

interested in the purchase, but who else he did not know, and so long as he had got his price he had no right to enquire. I found that Mr. Blanchard was a gentleman bearing a very high character in Winnipeg—he is one of the principal operators in land there, and there is certainly nothing in his connection with the Company to preclude his buying. Mr. Brydges from the outset asked \$280,000 and after many months of negotiation Mr. Blanchard agreed to give that price. He, Mr. Blanchard, informed me that he had only spoken to Mr. Graham once on the subject offering him an interest in case he made the purchase, but that Mr. Graham thought \$250,000 the outside value. Blanchard, however, completed the bargain at the higher price in Mr. Graham's absence, and when owner of the property renewed the offer to Mr. Graham. Blanchard stated that Mr. Graham's interest was one-third and not one-fourth:—that he had paid for this third:—that the other third was Mr. Balsilly's, and he affirmed in the strongest language that he had never apportioned Mr. Brydges a share, and that Brydges had no interest directly or indirectly in the purchase. I communicated all this to Mr. Smith, but he was still a disbeliever, and Graham continued to say that he thought he had only a fourth interest. After this I got all parties together, Mr. Graham, Mr. Smith, Mr. Blanchard, and Mr. Armit—Mr. Graham's memory was evidently entirely at fault. He first stated that he had paid nothing, and that he always understood (though he admitted it had not been so stated in words by Mr. Blanchard) that he had only one-fourth interest. I, however, personally verified the payments at the Bank of Montreal and actually saw Mr. Graham's acceptance, which, at its maturity, had been debited to his account *for the one-third*, and Mr. Blanchard's and Mr. Balsilly's checks for the remaining two-thirds all dated the last. It seems inexplicable how such a misconception should have arisen, but I am bound to state in the strongest terms that having heard the statements of all parties, and verified all the facts, there is not a shadow of ground for supposing that Brydges was, or was ever intended to be interested directly or indirectly in the transaction. And I record this as my own unqualified conviction.

I ought, perhaps, to add that the re-sale of a part of the lots has not been carried out. The price was regarded by everyone as absurd—the deposit is likely to be forfeited, and the purchaser is negotiating for reduced terms. And from all the opinions I heard expressed the price paid by the Syndicate was an outside one, and could not be realized to-day.

FLOUR MILL AT WINNIPEG AND THE COMPANY'S  
INTEREST IN THE BRIDGES.

I strongly recommend our disposing of the Company's interest in these undertakings, and I requested Mr. Brydges to endeavour to get some offers, and transmit them to the Board. If the mill is to succeed, we must replace the machinery with that of a more modern kind at a very heavy expense, and there will now be no longer any difficulty in supplying all the Company's requirements from other mills.

As regards the bridges, they have answered their purpose of attracting the town to the Company's property; the structures must always be risky, and though earning a good revenue, the capital can be employed otherwise to equally good advantage.