

HOUSE OF COMMONS,  
COMMITTEE ROOM No. 32,  
TUESDAY, February 19, 1907.

The Select Standing Committee on Public Accounts met at 10.30 a.m., the acting chairman, Mr. Geoffrion, presiding.

The committee proceeded to the consideration of a payment of \$21,171.32 to B. F. Pearson, of Halifax, in connection with Princess pine ties supplied in 1906 as set out at W—188 of last report of Auditor General.

Mr. L. K. JONES, Secretary of the Department of Railways and Canals, called, and sworn and examined.

*By Mr. Crocket:*

Q. You are Secretary of the Department of Railways?—A. I am.

Q. How long have you been in that position?—A. Since 1897.

Q. Do you remember having some correspondence in the month of February, 1906, with reference to the purchase of large quantities of ties from Mr. B. F. Pearson, of Halifax?—A. Yes.

Q. We have a file here containing some of that correspondence. Did you examine the file as soon as you got the request for papers?—A. I have looked over it. I have a file here of all the correspondence.

Q. On February 17, 1906, there is a letter signed by yourself and addressed to Mr. Pottinger, General Manager of the Government Railways, in which it is stated:—

‘The department is informed that Mr. B. F. Pearson, of Halifax, has 72,000 Princess pine railway ties of last season’s cut, in good condition, such as those usually required by the Intercolonial Railway in its specifications, and that these ties are now lying on the division of the railway between Newcastle and Bathurst, the largest portion being piled on the roadway between Red Pine and Bartibogue station. Mr. Pearson offers to sell those ties at 28 cents each. As this price is as low as any of the recent tenders, you are authorized to take them, provided their character and condition is as represented, and that they come up to the usual specification standard of the railway.’

In the first place, Mr. Jones, I would like to ask do you know Mr. Pearson?—A. I have seen him, yes. He lives in Halifax, I believe.

Q. Do you know what his occupation is?—A. No.

Q. From whom did the department learn that Mr. Pearson had these ties?—A. I could not say. I had instructions to write the letter from the deputy minister.

Q. The instructions were from the deputy minister?—A. Yes, to me.

Q. Had you any consultation with the minister regarding the same?—A. None whatever.

Q. Who informed you that 28 cents was the price? You say, ‘As this price is as low as any of the recent tenders.’ Who gave you that opinion?—A. Those are the instructions I received upon which the letter was written.

Q. From whom?—A. From the deputy.

Q. Then you say further in your letter of February 17:—

‘With regard to the further quantities of ties required for the railway, I am to