

Wolseley's proclamation up to November, 1871. During that time there was no regular system of paying accounts. Orders were sometimes written in ink and sometimes in pencil; signed, some by Mr. McKay and some by Mr. Lonsdale; sometimes not stating what the order was for, but only giving the amount. These orders were generally addressed "J. H. McTavish, Hudson's Bay Company."

This loose system continued until Mr. Dawson sent up Mr. Buchanan in August, 1871, when a proper system was introduced, and regular pay-lists kept. I had no regular pay-lists or official vouchers before that time, from which to make up the accounts for the Department of Public Works. The Hudson's Bay Company sent in to the Government a claim for payment in bulk sum, for articles furnished for the road-work and for disbursements, but the department declined paying until triplicate vouchers were produced for every payment. I was *then* employed by the company to make out pay-lists and get vouchers from the parties to whom money had been previously paid, and furnish all statements. I believe that the vouchers sent in by the Hudson's Bay Company represented the amounts paid by the company, whether in cash or provisions, supplies, &c.

There are \$1704 00 of accounts filed as having been paid James McKay. Can you state that these articles were supplied by James McKay himself?—I believe he supplied part of the articles from his store and received payment himself. Work was done principally by the piece and partly by day labor. Generally, Mr. McKay made these agreements.

By Mr. Cunningham.—When you undertook to make out the vouchers from the original orders, did you find that Messrs. McKay and Lonsdale had properly kept books as to outlay in expenditure for contract or day labor?—I only found memorandum books of the foreman of the works, and the books kept by the Hudson's Bay Company's clerk at the road store of the company. *In answer to Mr. Young.*—I consider Mr. McKay a respectable man from his position in the Province, and, in my opinion, competent to oversee a work of this kind. I consider that the commencing of the road under Colonel Wolseley's proclamation would excuse some irregularities at first, but, within a short time after the commencement of the work, proper arrangements might have been made to prevent any difficulty arising from the want of official pay-lists and vouchers.

There was nothing in the state of the country to prevent the work being properly carried on.

The road from Fort Garry to the north-west angle of the Lake of the Woods, would be considered a good road, with the exception of a large portion of prairie between Point du Chêne and Fort Garry—parts of that have never been completed. In the dry season it may be considered a fair road. Taking the road all through, I consider \$2,650 per mile an expensive price.

From what did you make out these pay-lists?—From the orders on which the men were paid.

How did you know the number of days the men had worked?—The orders generally stated the number of days they had worked, but did not give dates. The dates in the pay-lists are not exact, but are made as near as possible from the road-books, and the recollection of the foreman. In the vouchers witnessed by me, with one exception, the persons themselves either signed their names or made their marks.

THOS. SPENCE.

The following letters and extracts were sent by Mr. S. J. Dawson to the Chairman of the Standing Committee on Public Accounts, and read by him to the Committee, and ordered to be appended to this Report:—

OTTAWA, 18th May, 1874.

SIR,—Adverting to the charge made by Mr. Cunningham, (Marquette), in his place in the House of Commons, of frauds on the "Dawson Route" which was referred to a sub-committee of the Committee on Public Accounts, I would beg respectfully to call