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TUESDAY MORNING, OCTOBER 25, 1887

The Traitor's Dream.

The Mail discourses about "Sir John's Position," meaning by that the situation of political parties to-day. Very elaborately our contemporary manages to go all wrong on the situation aforesaid, and to exhibit an utterly erroneous view of what the country is now going through. According to The Mail these are among the changes of the day: The Conservative party is breaking down. Ditto the National Policy. Also the Canadian Pacific Railway policy. And, per consequence, Confederation itself, which must of course be smashed into its original fragments. There has been a dream of a great Canadian Dominion—in fact, of a nation, with national aims, and a national destiny. But that is now gone—vanished "like the baseless fabric of a vision." The manifest destiny of these provinces is to become subject States in the American Union. Such is the traitor's dream, as shadowed forth by The Mail; but it is a false dream, and will not be fulfilled.

This traitor's dream, as we may call it, now pictured by The Mail, is far away from the reality. It is not true that the Conservative party is breaking down, or that its chief is in desperate straits, and anxiously casting about for some expedient—possibly an appeal to the country very soon following the last one—as a means of saving himself. Or yet that there has been any lack of success with the National Policy, which has already proved that there are "millions in it" for the country, with the promise of millions more to come. Or with regard to the Pacific Railway policy, either; the importance and the success of which is significantly affirmed by competent American testimony. We must repeat here a part of a statement recently given to the public by The New York Times in its Washington correspondence, and authorized by the American State Department, no less:

> The Secretary of State and his assistant commissioners are familiar with some chapters of our diplomatic history that the general public has naturally enough forgotten. The Reciprocity Treaty of 1854 was denounced by the United States in 1866 at the demand of New England, ostensibly with a view to procuring better and more extensive system of reciprocity. The real reason was that New England believed that twelve years of a large volume of commerce with the freedom between the United States and Canada had brought the provinces into a position where a continuance of commercial free trade was a matter of importance to them, and they would pay price to procure it. The annexation of Canada was confidently counted upon. It was believed that rather than lose the American market the provinces would cut loose from the British Empire and join the Union. Canada was willing to continue the reciprocity and was willing to offer very considerable inducements to that end, but it would not pay the price of a change of flag. The commissioners came here and talked with Secretary Seward and the leading men at both ends of the Capitol. Mr. Morrill, now a senator, was the Chairman of the Ways and Means Committee of the House. He said to the Canadians: "If you make these concessions to us that you talk about, take your seats here by the side of us and vote for them." Mr. Hanks went further. In the first session of the Thirty-ninth Congress he introduced a bill to provide for the admission into the Union of the States of Nova Scotia, New Brunswick and Upper and Lower Canada. The Canadians went home convinced that nothing could be obtained from this country unless they abandoned their allegiance. The result of convincing them that the provinces should join us was that in the following year the distant and disconnected colonies were consolidated into the Dominion of Canada. Instead of being driven into the Union they were driven into a greater measure of independence. Immediately after the British North America Act was passed, the British capital poured into Canada, brought out the old Hudson's Bay Company, and laid the foundations of what is now the Pacific Railway, a transcontinental route that is creating some alarm among other transcontinental lines and that has added vastly to the coherency of the British North American possessions and the value of them to England, which now finds her shortest route to India, looming up threatening to a whole continent, across the American continent. The Pacific coast is 900 miles nearer to England by way of Vancouver and Halifax than it is by San Francisco and New York. The union of the provinces that our statesmen drove them into has enabled them to interfere with our trade to the extent of our imposing a device of a protective tariff. This is the result of our effort to get the coveted fruit by violently shaking the tree.

Here we have American testimony to the effect that our Confederation Policy, our National Policy of Protection, and our Pacific Railway policy have all proved great movements for our own country, and unwelcome obstacles to American designs for aggrandizement in Canada's expense. As we have before said, every Canadian should feel interested and amused enough to extract to read it several times over, and in fact to get it by heart. It means a great deal, and you will see more in it every time you read it.

Something has broken down, however, and we can tell The Mail what it is. First, the Grit party has broken down, with its stubborn, stupid, ignorant and piggish opposition to the National Policy which the people of this Dominion had by a large majority so emphatically approved of. Witness Mr. Blake's unwilling confession, wrung from him by the stern logic of events—that circumstances really would not admit of Protection being given up. And witness, further, the present disorganized and disrupted condition of the Grit party—a party "scattered and peeled," to use the language of Scripture, without a policy—aye, even without a leader of whom it dare be said that he leads it. And there is more than this to come.

