

manager of the railway suggesting that the oil of his company should be used on the Intercolonial Railway, providing the officer down there was satisfied of the quality of the oil, and in order that the officer whose duty it was to examine the oil, should not neglect the matter he followed his letter by a telegram to the same effect. I ask any gentleman in this House if an officer of the Intercolonial Railway or of any other railway received such a letter followed by a telegram would he not understand the importance of hurrying up and not only hurrying up but giving a favourable report? I do not suppose there is a gentleman in this House who would doubt that the minister expected to get a favourable report and that the officer knew that was expected and gave one accordingly. I am not now going into the question whether the oil was good or bad, but the question of the proper conduct of the affairs of the railway, I say it was an outrage that a gentleman occupying the position of the Minister of Railways should have so interfered. He could have expected nothing else than a favourable report. Does any man suppose that an officer down there at Moncton would imperil his position by sending back a report that the oil the minister wished to sell was not fit for the service. Why the man would hardly have a level head if he did it; he might be honest, but he would not be likely to hold his position there long. These people could have had no doubt what the result of an adverse report would be. We had an instance of an official connected with the Intercolonial Railway at Moncton being charged with stealing postage stamps. An officer was sent from the head office here to the Moncton office; he spent about two hours there and reported that the system of checking the stamps had not been effectual and should be improved, and that was the end of the charge except that the unfortunate constable who had made the complaint was dismissed for his conduct. After that, would you expect an officer inspecting oil to state that the oil was not of good quality? I think he would fear that he would be endangering his bread and butter, and that of his family if he attempted to thwart the minister in what he was endeavouring to do.

That was not the only case in which Mr. Lodge appeared. A lawyer in Halifax, a Mr. Pearson, took it into his head that he would become a railway supply company. What does this lawyer do? Does he establish himself as Pearson & Company, of a certain street in Halifax where he carried on a law business with his father? No, he does what Mr. Preston has developed since, he goes to another colony, to Newfoundland, and incorporated his company there; he and two of his clerks constituted a company with a small capital, and from that date to this they have been carrying on busi-

ness apparently solely with the Intercolonial Railway. What did they do? Mr. Pearson, the lawyer, made his first venture in trying to sell some wheelbarrows to the Intercolonial Railway and he made such a bungle of it, that it went wrong from the beginning. First of all they tendered and so little was this railway company of Halifax known that when the minister sent his acceptance of their tender to Halifax the letter was returned from the Dead Letter office. Not a soul in the Halifax post office knew anything about the concern, so that the minister or his officers had later on to write letters inquiring why they had not answered the communication. Then, Mr. Pearson told them it was owing to the stupidity of the post office in Halifax. But Mr. Pearson, having delivered a few of the wheelbarrows wrote to the department that he could not furnish any more because he had taken the contract at too low a rate. That was his first venture. Wanting to be better informed on future occasions he very wisely from his point of view employed Mr. Matthew Lodge as agent, and authorized him, according to Mr. Lodge, to sign the tenders as secretary. We then see some success in the operations of that company. First of all, Mr. Lodge offers to furnish to the Intercolonial Railway Syrian steel, and without any tender he is given a contract for a year and the supply company did a business in steel of \$7,910—no tender, no one to compete, simply Mr. Lodge, the friend, the secretary of the minister's oil company, acting on behalf of his principals in Halifax.

The next thing that Mr. Lodge went into was still more out of the ordinary run. The Imperial Oil Company in 1903-4 had the contract for burning oil, the ordinary petroleum, and for some reason the Imperial Oil Company appears to have been induced not to tender in 1904-5. Mr. Lodge tendered, and two other firms tendered also. Now it is a rule of the department that any person tendering for a contract of that kind shall deposit a marked cheque, a cheque certified by the bank, for \$200. Mr. Lodge seems to have known how to get around these things; he deposited the cheque of Matthew Lodge, unmarked, uncertified; the other tenderers deposited cheques according to the regulations and their cheques were marked. There is no objection taken because Mr. Lodge failed to put in a marked cheque. But he got the contract. Well, one would say he was the lowest of the three, and there was nothing very remarkable in that fact. But the extraordinary thing is that from the day that Mr. Lodge got that contract awarded to him to the present hour, he never delivered a gallon of oil, never pretended to deliver any, nor has the company he represented. The contract is still going on; the year is up, but the contract is continuing, according to Mr. Lodge. What did he do? The Imperial