

"James Beaty, President N.-W. C. Ry. Co," and dated Toronto, 17th October, 1885:

"The undersigned, president of the North-West Central Railway Company, duly authorised by the board of directors, do hereby declare that I will let the contract to Alexander Macdonald, to build the line from Brandon to Battleford, in accordance with the Acts and Orders in Council on the following terms, and on the condition hereafter mentioned. These terms are as follows:—

"1st. That Macdonald will get bonds to the value of \$25,000 per mile, one quarter of the company's capital stock, bonuses and town sites.

"2nd. That the bonds for each one hundred miles be deposited in advance of construction into a bank to be named by him, to be sold by English friends of his, and replaced in the bank by the cash realised by their sale, which shall be held by the bank and paid out only on the engineer's certificates as the work is done and the material furnished; the stock to be transferred when the first fifty miles is completed, the bonuses as they are acquired and the town sites as they are located.

"3rd. That Macdonald will allow at the rate of \$1,600 per mile to be deducted each monthly estimate, which will be paid over by the bank to the company, and will pay one quarter of the company's old indebtedness for work done on the old grade. Macdonald will pay for working-up bonuses all places but Brandon. He will also locate and pay for laying out the town sites. Macdonald will furnish a bank guarantee for the interest on the whole of the bonds for two years from the date of their issue.

"The condition above mentioned is that Macdonald will prove soon that he has money deposited to begin the work and grade this fall twenty-three miles, that is to say, from Brandon to Rapid City. On that condition, I will let the contract to Macdonald, as aforesaid."

Now, I stated before the committee that I had letters to prove that the member for West Toronto, and president of this company, Mr. Beaty, wanted the sum of \$675,000—\$1,500 per mile—which he denied, although there were two letters, both saying the writers were prepared to swear to the truth of their assertions; but this document, signed by the member for West Toronto's own hand, says that Macdonald will allow at the rate of \$1,600 per mile, to be deducted from each monthly estimate, which will be paid over by the bank to the company, and will pay one-quarter of the company's old indebtedness for work done. But Macdonald will also provide for working up bonuses, and will furnish a bank guarantee for the interest on the bonds. Macdonald is to furnish the interest for two years on the bonds, in addition to giving \$1,600 per mile. Now, who owned most of the stock of this company? The member for West Toronto. Before the committee, at our first meeting, while he was in the mood of being loquacious, and before he had become suddenly silent and allowed other people to do his work for him, he confessed that he had \$386,000 of the stock, upon which 10 per cent was paid, and he had never paid a dollar himself. I stated to him then that I believed it could be proved—at least, I told him that I wanted his denial of it—that he had sold thousands of dollars worth of the old stock, at what figures I did not know, had put the proceeds in his pocket, and had travelled around the country and lived on it. I have had no denial, and this House has had no denial, of that statement up to this hour. Now, Sir, I say that in presence of these facts, I think the committee took an extraordinary course when they passed this Bill. It was very easy to charter another company; notice had been given, and had passed through the Standing Orders Committee, and a Bill could have been brought into the House and passed in an hour, figuratively speaking, giving to an entirely distinct and new company, after these revelations had been made, power to build this road; but that had not been done, for what reasons I do not know. The committee changed its tune all of a sudden, and those who affected to be shocked and revolted at the statements made, were the first to jump on their feet and say: "Let us pass the Bill." What had occurred, Sir, between the first meeting, when they struck out those objectionable clauses, and only allowed the extension to stand? If the president could not show his ability to build the road—what had occurred from that first meeting up to last Friday, to make the committee change its base in that manner? Who had done

Mr. WOODWORTH,

it? What occult influence was there? I stated, and I state now, that I held not a word of communication with members of the Government in regard to it, I did not know what they were going to do, and I was certainly surprised when I found what was being done. My name, of course, has been used in connection with this matter from different standpoints. I know to-day of no wrong act I have done in connection with this matter. I did not know then, I do not know now, what profits were to be had. I never attempted to sell the charter; I never attempted to hawk it about. My intention was to have the road built, after \$50,000 were got out of it to give to the directors. But that was in 1884. I knew nothing of what was in it. I never knew until lately of the president attempting to hawk that charter about and attempting to sell it, as it has been proved that he did. Therefore it comes down to this fact that I, as a member of Parliament, was in a railway charter. Well, Sir, I have had noble precedents before me; this House was teeming with them, and I do not think I should be made the scapegoat for what hundreds have done. Therefore, I cannot see in what respect I am blameable in regard to this matter. It may be, Sir, that I did very wrong when this Bill, without the slightest notice, was brought up in the committee, and when I had been struck off the board by this mighty magician of railways, when he had put a younger man, a more influential and abler man in my place, without either of them saying, by your leave, Sir. When they had done that, of course, I suppose I did a grievous wrong, a heinous and unpardonable sin, when I dared to assert in committee that the Bill should not pass, first, because of its objectionable clauses, and secondly, owing to the personal conduct of the president of the road. I succeeded in my first demand that the objectionable clauses should not pass. In the second, it is true that I succeeded for a while; the scales remained pretty evenly balanced for some time, and all at once, Sir, I kicked the beam and down went the president, outweighing me. All right; he outweighed me, what weights were used, how I was handicapped, and what false weights were put in, I do not know; but I did not have a fair race; I know that. Now, Sir, I say that it was obligatory upon me to make this statement. It has been charged, again, that a free grant was given to this road, and I cannot see, for the life of me, any objection to that. I quite agree with the Minister of Interior in that respect, because I want to deal fairly in this matter, and I think that any attempt to make capital out of the assertion that a free grant was got by members using undue influence, cannot be substantiated in this case, and I will tell you why. Members on both sides of this House, and the press throughout the country on both sides of politics, demanded that a free grant should be given to this road. That is undeniable, and it is too late, after all that had been done before a free grant was given, for any person in this House, or outside of it, to say that undue influence was exercised with the Government in getting a free grant. That is not the trouble with this charter; it is what was done after the free grant was given and the object of getting a free grant. Allow me to read, in support of my contention, from the *Winnipeg Free Press* of 9th October, 1884. Everybody knows that that paper is one of the most pronounced Reform papers in the country, and here is what it says in an editorial:

"BRANCH LINES AT LAST.

"An Ottawa telegram states that 'the scheme' proposed by Sir David Macpherson to give free grants of lands to North-West Railways has been submitted to the Cabinet, who approve of it.

"We congratulate the Cabinet on the good judgment they have displayed in approving of the proposal submitted to them by Sir David. We also congratulate Sir David on his ability to perceive and his willingness to be guided by good advice.

"This scheme for aiding branch railways which, as presented by Sir David, has so commended itself to the Government that they have determined to act upon it, was first proposed by the *Free Press* last winter.

"It also received the endorsement of the Winnipeg Board of Trade."