The temporary puff of wind, which we call the Commercial Union agitation—is not caused by any break-down, either of the Conservative party or of the National Policy, but by the break down of the Grit party, and the madness of Free Trade still prevailing among a minority. For, be assured that if the Grit party had succeeded in the Dominion elections last February, and that the places of power at Ottawa had now been filled by Mr. Blake, Sir Richard and others of its chiefs, there would have been no agitation to-day for what they like to call "unrestricted reciprocity." In the event of Grit success then, that spectre would have been quickly laid, and Mr. Wiman would have walked these parts no more. From the failure and death of the Grit party came the birth of the Commercial Union craze, as the last resort of defeated and desperate men.

Such is the truth about the situation: that the failure of the free trade folly and of the Grit party together, in the public opinion of Canada, is the real cause of the disturbed and disorganized condition of party politics which we see to-day. This latter it is which has given the Commercial Unionists a chance for a few months' vaporing and nonsense, which otherwise they would scarcely have had for as many days. It is most emphatically the failure of the Grit party and free trade which now brings Sir Richard Cartwright and Mr. Paterson of Brant out for "unrestricted reciprocity." But let all concerned take notice that the traitor's dream, now outlined by The Mail, will never be realized in "this Canada."

During an address delivered at Berlin last Thursday evening Mayor Howland asserted, and undertook to prove by quotations, that Martin Luther was a Prohibitionist. This is not the popular conception of the character of the great German champion of private judgment and personal liberty. Certain it is that most of the Lutherans of to-day believe that they are following the example of the founder of their communion in opposing sumptuary legislation. The Lutherans of Waterloo County are anti-Prohibitionists almost to a man, and a more industrious and temperate class of people cannot be found anywhere. Our recollection is that Luther objected not to beer, but to bad beer, which is an abomination in the mouths of all self-respecting bibulists.

Judge McDougall's Finding.

Judge McDougall yesterday transmitted to Mayor Howland his finding in the Waterworks Investigation, which extended over so many weeks. It is a lengthy, comprehensive document and is printed in full in The World of to-day. The Judge makes several scathing strictures on the administration of affairs in the Waterworks Department. A general looseness seems to have pervaded the department for years, and the remedy His Honor suggests is a commission, which may not indeed be a bad suggestion. The so-called home-made engines His Honor finds to be a failure, foisted on the city under false pretences and fraudulent tinkering with their parts. The most serious of the charges against Mr. Venables His Honor finds to be true. The investigation was timely. It will amply repay our citizens to read Judge McDougall's finding very carefully.

The Hamilton Spectator is respectfully reminded that a steady diet of Bacon, even when seasoned with Shakespeare, is apt to become monotonous. An occasional meal of fresh meat would be an agreeable change.

According to the Americans they do not want to fish in Canadian waters, but only to buy bait. According to their Toronto organs they will probably invade Canada unless allowed to fish in our waters. The dirtiest side of the falsehood is relegated to the telling of the Toronto organs.

The Mail had yesterday a long and laboured article, based upon groundless assumptions and full of unsupported inferences, entitled "Sir John's Position." It is generally admitted that Sir John's present position is a pretty comfortable one. His salary is not a bad one, he has all the comforts of a home, and the support of a considerable majority of the people's representatives. All of which is not true of The Mail, its position being the reverse of comfortable, its income reduced, and its supporters a few of its former opponents who have gone sour on The Globe.

The discussion in the City Council yesterday afternoon made it evident that while there are several aldermen who wish to see certain changes of detail in the Property Committee's plan for parks and drives, there is a good majority in favor of the principle of the thing. And we therefore look for it that, with some amendments made, the bill will get its first reading at next meeting of Council.

The Politics of Labor—Phillips Thompson.

BY R. W. PHIPPS.

A book with the above title has been published in New York, and is now for sale in the Toronto book stores. It is written by Mr. Phillips Thompson, well known as a journalist both in the States and Canada, and is undoubtedly the most readable work yet published on the question. It gives, in a style well-worded, effective and lucid, the fullest idea yet attempted to be conveyed of that very important movement which is taking place in the United States, on behalf of, and with the assistance of a great number of people who consider that those who toil are receiving too little, those who toil not, too much of the produce of the earth.

It will hardly answer the views of those who dislike this movement to ignore it. Incontinually gathers strength. The ranks of the dissatisfied are necessarily ever augmented in a country which is the common refuge of the dissatisfied of the world, and which, through the settlement of its outlying lands, is gradually ceasing to afford its multitudes who seek its shores that rural and remunerative labor which has quieted to peaceful farmers so many thousands of whilom European conspirators. The poverty of the Old World is beginning to reproduce itself in the crowded cities and lessening resources of the new, while in America an extravagance born of a past plenty renders the poor poorer, and the rich more careless.

