

June 13, 1872

## HOUSE OF COMMONS

Thursday, June 13, 1872

The **SPEAKER** took the chair at 3.40 p.m.

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*Prayers*

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### CONCURRED IN

The following bills were returned from the Senate, with amendments, and were concurred in: The Lake Superior and Manitoba Railway Company Act; an Act to incorporate the North West Railway Company; an Act to incorporate the Manitoba Junction Railway Company.

**Mr. O'CONNOR** moved that the fee paid on the North-West Trading Company's bill be refunded, the bill having been dropped in the Senate.

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### THE NORTH WEST TELEGRAPH

**Mr. SMITH (Selkirk)** asked whether the Finance Minister had received any information from England as to the cost of the telegraph wire taken over from the Hudson's Bay Company.

**Hon. Sir FRANCIS HINCKS** was glad his hon. friend had asked this question because it would give him an opportunity of explaining a matter which had excited a good deal of apprehension in the Public Accounts Committee that there was something wrong in the public account. The explanations given at that time were that it was part of the bargain made with the Hudson's Bay Company that this wire should be taken at its cost price, satisfactory evidence being given to the Minister of Public Works that the price paid was cost price and charges; but when the invoices were produced the price seemed so enormous, being something like two or three times the cost of the ordinary wire, that there seemed to be something wrong.

He (Hon. Sir Francis Hincks) had promised to obtain information from England on the subject, and he had last night received a letter from Sir John Rose, which he would read. "The Hudson Bay Secretary was directed to make every inquiry in order to show that the Canadian Government had not been charged with more than the actual cost of the wire and transportation, and he was further directed to collect all the documents in proof of that fact.

I understand that the Government agreed to take it over at cost and charges. The documents which go by this mail to Mr. Smith are

the original invoices receipted with the cheques attached, showing the net payments to the maker; also sundry letters and certificates with reference to the value of the article at that time from persons who are judges of it. It appears that this particular kind of wire was supposed to possess superior advantages over all others, and Sir Curtis Lampton acted on the advice of Mr. Varley, the eminent electrician, in selecting it.

Since that time there has been so much improvement in the other kinds of wire that the homogeneous is less used, and it can now be purchased at a lesser price than it then was. At the time it was bought it was, as I am informed, supposed to be a very judicious purchase; but if the thing had to be done over again today, it is probable that the ordinary wire would be selected. There is no doubt whatever, that the Government has only been charged the actual cost, which I understand was the arrangement. I need not repeat all the circumstances that are contained in the letters addressed by the Secretary to Mr. Donald Smith, but I hope they will be found to give sufficient information as to the various particulars you want."

He (Hon. Sir Francis Hincks) also read a letter he had received from the Secretary of the Hudson's Bay Company to Mr. Donald A. Smith, the member for Selkirk, as follows.—"I have to acknowledge the receipt of your letter of the 10th inst. calling attention to a public discussion which has taken place in reference to the price charged by the Hudson's Bay Company for the telegraph wire purchased by the Canadian Government, and, by the direction of the Governor, and Committee, I transmit herewith the original invoices, three in number, of the wire referred to the receipts for the different amounts paid to Messrs. Shortridge, Howell & Co., of Sheffield, and the drafts on the Company's bankers, in favour of that firm, showing that the price charged in the invoices which you produced at Ottawa are the cost price paid by the Company in 1894.

Acting upon the advice of Mr. C. F. Varley, the engineer and electrician of the Electric and International Telegraph Company, the committee purchased the homogeneous wire, which was carefully tested and approved by that gentleman before it was shipped. I have applied to Mr. Varley for the replies to the engineers contained in your letter, and I hoped to have his answer in time for today's mail, but find that they will be sent on Saturday via New York."

He (Hon. Sir Francis Hincks) also read extracts from a private letter to the effect that as to homogeneous wire, in the construction of which steel is used, owing to the great improvement made during the past seven or eight years, the price had been greatly reduced, and as regards the superiority of homogeneous wire over iron for telegraph purposes there can be little question, especially for deep