one span.—Not having any figures at my disposal for comparison, I was more or less insistent in trying to get one pier cancelled, as apparently being less disturbing to agreements made. After returning to Uniacke's office to consider proposed changes, the Chairman sent for us to say that no further changes could be permitted, as it would cause too much loss of time making plans, going back to council again, and submitting revised plans, and the delay to the Quebec bridge might be considerable, if such a course were adopted.

(NATIONAL TRANSCONTINENTAL RAILWAY INVESTIGATION
COMMISSION, OTTAWA, FEBRUARY 5, 1914)

Present: G. LYNCH-STAUNTON, Chairman; F. P. GUTELIUS.

Mr. M. P. DAVIS, called, sworn and examined:

By Mr. Gutelius:

Q. You took a number of contracts on the Transcontinental Railway during its construction. Can you give us the larger contracts that you were interested in as constructor?—A. The first one is known as No. 9. No. 9 was from the Quebec Bridge westward fifty miles. The next was contract 8 from the Quebec Bridge eastward 150 miles. The next was contract 7, from the 150th mile to the New Brunswick boundary, about 52 or 53 miles. The next were contracts 16 and 17 west of Cochrane.

Q. Contract 9 was let originally to Hogan and Macdonell?—A. Yes.

Q. And you afterward took that contract over?—A. No, we took fifty miles of it.

Q. Were you interested with Hogan and Macdonell in the original tender?—A. No, sir.

Q. How did you happen to take that 50 miles?—A. Mr. Hogan backed out of the contract and A. R. Macdonell, now dead, came down to my office and asked me if I would join as partner with him and O'Brien on the whole contract. I said I never went into partnerships of that kind, but that I would take fifty or seventy-five miles, or I would go as far as what we call Harvey Junction where we pass on the C. N. R. There is a road across there.

Q. Yes, the C. P. R.—A. No, it is not the C. P. R. It is a road running from Montreal to River Pierre.

Q. The Canadian Northern?—A. Yes; it is now called Harvey Junction on the Transcontinental. So, he agreed to let me have the first fifty miles.

Q. You got the same prices?—A. Exactly the same prices. I signed the same contract.

Q. So, you actually took over that portion of their contract the same as if you have been on the original tender?—A. The same as if we had been on the original tender.

Q. You constructed what is known as the Quebec Branch from the yard at Ste. Foye down in Quebec?—A. Yes, sir.

Q. We did not find that there was any competition in the way of tenders for that contract. How did you happen to get it?—A. I was the original contractor for the Quebec Bridge and Railway Company from Quebec to the north abutment of the Quebec Bridge, for the Quebec Bridge foundations, for the road from the south abutment of the Quebec Bridge to a junction with the I. C. R. When the Dominion Government took over the Quebec Bridge Company, they assumed my contract and then they turned the contract over to the Commissioners. That is all in the contract. The reasons are all given in the file of the contract for No. a In that contract, in all of the original documents held in the Commissioners' office, I signed off all rights and claims under the old contract.

Q. The old Bridge Company being released?—A. The Government absolved the Bridge Company.

Q. Do you know what is known as the Sillery incline?—A. Yes, sir.

Q. That is a roadway constructed from the hill under the old church at Sillery down to the right-of-way? Under what conditions did you get that job?—

A. Simply ordered to do the work by the engineer as part of Contract 9A.

Q. Was it paid for in unit prices the same as Contract 9A?—A. Under 9A.

Q. As far as you know it was a portion of work under 9A?—A. Yes.

Q. And you were paid for it under your contract basis?—A. Yes.

Q. Did you have any property along there? Do you remember any property that was used for the construction of this incline?—A. Yes, the whole of it was on my property. They removed some houses.

Q. Do you remember what you were paid for this property?—A. Never paid me anything; never even offered me anything.

Q. That matter is still open?—A. (Witness nods assent.)

By the Chairman:

Q. Speaking of what Mr. Gutelius asked you about the Sillery incline, I am told that it was built by the Commission because a number of influential gentlemen in Quebec asked that it should be built. Do you know anything about that?—

A. Yes, your information is good.

Q. And that it is not really a part of the railway?—I don't mean to say now you were one of the gentlemen asking for it?—A. I certainly was not one of those gentlemen who asked for it.