It is natural that, in such circumstances, there should be complaints, gatherings, combinations. Differences of condition and of emolument, readily submitted to in Europe, excite far more immediate outcry here. No mantle of the past conceals the weakness of the foundations of hereditary distinction. The laborer is prompt to ask, "Why should he have more than I; we went to the same school; his parents were as mine; we were boys together?"

The organizations of Knights of Labor, the formulated system of Henry George, the advocacy of the Socialist system, the unreasoning and murderous fury of the Anarchists, grow alike from the same stem.

In these circumstances it is well that every one who interests himself in the future of the race should know what is written, what is demanded by these numerous individuals. These agitations—these large bodies—cannot be safely left unheard or unattended to. In other lands it has been long the practice when the masses were dissatisfied to embark in war, that blood-letting on an enormous scale might allay the fever of the body politic. Looking at the history of the world, and calculating the chances, it might well be said that this desperate remedy is not impossible of trial here, and Canada not unlikely to be its theatre, with perhaps a fresh rebellion of the South and the ravage of the whole American seaboard adding their horrors to the scene.

But, in this later day, cannot we find a better method? Would it not be better to discuss these demands, to observe the necessities which urge them, and if they be of a nature which renders compliance impossible, to propose that which may more properly answer the purpose? The proposals of a demagogue—the demands of a mob—are seldom admissible; the grievances which give rise to such are a different affair, are always worthy of close attention, and are frequently capable of redress.

It is for this reason that this work of Mr. Thompson's should be generally read. It gives the statement of what many of the people desire, what is put forward as the only means of satisfying justice, and of giving the toiling masses a fair return for their work. The statements are made in language always well chosen, generally moderate, often eloquent. With the soundness of their logic, the accuracy of their quoted facts, or the propriety of their conclusions, I do not intend here to deal.

What I would wish to impress is that the demands of a large number of the American working classes should be carefully considered; that these demands are well expressed here; that those who do not know them should read them, and those who read them should weigh them well, and the causes of their existence.

The repressed energies of nations will have their outlet: in construction or in destruction; they must be employed. In a day long forgotten migration to Europe formed the safety-valve of Asia. Europe in its turn has found in America the same relief; now America appears to need a road to fresher scenes her own wilds can little longer supply. If the vast forces now being excited to action within her bounds be not employed in removing the rocks which bar her way to progress, these same forces misdirected will tear asunder the arches of her palaces and the bodies of her sons.

A ROTTEN DEPARTMENT!

JUDGE McDOUGALL'S FINDING IN THE WATERWORKS CASE.

Looseness, Dishonesty, Drunkenness and Disobedience Pervade the Working of an Important Branch of the Corporation Government—How the City Was Robbed in Its Coal Account—A Commission Recommended.

After weeks and months of weary waiting examination and cross-examination of witnesses and talk of counsel, the Waterworks Investigation came to a close yesterday when an afternoon meeting of the City Council His Worship the Mayor presented Judge McDougall's report upon the investigation. His Honor the County Judge, it is understood, had labored hard and earnestly to present a clear and decisive opinion, and the readers of what he says below will conclude that he has done so in language that cannot be misconstrued. When the Mayor presented the report to the Council, several members urged that it should be left over till printed, as it was in typewriting owing to His Honor the Judge having only finished it at noon. But the general feeling was that it should be read. Deputy City Clerk Littlejohn then read it and consideration was deferred till it could be printed and laid before the members:

TORONTO, Oct. 24, 1887.

His Worship W. H. Howland, Esq., Mayor of Toronto.

SIR,—I have the honor herewith to submit my report on the matters referred to me for investigation by resolution of the Council of Toronto, dated Feb. 28, 1887. The resolution is as follows:

Ald. Hunter, seconded by Ald. Ritchie, moves that whereas it has been alleged that John Venables has been guilty of malfeasance, breach of trust, gross negligence and other misconduct in relation to his duties and obligations as an officer of the corporation of the City of Toronto, as chief the engineer in charge of the Toronto Waterworks, in connection with the pumping engines, furnaces, boilers and other works and property belonging to the said corporation and the coal supply to the said waterworks, in that amongst other things, he wilfully and negligently suffered and allowed:

1. The engines known as the "Worthington engines" and the furnaces and boilers connected therewith to be so operated as to injure the said waterworks, including the weigh-house and scales, to become and remain out of repair, and to cause the waste of much coal and destroyed.

2. The use of unsuitable and defective material in the construction and erection of the new engines and boilers known as the "Inglis & Hunter engines" and the "Perkins steel boilers."

3. The contractors for the said engines and boilers to depart from the plans, drawings and specifications upon which they were respectively entered into and the great injury of the said engines and boilers.

4. Also that he wilfully neglected orders and refused to obey the instructions and directions of the Committee on Waterworks, which orders and instructions were to "Inglis & Hunter engines," though absolutely necessary such directions and instructions in making such test as at the time they were about to be once completed with respect of the said engines.

