

\$174.90, or \$13.45 per mile, while the Government undertook to relieve Mackay of the expense of placing the locks, and to perform the work for \$3 per mile. Thus Mackay pocketed \$47 a mile for a nut-lock he had offered for \$30 per mile, and the Government, in addition to this exorbitant price, had to assume an additional expense of \$13 a mile for placing the nut-locks, the total cost being thus \$60 per mile.

WHERE THE MONEY WENT TO.

A Committee of enquiry into this transaction was asked for in the Assembly and refused by the Government, but the Legislative Council, taking cognizance of the matter, appointed a special committee to ascertain the truth of the charges made against the Ministry. On August 27th a meeting of this Committee was held, at which Col. F. C. Farjana being sworn, deposed as follows :—

I met Dr. McKay on 25th July at Ottawa, and conversed with him at the Russell House on this nut-lock question for about half an hour. He told me he had made a very good transaction, but that he had made nothing up to the present, as he was obliged to divide a certain amount between members of the Government. He would, however, be all right in the future. He said the amount he had to divide was between \$4,000 and \$5,000, and that it was to be used for election purposes.

Q. Did he mention the names of those members of the Government? A. Dr. McKay told me that he divided the money between Mr. Langeller and Mr. Starnes for election purpose. There being two Langellers in the House I do not know which he meant. Dr. McKay mentioned Mr. Langeller and Mr. Starnes in regard to another transaction with Mr. McGreevy for building a portion of the road. Dr. McKay, a few weeks before the elections, told me he could get my claims settled if I gave him \$5,000 for election purposes to support the Government. The \$5,000 were to be taken out of my contract claim. I told him it was useless, as I had written to Mr. Joly and had received a reply which obliged me to go to court.

Q. What was the amount of your claim? A. \$28,000 against Mr. McGreevy; but I claimed it against the Government under clause 9, by which the Government were responsible to me as a sub-contractor. On the Government replying that I should go to law, I dropped everything with the Government; and entered proceedings against Mr. McGreevy.

Q. The Government was to pay you in full, and Dr. McKay was to get \$5,000? A. Yes.

Q. Did he tell you to whom the money would go? A. He said that was none of my business, but in a friendly way offered to get the claim settled for \$4,000. He told me if I had told him before, he could have had it settled without loss of time or trouble.

That testimony remains unimpeached. Although every effort was made to subpoena Dr. Mackay, in order that he might give his own version of the transaction, he could not be found, having been spirited away from Quebec to prevent the ex-

posures his evidence would necessarily make.

WHAT MACKAY WAS PAID.

In August last, three months after Hon. Mr. Starnes had given out the contract, Mackay had delivered to the Government only \$1,500 worth of nut-locks and not more than thirteen miles of the railway had been finished with them, yet at that time no less a sum than \$10,500 had been paid by the Government to Mackay, of which, according to the evidence, \$5,000 was paid back by Mackay to assist the Liberal candidates in the elections in June. Mr. MacEwan, cashier of the Union Bank, deposed that he had advanced Mackay \$5,000 on the strength of the following letter :—

QUEBEC, May 27, 1879.

To P. MACEWAN, Esq., Cashier Union Bank of Lower Canada:

SIR,—Dr. Mackay being, as I understand, desirous of applying to you for an advance to enable him to carry out his contract with the Government for the placing of "nut-locks" on the North Shore Railway, I undertake at his request to retain from the moneys coming to him under the said contract the sum of (\$5,000) five thousand dollars, to be applied towards the payment of any advance which the Bank may think proper to make to him.

I remain yours truly,

H. STARNES,
Commissioner *ad interim*.

In addition to this amount, Mr. Ed. Moreau, Secretary of the Railway Department, deposed that he had paid Dr. Mackay \$5,000 in June by a cheque signed by Hon. Mr. Joly, and later he had paid him a further sum of \$500. We add the evidence of Mr. A. L. Light, who deposed :—

"I am Government Engineer on the Eastern Division of the North Shore Railway between Quebec and Montreal; I know Dr. Mackay's nut-locks; I am not aware that a contract was made by the Government with Dr. Mackay on account of his nut-locks to be placed on the road in May last; I don't know personally if these nut-locks were put on the road since May last on my division between Quebec and Montreal; if anything of the kind had happened, I think I would have known it; no report was made to me; section men may have considered it their duty not to report, and I do not know anything of it; as a general rule anything important concerning my section is reported or should be reported to me; in May last I have not been consulted about that nut-lock contract by the Government; I have not seen one nut-lock put on the road in my section in May last or since."

Such is the history of this scandalous job. It is as glaring a piece of corruption as ever disgraced a Government in this or any other country, a direct sale of a public contract for election purposes. No link is missing in the chain of evidence; the record is complete and unimpeach-