Q. I don't want to make that out. It was no part of the railway, was it?—

A. Well, it was a part of the railway, when the same is in diversion of any road.

Q. But they did not divert the road?—A. It was a diversion of the road.

Q. The two roads are there yet?—A. One was abandoned.

Q. Is not this the fact, that on the Sillery hill there was an old kill-horse road?—A. Yes.

Q. And that when the railway was built a number of influential gentlemen in Quebec waited upon the Chairman?—A. You are getting beyond my knowledge.

Q. Is it not a fact, that the building of this road was simply to improve the means of communication from the top to the bottom of the hill?—A. I do not think so.

Q. What reason was it for?—A. Because the foot of the old road came so close to the railway that I have heard the argument that it would be dangerous to drive horses down that hill with a train coming up against them.

Q. Do not the two roads meet at the foot of the hill?—A. No, sir. The foot of the two hills is quite a distance apart.

Q. How close to the foot do the two roads come together? Where the man drives down the hill on the old road he comes within how far of the railway?—A. I would not say how far, possibly a hundred feet.

Q. Where a man drives down to the foot of the hill, how far is the new road?—

A. Nearer three hundred feet.

Q. So that they were 100 feet away on the old road and 300 feet on the new?—

A. Yes.

Q. And the new road is how far from the railway lands?—A. It would be about 250 feet. They have 100 feet right-of-way.

Q. Have you any claim for the land on which the new road is built?—A. Most certainly.

Q. What did you claim?—A. I have not put in my claim yet.

Q. What do you think it is worth?—A. Seven or eight cents a foot.

Q. What does that mean in dollars?—A. I could not tell you just now.

Q. Was it expropriated by the railway company?—A. They took possession and built the railway, and pulled down my houses.

Q. The position was, that you, under the instructions of the Commission, built a public road on it?—A. Of the engineers.

Q. Built a public road on it. I think you will have some difficulty in getting paid for it?—A. I am not afraid of that.

By Mr. Gutelius:

Q. In connection with the method of constructing deep foundations at Cap Rouge, where the railway is carried across the Cap Rouge River, it appears from the evidence we have taken that these foundations were not built in accordance with the engineer's original scheme, and that after a discussion which you had with Mr. Parent, a proposition which you had recommended, and method, was adopted. Is that, in a general way, right?—A. No, sir.

Q. Will you tell us the story of that?—A. The plan set down for these two piers in the river was first on piers with a bottomless caisson on piles. In the first place, there were some 30 or 40 feet of almost liquid mud there. This plan was piles driven in the mud and a bottomless caisson filled with concrete. Now, we have a tide 15 or 18 feet there, and I said I would not be responsible for putting concrete in a bottomless caisson with the water flowing through it four times a day. Then they suggested a bottom in the caisson to land on the piles. I said I would not be responsible for that, because the current would shoot the mud out between the piles. We had considerable discussion with Mr. Lumsden. He asked me what method I would agree to. I said: "Put in a pneumatic foundation." He did not want to agree to that. After a while, the whole Commission met in Quebec. Lumsden was there; Woods, for the Grand Trunk;—I don't know whether Kelliher was there or not. I said, "Gentlemen, I won't be responsible for the structure or its foundation if it is built on either one of these foundations; but you can take that piece of work out of our hands and discharge our contract and do it yourselves. I don't want to do it for you by the day under those conditions, but cut it out, and go ahead and do it yourself." Then Lumsden was asked: "Now, Mr Lumsden, you give two propositions there for building those piers. Will you undertake to assure the Commission and guarantee them that either one of these propositions will be a safe foundation?" But he said: "I will not." I was asked the question: "Certainly, if you build a pneumatic foundation you will naturally go until you are satisfied your foundation is good?" And I replied: "If we get a good foundation I will guarantee our work." Mr. Lumsden said: "We want a safe bridge;" and undertook to arrange that the contractor should put in a pneumatic foundation. Then the next point we came to: Mr. Lumsden even then had designed a caisson for the pneumatic foundation. His design of the caisson was the peak, fore and aft, and that only gave us a foot on the lap at the shoulder. I said "I won't build that caisson if we get leaks in that we have on that shoulder no strength; give me a square caisson. So he said: "Well, gentlemen, pneumatic work is outside of my line; if Mr. Davis will submit a plan of caisson he will guarantee to put down there, then we will agree to take it." Well, I was after building the Quebec Bridge and I submitted a plan, just the Quebec Bridge, only modified for a load, where we had four or five feet of a roof on the Quebec Bridge we had only two feet on that caisson. Our sides were only 20 inches altogether, and we reduced them all in that way. Then these plans and designs were submitted to Mr. Lumsden and he took them to Mr. M. J. Butler, then chief engineer and Deputy Minister of Railways and Canals, and he made some modifications and actually made the prices we worked on.