5. Also that he knowingly made a report, respecting the said engines calculated to mislead, and which did in fact mislead, the said corporation as to the character, capacity, quality and value of the said "Inglis & Hunter engines."

6. Also that he, contrary to his duty and without authority, ordered in the name of the said corporation goods and works from the said Inglis & Hunter, amounting in all to $1,000, and which exceed the amount and value of $600.

7. That he neglected to keep the engines, furnaces, boilers and other works connected therewith clean and in proper working order.

8. That he kept inaccurate record and account of the coal received and consumed at the waterworks.

9. That he made and signed false and fraudulent vouchers and caused moneys to be paid by the corporation in respect of quantities of coal that never were delivered by the contractors, or that the corporation or did not know had been received by the said corporation.

10. That he grossly neglected his duties, and in violation thereof refused to obey the orders and directions of the chairman of the Committee on Waterworks and the Committee and committee in connection with the management of the engines and boilers, and with the purchase of materials, supplies and coal and the costs of pumping water for the said waterworks.

And whereas, it is also alleged that the said John H. Venables and others, officers and employes of the said corporation, have been guilty of gross mismanagement, breach of trust, malfeasance and other misconduct in connection with the supplying, receiving and paying for coal and pumping for coal during the years in which the coal supply for the said corporation was obtained from Joseph Rowntree, Burns, Crowther and others, and that the said corporation has paid for coal which never was received or delivered, and

And whereas, it is publicly charged that the evidence taken by the Police Magistrate in the late investigation touching the supply of coal to the waterworks has disclosed an unsatisfactory condition of matters in connection with the management of the said department, and that the affairs generally of the department of the Toronto Waterworks,

And whereas, the auditors reported to the Council on July 19, 1886, that there was a deficiency of $321.02, in coal account for which vouchers could not be found, and was a deficiency of $891.29, and in the September to December quarter of 1886, of $668.48,

And whereas, it is alleged that the said department has been mismanaged and that some of its officials have failed in their duty, and that the property and affairs of the said department has been and is worked and supplies obtained and moneys received and paid out in such a way as to afford opportunity for fraud and misconduct, not only on the part of the officials but also on the part of contractors and others who have had dealings with them in connection with the said department,

And whereas, the efficiency and usefulness of the said department, the honest conduct and management of the affairs connected therewith, are matters concerned not only the corporation of the City but also the conduct of the public business thereof. Be it therefore resolved, that it do commend to the Judge of the County Court of the County of York to investigate and inquire into the several matters and things above referred to, and to inquire into the management of the part of the public business of the City of Toronto connected with the said waterworks department, and whether there has been any misconduct, breach of trust, irregularity, wilful neglect or default or gross carelessness on the part of any officer of the said department in the management of the said department, or in connection with the Waterworks Department, or having had to do with the affairs thereof, in relation to the matters above referred to, and whether any Venables, or of such other officer or employe; and, if so, who were the parties and in what manner they have committed a breach of trust, wilful neglect or default or gross carelessness complained of. Whether the system now in use in the said department of the public business of the City of Toronto connected with the Waterworks Department has been or is defective, and, if so, wherein the system has been or is defective, and to report thereon to this Council the result of such inquiry and the evidence taken thereon.

THE JUDGE HOLDS A CONSULTATION.

Immed lately after receiving the above resolution I had a consultation with W. A. Foster, Q.C., who had been appointed to conduct the investigation on behalf of the corporation, and I arranged to proceed with the taking of evidence as speedily as possible. On March 9 the investigation was opened, and from then to April 11 July 12 I gave all the time at my disposal (having regard to my judicial duties) to the taking of evidence. I found at the outset that owing to the illness of Mr. Bigelow, counsel for Mr. Venables, it was impossible to conclude the investigation during vacation, and, therefore, adjourned the inquiry until the first, day after vacation, Sept. 2, and then sat daily till interrupted by the sittings of my County Court on Sept. 13. At the request of Mr. Foster, on Sept. 26, I resumed the investigation and finally finished the taking of evidence on Sept. 28. The stenographer, Mr. Burrows, is the author of a category old one that he would be unable to finish a complete transcript of testimony for at least a week or ten days, and I therefore postponed the hearing of argument of counsel until Oct. 10. The hearing of these argument occupied parts of Oct. 10, 11, 12, 14, 15, 17 and 18. During this long and tedious inquiry 121 witnesses have been examined, a large number of them having been recalled from time to time to give testimony upon subsequent points. This was unavoidable, owing to the wide scope of the investigation. The evidence written out covers 2413 pages and contains about 7500 folios, while 218 exhibits have been filed.

