

HOUSE OF COMMONS,

COMMITTEE ROOM No. 62,

WEDNESDAY, July 8, 1903.

The committee met at 3 o'clock pm., the chairman, Mr. A. K. Maclean, presiding.

The CHAIRMAN.—With reference to certain questions which were asked of Hon. Mr. Fielding yesterday, I have received a letter from Mr. Ross, of the Finance Department, containing the following statement:—

‘I find on inquiry from the Department of Railways that Mr. Fielding was appointed acting Minister of Railways on the 21st of July, 1903, and continued acting minister of the department until the appointment of Mr. Emmerson on January 15, 1904.’

Mr. G. A. BELL, recalled and examined.

*By the Chairman:*

Q. There were certain matters referred to at the last sitting of the committee concerning which Mr. Barker desired some further explanation?—A. I think I can give the committee an explanation in connection with the item of \$65,000 which I think will satisfy them. I have already furnished an explanation in connection with this item, but I will repeat it if you so desire. The \$65,000 which is spoken of as being over-paid is made up of two amounts, an over-payment of \$30,000 and \$35,000. Now, the \$30,000 over-payment was in connection with the Quebec government subsidy. The Quebec government granted a subsidy in aid of the bridge of \$250,000, and that was to be paid in annual instalments of \$30,000. After that subsidy was granted the bridge company assigned to Mr. M. P. Davis, who was then the only contractor on the work, being the contractor for the substructure, all their subsidies, including this \$250,000, and it was treated as if Mr. Davis had received \$250,000 in cash. Now, when they made this settlement, which appears in the Act as \$250,000 cash paid up in full, because at that time, as far as they were concerned, it had been paid—

Q. Mr. Davis accepted it?—A. He accepted it and he knew he was only going to receive it in instalments. But when this legislation of 1903 came up it was decided to wipe this off and pay Mr. Davis the balance that was owing on the subsidy. He was to assign back the subsidy and the balance that was due was to be paid him. That was done. Now when the payment was made to Mr. Davis he should have immediately assigned the balance to the Bridge Company but there was some little delay and in the meantime the payment of \$30,000 became due and was paid to him. As a result he was overpaid \$30,000. The other amount of \$35,000 was on a note. There had been accommodation notes floating between Mr. Davis and the company and at the time the settlement was made of his account the Bridge Company had drawn on him for \$35,000 and he had accepted it and in his books they were debited with \$35,000. When he rendered his account it was taken out of his books. That was included in the settlement and he was paid \$35,000, but when the note came due the Bridge Company met the note themselves as they had always done. He would accept and note debit them in his books but they would not meet the note when it became due. That made \$65,000. Mr. Davis had a contract running on the approaches and as is always done, or usually done, progress estimates were given. As his progress estimates became due 10 per cent was retained as drawback. Now his drawback reached in August, 1906.—