

“passage of the railway through or over the same, or by reason of the construction of the railway, and to set off the increased value that will attach to the said lands or grounds against the inconvenience, loss or damage that might be suffered or sustained by reason of the Company taking possession of or using the said lands or grounds as aforesaid.”

One of the Valuers further testified that, had they not applied the above section, they would have valued the land taken at \$500, instead of at \$400 per acre; and this, be it remembered, was for land that had been bought some three or four years before for about five dollars per acre, and which, but for the railway, would probably be worth no more to-day.

If the public were made to pay extravagant prices for the terminal grounds, they were, in the opinion of your Committee, made to pay more than an extravagant price for the building known as the *Neebing* Hotel (of which a photograph has been filed in evidence), which was erected after the owners—the *Neebing* Hotel Company—knew that they were placing it on the railway reserve. The builder stated in evidence that soon after he had commenced work in August, 1875, he had been warned by a Government Engineer that he was trespassing on the railway reserve; that he mentioned this fact to the confidential clerk of Messrs. *Oliver, Davidson & Co.*, and was told by him to go on. Messrs. *Davidson & Brown*, partners in that firm, were aware long before the hotel was commenced—as their evidence shows—that the land on which it was placed was part of that which was required by the Government. *Oliver, Davidson & Co.* were shareholders in the Hotel Company; Mr. *Oliver* was the President. If the hotel was built after the owners knew that the land on which they placed it was in the railway reserve, they were not entitled to payment or compensation of any kind, but the Government did pay them, through *Oliver, Davidson & Co.*, \$5,029 for it. In the case of the *Hendrick* Hotel, which was erected in the summer of 1875, and when *Hendrick* knew of the reservation, as testified by Mr. *Marks*, the Valuers based their valuation of the building on its actual cost, and that was established by affidavit; but in respect to the *Neebing* Hotel, there was no affidavit of the labor employed, nor of the materials used. Mr. *Oliver* promised to transmit such an affidavit, but none was received by the Valuers. They reported the claim presented by the *Neebing* Hotel Company as excessive, and they disclaim having valued it, but made a special report to the Government, in which they question the validity of the claim. It is as follows:—

“In the claim of the *Neebing* Hotel Company, we are not prepared to recognize the erection of this hotel, commenced in July, 1875, about six months after the reservation of the property had been made.”

Notwithstanding the clearly expressed opinions of the Valuers, and without requiring proof of the correctness of the accounts, or even subjecting them to an examination, the amount claimed was paid in full to *Oliver, Davidson & Co.* Had any examination been made, it would at once have been discovered that an item of \$500 was twice charged for the two lots on which the hotel stands. (This sum was refunded to the Government by Mr. *Brown* immediately after the double payment was discovered by your Committee.) It would also have revealed a discrepancy of \$82 in the account for hardware, between the amount of the account and the vouchers attached thereto. Your Committee also found, included in the \$5,029 paid the *Neebing* Hotel Company, the sum of \$500 charged for damages, but it has not been shown to the satisfaction of your Committee that any damage had been sustained by the Company. Mr. *Reid*, one of the Valuers, in his evidence said that, if interest had been allowed on the expenditure, the Company would have been willing to forego the claim for damages. An amount of one hundred dollars was charged in the account for interest, as well as the \$500 for damages, and both were paid.

Your Committee is of opinion that the Government was grossly over-charged in this transaction, as it was understood by the Valuers that the *Neebing* Hotel Company only asked to be re-imbursed the cost of the building and of the land.

Your Committee directs attention to the large discrepancy between the quantity of material charged in the account of *Oliver, Davidson & Co.*, and which was paid by