THE RATING AND RECEIVING DEPARTMENTS.

1. The first branch which came under my observation was the receiving department of the waterworks. Manifestly it is of the utmost importance that this branch of the service should be conducted on the strictest business principles, the annual revenue exceeds $300,000, and the collection of this large amount, the dealing with over 23,000 accounts, the making out of proper bills and the entering of the respective debits and credits demand a thorough system.

2. I found that prior to March 1, 1887, there had been no system that could be dignified by that name. The department, nominally under the control of the Superintendent, was really in the hands of the late secretary of the Board, a Mr. Morriss. Mr. Morriss was also head receiver. He kept the cash book, balanced his cash once in three months—that is, if the books would balance—he received and paid all moneys over to the City Treasurer, taking his receipt for the same. Mr. Hamilton, the Superintendent, admits that he found fault with the system prevailing at the date of his appointment in 1885. Yet he says that, although personally responsible for the working of the system and for the proper handling of the whole revenue, he was unable to effect any change in the system. He says that the obstacle in the way of reform was Secretary Morriss. This gentleman, it appears, was opposed to any changes. Mr. Hamilton says that both he and Mr. Morriss thoroughly agreed that the then system was defective and incapable of a correct audit, yet Mr. Hamilton could not get the system changed, Morriss saying, when appealed to to consent to needed improvements, that he had changed the system too often and he would not change it any more, and accordingly Mr. Morriss—who evidently ought to have been superintendent—carried his point and the system was not changed until some time after Mr. Morriss had retired from the department and Canada. Shortly before Mr. Morriss left the department a discrepancy of $550 had been accidentally discovered in his cash. The department were fortunate enough to have this amount made good by Mr. Morriss' certified check. The amount of this discrepancy, which it appears was cash received and not accounted for, remained in Mr. Morriss' hands for a year before it was discovered. There had, therefore, evidently been no correct balance of his cash for over a year prior to the discovery, or this item would have come to light before. Comment is needless upon the defects of such a system as the foregoing.

3. There are two branches of the receiving department, the receiving and rating. It appears from the evidence that frequently officers of the rating department acted as receivers. This, as the auditors point out, is a radically wrong and vicious system. The officer who prepared the account should not receive the money; the officer who received the money should not prepare the account. Each branch should be entirely distinct with a separate set of books as far as possible. The receiving branch should have nothing to do with the making out of accounts. Their sole duty should be to receive the money for the account returned by the rating branch, to properly enter the same in appropriate books and pay over the amount of their receipts daily to the City Treasurer. The rating branch ought to make out all bills and render the same, and if there be new consumers strike the rate to be charged them and generally to alter, vary and correct and keep track of the account of every consumer, and finally quarterly, or half-yearly, furnish to the receiving department a detailed statement of the moneys to be collected. Then the amount collected plus arrears should equal the amount charged to consumers and one set of books should balance the other.

4. The evidence, it appears, reported on several occasions that there were differences in the accounts of the waterworks receiving department which they could not get explained. Yet I find that from the system in force a proper audit was difficult, if not impossible, and that the accounts were in no satisfactory state and unfit for audit. Nothing was done to remedy it by the Superintendent, the Waterwork Committee or the Council until just as this investigation was commencing, when certain changes were made and the receiving department taken out of Mr. Hamilton's hands and placed under the supervision of City Treasurer Hannan.

5. As the dealing with this question of accounts, and the bookkeeping connected therewith, was a matter requiring professional skill and knowledge, I determined to secure the assistance of some reliable experts to aid me in arriving at proper conclusions. I communicated with and secured the co-operation of Mr. J. J. Mason of Hamilton, ex-Mayor of that city, and also an accountant of Dominion reputation.

6. As to the receiving and rating branches, after careful consideration and full consultation with Mr. Mason, I beg to adopt the recommendations made by him in his report to me. They are the following:

(a). That the rating and receiving departments should be absolutely and entirely separate, the staff of one having nothing whatever to do with the other.

(b). That the cash received by the receivers should be day by day checked and handed over to the cashier or treasurer.

(c). That the street cash books should be posted daily into the street ledgers by clerks not being receivers or, in default thereof, that the receivers should not post such their own receipts.

(d). That the casual, or intermediate, charges and changes, as reported by the staff of the rating department in the street ledgers and not by the clerks in the receiving department.

(e). That, if possible, the books of the receiving department should be closed and balanced periodically, say at the end of every month, and if not, the balance still due being at once treated as arrears.

(f). That, if possible, the collection should be made half yearly instead of quarterly, whereby the working of the department and its audit will be rendered easier. Provided, however, that in no case should the work of one quarter was forever treading on the heels of the succeeding quarter.

