

was one in which an employé on the "Lake of the Woods" road took a contract for the transportation of troops for the Militia Department, but the commandant of the troops who employed him was of opinion that the circumstances were such as fully to have justified him in taking the contract.

Sub-Committee then adjourned.

S. J. DAWSON.

Saturday, MAY 9th, 1874.

Sub-Committee met.

*Mr. Dawson's Evidence continued.*

From the commencement of the work on the Lake of the Woods road up to the 26th January, 1872, the Hudson's Bay Company's account for construction, as per letter handed in, amounted to.....	£	s.	d.
On which the commission is .....	24,376	10	5
Less 5 per cent commission, reduction on supplies.....	2,435	10	2½
	249	16	0
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	£2,185	14	2½ Stg.

A charge of 10 per cent. was subsequently made on £2,174 15s. 6d., but this was for accounts accrued in 1870 and 1871, when the company were actual managers of the road. The 10 per cent. was not more than equal to the interest of their money paid out, without reference to their trouble as managers. The 10 per cent. commission only applied to moneys paid on construction accounts accrued in 1870 and 1871. Subsequent to that time the charge was 2½ per cent. commission—they acted as paymasters—theirs being the only moneyed institution in the country. In addition there is the transport accounts, amounting to £6,393 7s. 6d., including commission of 2½ per cent.

The accounts of the Hudson's Bay Company subsequent to 1871, above referred to, up to 1st January, 1873, for construction and transport, amounted to \$66,593.78.

There remains unpaid \$12,092.76. The amount due the company on last year's operations is \$44,462.41. This has not been paid because the appropriations were exhausted.

Subsequent to 1871, a great proportion of the accounts of the Hudson's Bay Company is for supplies and provisions. Everything has been settled excepting amounts stated. With reference to the 10 per cent. commission, the Hudson's Bay Company claimed that amount on moneys paid and prices of stores supplied, but eventually reduced the commission on stores supplied to 5 per cent. The reduction on the price of pork supplied in 1870, immediately after the insurrection was from 1s. 3d. sterling per pound (charged in their account) to one shilling per pound. In consequence of reductions, the Hudson's Bay company asked that the Government should pay the staff. That point is still in abeyance.

The amount expended on the Fort Garry section of the road proper is about \$265,584.18—this includes everything, Snow's expenditure and losses—and on buildings, \$9,975.

*Question.*—This is over \$2,650 per mile?—This was a difficult road to construct, having to be fascined, crosslaid and bridged in the eastern section at great cost; labor and supplies, after the insurrection, being high and difficult to obtain. Hon. James McKay's salary as superintendent, both under the company and for the Government, was \$5 per diem.

Having been shown accounts amounting to \$1,704, made out "Lake of the Woods Road," to James McKay, receipted and vouchers given by James McKay, for payment of the articles therein mentioned, I believe that Mr. McKay partly furnished these supplies himself, and partly had them supplied by others.

*Question.*—Was it right for Mr. McKay, while superintendent of the road, to supply articles himself, certifying the accounts and receiving pay therefor?

*Answer.*—Under ordinary circumstances it would decidedly not have been so, if the articles could have been obtained elsewhere, which they probably could not, as supplies