Q. There is some criticism of prices. You first gave the engineers an idea of detailed prices without a tender, and then later you made a tender?—A. I think they were not detailed prices.

Q. But the final detailed prices were very much higher than the first prices that were given to the engineers?—A. The prices, sir, were made by Mr. Lumsden and Mr. J. M. Butler. I think any prices that were made would have been the prices per yard, take it all round.

tations at Cap
appears from
in accordance
you had with
was adopted.

for these two
In the first
plan was piles
ow, we have a
lting concrete
a day. Then

would not be
een the piles.
what method
not want to
Lumsden was
was there or
or its founda-
that piece of
ves. I don't

and go ahead
en, you give
to assure the
will be a safe
'Certainly, if
are satisfied

ation I will
nd undertook
. Then the
sson for the
and aft, and
that caisson

are caisson.
f Mr. Davis
hen we will
I submitted
four or five
Our sides

Then these
Mr. M. J.
als, and he

s an idea of
A. I think

first prices
r. Lumsden
e been the

By the Chairman:

Q. Mr. Uniacke says you first put in a price: that was a price which was a little more than the plain caissons: that, afterwards, you increased that price so that it brought it up to two hundred thousand dollars more, and that Butler refused then to act on them, and the matter was then sent to the Chairman, and the Chairman and you were in his room in Ottawa, when Uniacke—and this is according to Uniacke's statement to us—was sent for and he came down and the Chairman told him he was to build the caissons in that way at those prices.—A. I must contradict him absolutely and positively.

MR. GUTELIUS: There is no doubt the figures that were finally agreed upon were passed by Mr. Butler?

THE WITNESS: Yes.

MR. GUTELIUS: But as to how that was arrived at your side of the story, while there may be some variance, finally lands at that place, at any rate.

By Mr. Gutelius:

Q. The special point that we desire to call your attention to, Mr. Davis, is that you gave a tentative figure on which the engineers estimated. They then agreed that pneumatic caissons were the proper things to build. You were then asked for an official tender. This tender was so much higher than the tentative figures that the engineers decided they would adopt some other method, as it ran the total cost too high to make the caisson method the proper and economical one. It is said that, after the engineers agreed to change the plan, you went to Mr. Parent's office and had him instruct the engineers to build the caisson and accept your final prices. What have you to say?—A. I never in any shape or form, made any request of Mr. Parent to build the foundations of that bridge or to build those piers in any one way or the other. The only point that I ever raised was, that I would not be responsible for the work being built either on a pile foundation with a bottomless caisson or on pile foundation with a bottom in the caisson, and that we preferred to have them take that piece of work out of our hands and build it themselves.

Q. So we are wrong in the assumption that you used any influence with Mr. Parent to adopt a given plan in connection with it?—A. Positively so.

Q. We are advised that the original plans for the piers and abutments of the Boucenne River Bridge contained groins and arches, or voids, and that you explained the matter to Mr. Parent in such a way that he over-ruled the engineers and it was built in the solid. What is the story of that?—A. The original plans of the piers were solid. After we started the work, they sent down plans showing these voids and openings in the abutments and piers and we refused to build them on the prices of the solid piers.

Q. Because?—A. Because the cost of forms was a great deal more. We were even ordered to build a solid pier and paid the neat measurement of the one with the voids. And then we were ordered to go ahead and build it on the original plan.

Q. And you arranged that through the Chairman?—A. No, sir; with Mr. Doucet.

Q. Now, with reference to classification. Did you ever know a solid rock specification in which was included rock fragments less than a yard, and paid for as solid rock in this manner?—A. No, sir.

Q. Were you aware at the time you tendered on these contracts that the solid rock specification would be construed to include these small rock fragments?—A. Yes, sir; we judged so under the specification of cemented material.

Q. It would appear from the evidence that you had access to the engineers' estimates prior to making up the tender for contract 8. Did you have those quantities?—A. No, sir. No information other than the plans and profiles for which we paid a dollar a mile. They were issued to everybody.

Q. In connection with any of the contracts which you secured, you did not have any private information in regard to quantities?—A. No, sir.