7. I have strongly urge the adoption of the last of the above recommendations. It will reduce by one half the bookkeeping of the department. Instead of making out 23,000 accounts four times a year and carrying them through a set of books they would be made out twice only. The department could do the work with a less staff. Instead of each half year would be completely closed before the new half year commenced, whereas, if the collections are quarterly, it is found that with such an enormous number of accounts to deal with the work of one quarter follows so closely on the heels of the next it is impossible to prevent a complete confusion. A careful audit is also difficult owing to the short time that the books can be spared from actual use.

8. I would also recommend that kept an Incorrect record of all moneys received and paid out, and, if not both of them, are liable to give out at any time, thus leaving the city to depend for its water on the new engine which was idle and suffering breakdowns for ninety-six days during the year 1886 and 45 days during the year 1887 up to Oct. 15.

(e). That the annual reports are also misleading and valueless in the information they purport to furnish.

9. I would also recommend that the action of all the experts (including Mr. Venables himself, as appears by the evidence) cannot be safely worked to pump more than 10,000,000 to 12,000,000 gallons of water in a day. She was purchased as able to perform an easy duty of 12,000,000 gallons. At the first official test made by Mr. Sproule she reported 16,000,000 pumps as performing the guaranteed duty and pumping the guaranteed capacity. The duty is the number of foot pounds of water lifted to 100 pounds of coal and the capacity, as I have said, 12,000,000 gallons per twenty-four hours. At the second test, made by Mr. Sproule, a few months after the first, he reports obtaining the same results and the engines and pumps, according to him, answered all requirements of the contract. But when the contractors came over, hauled the Inglis & Hunter engine they found the pressure gauge out of order and, upon sending it to Mr. Horsman, the maker, for repair, the workman who had made it, a Mr. Oliver, found the gauge eighteen pounds out in registering. That is, it registered a pressure of 118 pounds per square inch higher than the fact. Now, the evidence of Mr. Oliver, the gauge maker, is to the effect that the gauge had apparently been in order, had been tampered with, and he explained his reasons for saying so and showed how simple it was to accomplish the fraud. The chief of the works says before commencing his test he thinks Mr. Venables tested the gauges. At any rate he was assured that the gauges had been tested by himself; did nothing towards testing their accuracy. Mr. Hamilton says he asked Venables if he had tested the gauges and he says he (Venables) did him he had tested them and that they were correct. Venables says he did not test the gauges, but assumed that the contractors had tested them, that they were all right, but that if he said so he relied upon what Martin of Cleveland and Messrs. Inglis & Hunter told him. He of his own knowledge he could not say whether they were right or wrong. The gauges are supposed to work satisfactorily for two years. Mr. Hamilton says he had used the Inglis engines to take a recording gauge of his own down to the engine house and placed it on the air vessel of the Inglis & Hunter engine. He says he registered a difference of eight or nine pounds less pressure than the pressure gauge on the engine, but he says in accounting for this by the difference of their local situations, one being further away from the engine than the other. He says he did not have his own gauge tested before using it for the test, and he says that there was such a wide difference as eight or nine pounds indicated between the two gauges did not lead him to have either of them tested afterwards and, strange to say, in figuring up the performance of the engine the pressure reported by the gauge was assumed to be being 100 pounds too high, and not that recorded by Mr. Hamilton's gauge, was used as the factor for determining the duty of the engine. We do not see what this alleged difference in the gauge means. According to Mr. Hamilton the duty performed, taking the pressure indicated by the gauge as correct, was 75,000,000 foot pounds. If the gauge registered eighteen pounds too much, and this error is corrected in the calculation the test would show a duty of *55,000,000 foot pounds only, or 6,000,000 foot pounds below the guaranteed duty*, and the engine ought not to have been accepted. The report at this point that I deem both Mr. Sproule and Mr. Hamilton guilty of gross and culpable carelessness in not personally seeing that the pressure gauges were specially tested before and immediately after the official test of the engines, to ascertain to a certainty the correctness of these tell-tale instruments, on whose registrations were relied on chiefly when calculating the performance of the engines and pumps. In consequence of their neglect to verify the accuracy of these gauges I consider the tests of the engines made by them as utterly unreliable, and, as it appears in the case of Mr. Hamilton's test the large difference between the two gauges was actually indicated, I consider his test of the engines not only unreliable but totally fallacious. There is thus a very strong case of circumstantial evidence to support the theory that the pressure gauge had been tampered with by some one before the tests were made by the city officials. The motive would be to secure beyond doubt an apparent performance of the duty and capacity on the part of the engines and so secure their acceptance and payment of their price. The subsequent history of the Inglis & Hunter engine and its utter inability to perform the guaranteed duty supports the belief that the engine and pumps never did the duty contracted for in fact, and the apparent performance was only secured by means of fraud and chicanery. Before leaving this branch of the case I have, however, to report that the evidence shows that the pressure gauges of the two Worthington engines were also utterly worthless, not having been cleaned or regulated or tested for between eight and ten years. One registered fourteen pounds too high and the other eighteen pounds too high.

