

were entered in the Ontario Division Court ; the people who had petitioned for that Court, seeing its jurisdiction disputed, had appealed to Ottawa for redress, and been informed that, as Rat Portage would shortly be included within the Province of Manitoba when the Act extending the Boundaries of that Province should be brought into force, (unless it were already within the limits of Ontario), and as the administration of justice and the establishment of Provincial Courts devolved upon the Provincial authorities, it would not be proper for the Dominion Government to take action upon their petition.

The first sitting of the "County Court of Varennes" was unmarked by any particular incident, except that the presiding Judge deferred giving judgment on defended cases until the next Court, to be held in June, 1882. In the undefended cases, the Clerk issued judgment and execution. The authority of the Court was disputed in the case of *Higgins et al. v. Davidson*. The defendant refused to obey an order to appear at the Judge's Chambers at Winnipeg, and no order was issued to arrest him for contempt. The presiding Judge (Mr. Justice Miller) had made no secret of his having demanded and obtained an instrument in the shape of a guarantee or bond of indemnity from the Manitoba Government, holding him harmless in the event of trouble arising through his holding a Court in the disputed territory.

About this period extraordinary activity was manifested by declared supporters of the Dominion Government in prospecting for water privileges, timber limits, tie berths, etc., in the territory. Notwithstanding the fact that the Department of the Interior disclaimed having granted permits to cut ties, posts, and telegraph poles, and notified its intention to refuse applications "until the dispute with Ontario was settled," many gangs of men were employed at various points on the lake in cutting for the Syndicate, which would shortly have possession of the completed portion of the road from Rat Portage to Winnipeg, and thus have the means of transporting supplies to the contractors building the western sections of the road.

The contractors of Section B. were also credited with having secured a valuable privilege. Instead of procuring (as was contemplated at the time they entered upon their contract) timber from Minneapolis, suitable for bridges and culverts, at a cost of about \$60 per thousand laid down, they obtained permission from the Dominion Government to cut logs in the vicinity of Eagle Lake, where they erected a saw-mill, and manufactured, it was reported, over and above their own requirements, a large quantity of lumber for shipping to the Winnipeg market in the ensuing spring.

A Mr. R. J. Short was also particularly active at this period in sending out parties on the lake to cut railway ties for the Syndicate. He was stated to have a permit from the Dominion Government to cut one million feet. Over one hundred men, directly or indirectly in his employ, were cutting ties at Whitefish Bay in the month of November, 1881.

A person named Lewis was also actively employed in lumbering. He had a permit from Ottawa to cut two million feet.

The Dominion Regulations regarding Timber Limits and Dues in the North-West Territories, issued about this period, enabled the Syndicate, or its agents, to cut all the timber required in the vicinity of the Lake of the Woods at merely nominal figures. It was stated they had also a lease of twenty miles of country on each side of the railway