

219. To pay J. B. McNutt, of Onslow, N.B., land damages..... \$500

Sir CHARLES TUPPER. This is an amount due to Mr. McNutt by the official arbitrator, Mr. Cowan, who was selected to examine and report and take testimony on the subject, and he reported that the flooding of the lands caused by the destruction of the road compelled the removal of the buildings belonging to that gentleman at an estimated cost of \$1,000, one-half of that amount to be paid by the Government.

222. To pay heirs of Geo. Moffat for transport of rails...\$4,777 25

Mr. MACKENZIE. The Government never employed Mr. Moffat to carry the rails. He himself declared on his honor to this House that he had no such contract.

Mr. MILLS. When the hon. gentleman was charged with the violation of the Parliament Act, Mr. Moffat denied he had any contract with the Government whatever.

Sir CHARLES TUPPER. The claim arises in connection with the transportation of rails for the construction of the Intercolonial Railway in 1875, between Dalhousie and Campbellton. Messrs. McDonald & Co. had the contract, but Mr. Moffat claimed to have performed the service for the Government. Messrs. McDonald & Co. however claimed they did the work, and payment was made to them. Mr. Buchan investigated the matter, and reported in favor of Mr. Moffat; but it was subsequently referred to Mr. Shanly, who reported in the same terms. The Order in Council was passed after the fullest investigation, authorizing the payment to the heirs, and providing that proceedings should be taken against Messrs. McDonald & Co., to recover the amount erroneously paid them. Mr. Shanly found that the money was improperly paid to McDonald & Co., and was due to the persons who performed the work.

Mr. MACKENZIE. But the persons who performed the work performed it for McDonald, who was the contractor, and Mr. Shanly does not controvert that in the least. The matter was examined into fully by the officers of the Department, and they all refused to recommend the payment to Moffat.

Sir CHARLES TUPPER. I can only say that the payment was authorized after the fullest and most elaborate examination. Mr. Shanly, in his report, shows that Mr. Moffat did not act on the authority of Mr. McDonald at all, but on the orders of Grant, who was an engineer of the Government.

Sir ALBERT J. SMITH. I recollect speaking to Mr. Moffat several times and he told me more than once that he had no claim himself at all. He said that his son was the party entitled to make the claim if anyone was. I understand that Mr. McDonald was the party who made the contract.

Mr. DOMVILLE. But he said at the same time the steamers were then worked by his son, but when the estate came to be wound up it, of course, had to have the benefit of any valuation of the steamers.

Sir RICHARD J. CARTWRIGHT. It is quite clear that Mr. Moffat distinctly denied having any contract with the Government, and here we are called upon to pay over a sum of money which has been already paid. I must protest against this, no matter what Mr. Shanly or anyone else may say.

Sir ALBERT J. SMITH. What steps have been taken to recover the money from McDonald.

Sir CHARLES TUPPER. It is the intention of the Government to collect the money from McDonald. The Minister of Justice advises that proceedings should be taken to recover the money or that it should be stopped out of any money that may be due to him by the Crown.

Mr. MACKENZIE. Can you collect the money?

Sir CHARLES TUPPER. I presume so.

Mr. MACKENZIE. McDonald had the contract and he procured the carrying on of the work, and the engineers gave him the necessary certificate for the performance of the work. I do not believe that the Deputy Minister of Justice ever gave the opinion that it could be collected.

Sir CHARLES TUPPER. I did not say so.

Mr. BLAKE. Has the hon. gentleman obtained any advice that there is a claim against McDonald? and on the statement made to-night I do not think there would be any.

Mr. HESSON. This work was not done by Mr. McDonald, and I think it is worth while to consider whether the party ordering that money to be paid should not be responsible. I think it is quite right and proper that the Government should pay the man who did the work, and it was the duty of the Government at that time to see that the contractor was not paid, not having performed the work.

Mr. MACKENZIE. He did perform the work. We had no business to interfere between the contractor and his men along the line, to see whether he paid them. If the Moffats chose to do this work for Mr. McDonald, it was none of our business. The work was paid for according to the regular usage of the Department.

Sir CHARLES TUPPER. I have no doubt the hon. gentleman thought, when he paid Mr. McDonald this money, that he performed the work; but it is proved that Mr. McDonald did not perform the work or obtain its performance, and that the work was done by the person for whom this payment is made, upon the direction of the officer of the Government in charge, viz., the resident engineer, Mr. Peter Grant.

Mr. MACKENZIE. Mr. Grant had no more business to give the order than the hon. gentleman himself.

Mr. BLAKE. What is the date of the arrangement with Mr. Moffat?

Sir CHARLES TUPPER. The date of the telegram from the Department is the 3rd of June, 1875.

Mr. BLAKE. Here is Mr. Moffat's statement made in the House on April 23rd, 1877:

"I never had a contract for the Intercolonial Railway in my life, to the best of my knowledge and belief. I know nothing about this, and I deny the whole of it. I have never obtained a cent of money from that railway, either for contracts or anything else. I have never sought a contract and never got one."

Mr. MILLS. Besides, Mr. Moffat, occupying a seat here, had no right to sit here; and it seems to me an extraordinary thing, in the face of that denial by Mr. Moffat, that the hon. Minister should pay his heirs or executors.

Mr. DOMVILLE. Mr. Moffat stated distinctly in this House that his sons did the work, though he admitted that he owned the steamers, but he did not know that it was done, as the arrangement had been made by telegram; but as they did the work, they ought to be paid for it.

Mr. MACKENZIE. There are no facts, and it was not made improperly. The work was done according to contract and paid for in the regular course.

Sir ALBERT J. SMITH. My hon. friend supposes this was the only contract, but Mr. McDonald was a railroad contractor, and this work was an incident to the other work he had in hand.

Sir CHARLES TUPPER. It appears in this case that the Government assumed that McDonald had performed the work as he ought to have done, or had procured some other person who had the means. Moffat was the only person who had the means of removing the rails, and, under the circumstances, the resident