18. By the accompanying report of Engineer Hanson it will be seen that the two Worthington engines are in a very unsatisfactory condition and in urgent need of thorough repair.

19. The annual reports of the Waterworks Department, issued by the Superintendent, are unreliable and misleading. A book called an "Engine Record Book" is kept at the engine house. It purports to show, amongst other things, the water pumped and coal consumed from day to day. I have caused a table to be prepared showing the results shown according to the "Engine Record Book" for some four or five years past, and comparing it with the coal bought and paid for the result is startling. The city in five years has bought and paid for 2442 tons more coal than the engineer, Mr. Venables, reports from week to week he has consumed under his boilers. The figures published in the annual reports of the duty performed and the water pumped, as made up in the office from such contradictory and unreliable data as I have mentioned in the preceding paragraphs, will at once show that they contain no reliable or accurate information for the Council or public.

20. I therefore find, on the evidence before me, that the Inglis & Hunter engine was bought and paid for by the city does not perform the guaranteed duty and is not of the guaranteed capacity. I find that she has been idle during year 1886 96 days, and the year 1887, to Oct. 13, 104 days; all such idleness being due to breakdowns arising chiefly from her bad design, ill proportions and defective adjustment of parts and gear.

21. I have also to report that in my opinion it will be a matter of great risk and danger to dismantle either of the Worthington engines, with the view to overhauling the same, depending meanwhile on the Inglis & Hunter engine to keep up with either of the Worthington engines the daily supply of water. It ought to be well considered in the Council whether some additional engines should not at once be purchased.

22. I beg to forward the able report of Prof. Galbraith and Mr. Edwin Jones as to repairs and alterations to be made to the Inglis & Hunter engine. These repairs, if made, may improve in some measure her stability and working powers. In the light of the evidence taken at this enquiry, I beg to concur in their recommendations.

PERSONAL CHARGES AGAINST VENABLES.

23. In regard to the specific charges against the engineer, Mr. Venables, I beg to report as follows:

"I find that as to the first charge the only matter proved to my satisfaction is that Venables neglected to have the flues of the boilers under his charge properly cleaned or kept clean as directed by the Chairman of the Waterworks Committee and his Superintendent, thereby causing injury to the flues of the said boilers and necessitating repairs to the said flues and increasing the consumption of fuel."

24. I find the second charge not proved.

25. I find the third charge proved to this extent:

"That the said Venables was aware in the construction of the Perkins steel boilers that the specifications, made out by himself, called for drilling the rivet holes in the boiler plates, yet he saw the contractor causing the rivet holes to be punched instead of drilled and did not report the same to the Superintendent, as was his duty."

26. I find the fourth charge not proved.

27. I find the fifth charge proved by Venables' reports of May 9, 1886, July 6 and July 8, 1886, which reports I consider misleading.

28. I find the sixth charge not proved.

29. I find the seventh charge not proved except as to the flues of the boilers as mentioned in my finding under the first charge.

30. I find the tenth charges not proved except as mentioned in my finding on the first charge.

31. I find under the general language used by the Council towards the end of the resolution forwarded to me that the said Venables did neglect his duty to the corporation in the following particulars:

(a). He failed to report to the Superintendent the drunkenness of the men at the engine-house. I find that while Venables had charge there was a great deal of drinking amongst the firemen, and also that some of the assistant engineers were implicated also in this offence. These breaches of discipline were not reported to the Superintendent or committee except in the case of one man whom the engineer suspended, it is true the committee reinstated this man notwithstanding his offence. Although the committee took this into consideration I think it was still the duty of Venables to report all cases of drunkenness promptly and I find he neglected to do so.

(b). I find that he was careless and neglectful in not providing some system for the economical use of influents at the engine-house. I find that there was no system of giving out or taking out the engine-house by which the consumption could be seen, either by the Superintendent or committee in any other way than by adding up the amount of the bills rendered for oil supplied. In every well regulated engine-house that, at least, is the ordinary record book shows the oil used from week to week and forms a prominent feature in the monthly report. The Inglis & Hunter engines, pumping thirty-five million gallons per diem, used about $800 worth of oil per annum. The oil supplied to the City for our pumping house, as appears in the report, was $1600 worth used on three engines, pumping only about fourteen million gallons per diem.

