

REPORT

To His Excellency the Right Honorable Sir FREDERICK TEMPLE, Earl of DUFFERIN, Viscount and Baron Clandeboye of Clandeboye, in the County Down, in the Peerage of the United Kingdom, Baron Dufferin and Clandeboye of Ballyleidy and Killeleagh, in the County Down, in the Peerage of Ireland, and a Baronet, Knight of the Illustrious Order of St. Patrick, Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George, a Knight Commander of the Most Honorable Order of the Bath, etc., etc., Governor-General of the Dominion of Canada, and Vice-Admiral of the same.

May it please Your Excellency,—

We, the undersigned, two of the Commissioners appointed by Your Excellency under Commission bearing date the 22nd day of July, 1876. "For investigating the Books, Accounts and Vouchers of the Northern Railway Company of Canada, and the disbursements and expenditures of the said Company," and for other purposes named in the said Commission (Mr. Adam Hope, the third Commissioner, having declined to act), have the honor to report to Your Excellency the result of our enquiry, so far as we have been enabled to proceed therewith.

At the first meeting (after the opening of the Commission), held on the 23rd day of August, 1876, for the purpose of taking evidence—the Crown and all parties being duly represented by Counsel—the Honorable the Attorney-General of Ontario on behalf of the Dominion Government, demanded that the Northern Railway Company should allow free access to the books of the said Company, or place the same at the disposal of the Commissioners for full investigation; whereupon Mr. J. D. Armour, Q.C., Counsel acting for and on behalf of the bondholders of the Northern Railway Company, and of Mr. Cumberland, the General Manager of said Company, by a written memorandum, requested that, before the investigation is proceeded with, there should be furnished a memorandum of the specific items of misappropriation, and of fraudulent entries, referred to in the preamble of the Commission, and that Mr. Cumberland should have one day for the examination of the books as to said items. After discussion, it was arranged (without prejudice to any question) that a memorandum of these items should be given; that the Commission should adjourn until Friday, the 25th August, 1876, at one o'clock, p.m.; that Mr. Miall, the Accountant in attendance on behalf of the Government, should have free access to the books on Friday morning until the meeting of the Commission, if desired, for all entries having reference to these items; that on Friday the examination of witnesses should be proceeded with, if Counsel for the Government should so desire; that Mr. Cumberland should then present himself for examination or cross-examination without being subpoenaed; and that other witnesses might also be examined. The question of the general examination of the books and affairs of the Company, apart from or in addition to the above mentioned items (or any specified items) was then discussed by Counsel, and such general examination being objected to by Mr. Armour, the subject was postponed until the next meeting without prejudice.

On Friday, the 25th August, 1876, the Commission met, pursuant to adjournments and Mr. Cumberland was examined at some length. (For evidence then given, and exhibits filed, see Appendix A.)

On Saturday, the 26th August, Mr. Cumberland's examination was resumed. At it close, the Honorable Attorney-General of Ontario, renewed his request for a general,