

REPORT.

The Select Committee to whom was referred the investigation into the affairs and position of the Woodstock and Lake Erie Railway and Harbor Company, especially with reference to certain alleged bribes given to certain of the late Directors by certain of the present Directors of the said Company, to the great loss and injury of the Municipalities interested in the said Railway, beg leave to report:

That they have carefully examined the evidence taken before them relative to the subject matters of the said reference, from which they find that the original Act of Incorporation of the said Company was passed in the year 1847, but remained dormant until 1852, when efforts began to be made by the then Directors professedly to give effect to the provisions of the said Act, to obtain further time for the commencement of the works, and to enable the said Company to continue their road from Simcoe or Port Dover, in the County of Norfolk, to Dunville, in the County of Haldimand.

That in October of the latter mentioned year, by a Report then made to the Stockholders, signed by the President and Secretary of the Company, (a copy of which is hereunto annexed, marked A), it was represented that "the Capital Stock of the Company" (£250,000) "had been all subscribed for, and was held "by parties perfectly responsible, but who would willingly transfer a portion "thereof either to municipalities or individuals," and William Gray, Esquire, of Woodstock, together with the Rev. W. A. Landon, of the same place, were deputed to visit the municipalities of Norwich, Windham, Simcoe and Woodhouse, to request their assistance and co-operation in the performance of the work. That the said Landon and Gray, in pursuance of their instructions, proceeded to visit the said municipalities for the said purpose; that among other inducements to that end, it was represented to the municipalities by the said parties, "that "the position, character and standing of the several members of the Board of "Directors" (the *personnel* of which soon after the said Landon and Gray had entered on the objects of their mission was changed) "were such as to supply "the public with the best guarantee for the faithful and honorable discharge of "the affairs of the Company, there being connected with the said Board "several persons then holding high positions, high in social rank, having a "character of their own to sustain, and as also being responsible for their friends, "many of whom also occupied exalted positions." That it was also represented that a certain amount of *bona-fide* stock was subscribed, though the said Landon, in his evidence hereunto annexed, states, "that he never dwelt much on that fact, not placing much reliance on it himself." That the said Landon and Gray also, under the authority of the said Directors, assured the municipalities that no part of the moneys which might be advanced by them would be expended, except a small amount for surveys and preliminary expenses, until the means of completing the whole work was in the hands of the Company. That a contract had been entered into between the Directors and the late Samuel Zimmerman, Esquire, by which the latter bound himself to supply two-thirds of the money necessary to construct and equip the road, for which he was to be paid one-third in bonds of the Company, one-third in stock, and one-third in cash, and that under