

railways at 12 dollars 50 cents; but I have been informed by the car wheel inspectors of the Grand Trunk that the Montreal wheels are very inferior, the breakage excessive, and the old material unsaleable.

In Yates's case, Mr. Brydges, in October last, said, "The next thing was, that Mr. Yates had a patent of his own, and so certified his own work, and that Mr. Yates was a patentee for a mode of mending rails. *That was not so.* Mr. Yates had sold his patent to a *bonâ fide* buyer, and, to the best of his knowledge and belief, Mr. Yates had no interest in that patent which would have prevented him from doing his duty."

On the 29th of May Mr. Brydges made the further statement that "Yates sold his patent to a man named Lindley, who had previously been in his service when Yates was a contractor. The plan was commenced in 1862, and ended in 1865, since which date no work of the kind has been done under contract. It was an experiment; although to some extent useful, it was not found to realise what was expected, and therefore given up. The average cost of the operation was about 9 dollars per ton.

"A few rails in our own shops are repaired, when it is economy to do so, by our own men at day's wages. I have examined Baines's plan, and do not consider, after careful consideration, that it is desirable to adopt it."

Now the facts are as follow :—Yates had been the Locomotive Engineer of the Great Western of Canada, under Brydges' management, and he subsequently took out a patent for mending rails, and made a contract with the Grand Trunk for a term of years. On Brydges' appointment to the Grand Trunk he made Yates Chief Engineer, and it therefore became necessary to transfer the contract which Yates held, and he did so to his own clerk Lindley, and then Yates certified the work which Lindley executed. Whether the transfer was *bonâ fide* or not may be judged from the fact that Lindley continued to receive a salary of about 1,000 dollars a year from Yates, and on the termination of the contract Lindley received a cheque for 40,000 dollars from the Grand Trunk Company on settling up the account. This sum Lindley refused for some time to hand over to Yates, but eventually did so, and he remains in his humble subordinate position, while Yates was able to retire from the Company's service with a fortune of £100,000. And next as to Baines's plan for mending rails. It is rather remarkable that, notwithstanding Mr. Brydges' superior knowledge, all those