(c) I find Venables guilty of gross and culpable carelessness in not keeping the engine-house in order at the time of the test of the Inglis & Hunter engine, that the pressure gauges were all right, and in telling Mr. Hamilton that he had tested them when he had not. This does not relieve Mr. Sproule or Mr. Hamilton of their responsibility in the premises, but I do not ought to have sent to this matter personally.

(d) I find that Venables kept urine records in his engine record book; that he weekly certified to the correctness of each page of the entries in the said book, and that he gave to the coal entries that he were estimates only, and not the actual weights, as he (Venables) ought to have reported to show, thus deceiving and misleading the committee.

32. I now propose to deal with the charges 8 and 9, the most serious against Venables, namely, that he kept an incorrect record of the coal received, and issued certificates for coal alleged to have been received which he knew had not been received or did not know had been received at the pumping house.

33. There was kept at the pumping house a book called "The Coal Book." It was the official record of the coal received by the city for the water works. It purported to give the name of each vessel discharging at the pumping house, the date of its arrival, date of its unloading, contract under which the coal was delivered, the weight cart load by cart load of such cargo as received, the weight carted and the place where the deliveries distinguished from vessel loads. A duplicate of this book was kept at the office at the City Hall and the original was sent every month to the office of the Board of Works to be checked by Venables, and until the years 1883, 1884 and 1885 Venables had no reason to suspect that the figures in the book both in the book itself and the duplicate at the office, that they were correct. The practice then ceased of certifying, though Venables still kept on to express certificates to the contractor and the book itself, as kept, was the basis upon which the contractors would certify to their accounts rendered by the contractors. All coal was paid for by the city weights as recorded in this coal book. This book was in Venables' hands and was kept by him, although sometimes entries would be made in it with his knowledge and assent by his own employes, principally by his son, who was a high school boy, but by far the greater number of entries in the book are in Venables' own handwriting. Venables, in his evidence, admits that it was his duty to see that the men weighing the coal did their duty. It was by the record in this book that Burns was paid. Venables admits that a very active fraud and fraudulent entries were made in this coal book, of coal never received by the city, and that Burns, the contractor, was paid for coal not delivered and fraudulently entered therein, as a fact, the same was never delivered or received at the pumping house. The coal book shows that there was delivered by certain named vessels 5876 tons to the city. By the harbor master's returns and customs returns and harbor dues, it appears that harbor dues, tolls and freight was paid on 5441 tons only by these same vessels, the difference, 435 tons, it is charged, represents the sum of the false entries made by Burns in 1884 the year he began work satisfactorily for two years. Mr. Hamilton says he had used the gauges on the engines to took a recording gauge of his own down to the engine house and placed it on the air vessel of the Inglis & Hunter engine. He says he registered a difference of eight or nine pounds less pressure than the pressure gauge on the engine, but he says in accounting for this by the difference of their local situations, one being further away from the engine than the other. He says he did not have his own gauge tested before using it for the test, and he says that there was such a wide difference as eight or nine pounds indicated between the two gauges did not lead him to have either of them tested afterwards and, strange to say, in figuring up the performance of the engine the pressure reported by the gauge was assumed to be being 100 pounds too high, and not that recorded by Mr. Hamilton's gauge, was used as the factor for determining the duty of the engine. We do not see what this alleged difference in the gauge means. According to Mr. Hamilton the duty performed, taking the pressure indicated by the gauge as correct, was 75,000,000 foot pounds. If the gauge registered eighteen pounds too much, and this error is corrected in the calculation the test would show a duty of *55,000,000 foot pounds only, or 6,000,000 foot pounds below the guaranteed duty*, and the engine ought not to have been accepted. The report at this point that I deem both Mr. Sproule and Mr. Hamilton guilty of gross and culpable carelessness in not personally seeing that the pressure gauges were specially tested before and immediately after the official test of the engines, to ascertain to a certainty the correctness of these tell-tale instruments, on whose registrations were relied on chiefly when calculating the performance of the engines and pumps. In consequence of their neglect to verify the accuracy of these gauges I consider the tests of the engines made by them as utterly unreliable, and, as it appears in the case of Mr. Hamilton's test the large difference between the two gauges was actually indicated, I consider his test of the engines not only unreliable but totally fallacious. There is thus a very strong case of circumstantial evidence to support the theory that the pressure gauge had been tampered with by some one before the tests were made by the city officials. The motive would be to secure beyond doubt an apparent performance of the duty and capacity on the part of the engines and so secure their acceptance and payment of their price. The subsequent history of the Inglis & Hunter engine and its utter inability to perform the guaranteed duty supports the belief that the engine and pumps never did the duty contracted for in fact, and the apparent performance was only secured by means of fraud and chicanery. 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and Mr. Hamilton's suggestions of changes or improvements were either opposed and thwarted or a point-blank refusal was given to carry them out. I find no steps taken either by the committee or