By the Chairman:

Q. Why did you put in your tender eighty dollars for timber?—A. As a fair value. That eighty dollars calls for either Southern pine or British Columbia fir. I think it calls for it in large sizes, 10 x 16 or 12 x 16 stringers, and that timber would have to be hauled twenty or thirty miles.

Q. It is the only contract in the whole construction of the Transcontinental Railway that the tenders for timber went above \$55?—A. I am not responsible for that. But I submit today, Mr. Gutelius, could you take Southern pine 10 x 16 or 12 x 16 and haul it twenty-five or forty miles from a railway, and put it in place at \$55? In the first place you pay about \$35 per thousand.

Q. Why didn't you repeat that \$80 bid in other contracts?—A. I could not say.

MR. GUTELIUS: This was more difficult of access, possibly.

THE CHAIRMAN: This was the easiest one of access.

By the Chairman:

Q. The items are:

No. 24. Frame trestles per 1000 feet B.M., except stringers.

No. 26. Caps, walings and braces for pile trestles per 1000 feet B.M.

No. 27. Sawn ties and guard rails for bridges per 1000 feet B.M.

Now, these are the items on which you bid \$80, and there are no contracts on the whole line where any price was bid over \$55 for the same work. (Consulting papers). \$50, \$45 and \$60 for stringers in one case. Will you explain on that contract, which was not as inaccessible as many others, how you bid such a price with any hope of getting the contract?—A. The only thing I can say, when we bid that price we thought it was a fair price for the work.

Q. I could understand that bid, Mr. Davis, if you were aware of the fact, as the fact was, that at the time you made that bid the engineers' estimates comprised no item for that material?—A. I did not know anything about that.

Q. Do you swear you did not know directly or indirectly, that they did not intend to use that material on that contract?—A. Positively, sir. One thing I can tell you, that the profiles we got from the engineers' office certified to, did not show one foot of permanent trestle.

Q. Did you say that you did not know from any source, outside of the legitimate material submitted to you, that the engineers did not contemplate the use of that material?—A. Most positively, no, sir, I did not. I had no information or no idea of it other than information we got from the profile which did not show any trestles on the line.

Q. And you inferred or concluded that it was not intended to use that material?—A. No, sir, we did not. We bid that as a fair price for the work if it was required to be done.

By Mr. Gutelius:

Q. In connection with contracts 16 and 17, there were two contractors tendering, M. P. and J. T. Davis and the Grand Trunk Pacific Railway. Was there any arrangement between you and the G. T. P. Ry. in connection with these contracts?—A. No, sir.

Q. You sublet these contracts to Mr. M. J. O'Brien and his associates?—
A. Yes.

Q. Was there any arrangement between you and M. J. O'Brien in the tendering for these two contracts?—A. No, sir.

Q. M. J. O'Brien did not know he was going to get that contract if you secured it?—A. No, sir.

Q. In subletting your various contracts, did you use the same clauses with your subs that the Commission used with you, in connection with the plant becoming security for the completion of the contracts?—A. We made our specification with the Commissioners a part of the contract with every sub. We used the specification entire.

Q. So that the answer to that is, yes?—A. Yes, that is, in this way, Mr. Gutelius. We held our subcontractors' plant for the purpose of completing the work, not as a matter of security, only for the purpose of completing the work. When the subcontractors' work is completed we do not claim any lien on his property: we are only the same as an ordinary creditor.

Q. But the Commission would have the same hold on the subcontractor's plant?—A. As if it was owned by us.

Q. In connection with that 80 dollar lumber, did you know that the first moneyed out tenders were sent back from Mr. Parent's office?—A. No, sir.

A. You had no knowledge of any switching or moneying out at that time?—
A. No.

By the Chairman:

Q. You sublet part of contract 7, did you not?—A. We sublet the whole of it.

Q. Have you got any sub-contracts?—A. We have contracts with all our sub-contractors.

Q. Will you produce the sub-contracts for contract 7?—A. Yes, sir.

Q. I want to know whether or not there was ever any pressing by the Commission to you to commence the work on contracts 16 and 17?—A. No, we got that contract.

Q. Yes, but I am just asking you that. I enquired from Mr. Ryan and he tells me there was not. I just want to have a confirmation of it on your part.—
A. I do not think so.

Q. Do you know whether or not there was ever any pressing or urging by the Commission to O'Brien and Co. to speed the work after they obtained assignments of the contract?—A. No, sir.