Territorial Revenue, which we are justified in calculating upon by the Receipts of the past two years. Deduct from this $75,000 which we were going behind (which includes over draft on Revenue, and $20,000 from Sinking Fund) $55,000 saved, as shown by the Estimates, and we have $80,000 a year to deduct from the $131,700, which leaves us an increase over the expenditure at the time the claim was made, of $131,700."

These were the figures put forth in 1874 and it was in view of them that Railway Companies had incurred expenses, and that Contractors had incurred liabilities which were ruinous. He referred, as before, to the additions which had since been made to the Revenue and said it was clearly not the want of money, but rather a desire to withhold justice from Kent, that prompted the course of the Government in the matter.

In the Speech the intention of the Government to provide for "more varied representation" at the School Boards was announced. Why, in four years, had not the idea of securing more varied representation at their own Board, presented itself to the minds of these hon. gentlemen? It had not, however, and now, when the elections were about coming on, they would fling out this "varied representation" bait, but he would tell them plainly that he, for one, was too old a fish to be caught by it. The varied representation policy was not carried out in dealing with the vacancies up-stairs. Four years ago, at the end of the session, several gentlemen were elevated to that chamber after serving the Government well down here, and he had no doubt that several more who had now in their possession their checks for mileage seats would soon be promoted to them. There were also some who had checks who would, doubtless, miss the mark.

Referring to the Stumpage question, he said it might be asked why Lumber Operators should find fault at the long times? It was because they had large organizations which must be kept actively employed and could not be broken up without serious loss or ruin to themselves and to the country. [illegible] There were Mills that must stand idle. People who would be unemployed, Capital and Property which would be locked up and become valueless, as they must go on the best way they could, and every one must suffer to a greater or less extent. He had just heard of New Brunswick Lumber Merchants who were offering deals in Great Britain at £6 15/, cost freight and charges. Deduct freight and charges, and the deals stand for $8 on the wharf. Take off 50 cents for Stumpage and the cost of Sawing, and the Lumberman has some sixteen shillings for procuring and driving the Logs, Booms, etc. Yet is the time of the state of things the Stumpage has to be raised.

The Attorney General had boasted that his Government, after eight years existence, had no scandal. Look at his course in the Carquet trials! He represented the only Government that was ever known to deprive any class of citizens of the right to sit as jurors because of their religion. He did not tell the House that it was the only Government that had shut men out of Civil Court, because of their Religion, and the only Government in this Province that had caused the widow and the orphan to cry to Heaven for vengeance upon it, and he hoped, when that hon. gentleman was called upon to meet his Master he would be prepared to give a proper account of the talents which had been entrusted to him, so that it might be said to him, "Well done thou good and faithful servant . . . enter thou into thy reward."

Mr. Burns (Albert) said, after the roar of artillery and the booming of the cannon had ceased, he had heard cheers from the House, and had rushed around the gallories for the last few days, he presumed he would be permitted to say a few words, especially as the thunders of the Opposition speakers had not only been directed against the Government, but also against the hon. gentlemen who supported them.

Had the hon. gentlemen opposite confined their remarks to the Government and not challenged the Opposition, he would not have said a word, for he thought the Government was quite able to defend itself.

Mr. Johnson—You're one of the Government supporters.

Mr. Ryan—So I am, and I'm not ashamed of it; but I was going on to say that I think the Government was quite able to defend itself against the Opposition, and I say that when the Government shows itself so poor that it is not able to defend itself against and handle such Oppositions as we see in this House I will vote against it.

Reference had been made by his hon. friend from Kent (Mr. O'Leary) to a scandal which hon. gentlemen doubtless remembered very well, but he thought the other side of the House was the place it was on the other side of the House where the responsibility of that matter rested. The hon. members from Sunbury and Gloucester had themselves up as the representative independent men of the House, and they sought to belittle the supporters of the Government and impugn them as pigmies. Judging by the gentlemen would have the country believe that they were the real patriots and independent men, because of their independent position, and ability, however, in the part of the real independent members of the House, put in an appearance and challenged their sincerity. If their speeches were those of defeated candidates he would let them pass, but as they were nomination speeches, intended for the country and got up for the purpose of belittling and undermining men who had supported the Government, he could not allow the charge to pass unchallenged. True, when he came here in 1871 he helped to form the Government and had given them a fair support ever since. He had done that in the interests of the country and of his constituents, and he challenged the hon. members from Gloucester and Sunbury to say wherein he, by his support of the Government, had done any injustice to his constituents. Every hon. member would bear him out in the statement that he ever stood squarely up for the interests of his constituency, for the rights of his County and of the people who sent him here, perfectly independent of either Government or Opposition, and he would say fearlessly that he had the honor to represent a County which, for wealth and intelligence, according to the number of its inhabitants, was second to none in the Province.

When hon. members charged him with want of independence in his votes in the House he would show them that the charge was not true and he thought he could show to the House and country that the motives of those hon. gentlemen were no purer than those which they took the liberty of imputing to others—to men quite as independent as themselves, if not more so.—These gentlemen had endeavored to get into the seats held by the Government by all means in their power. They had sent out spies in all directions and examined the Government camp minutely; they had inspected the Attorney General's department in all its various branches and sound that gentleman's house in order. They said to themselves, "he is keen and sarcastic, so we'd better not try him," although some of them appeared to quote law like lawyers, and others scripture like ministers. They next turned to the Board of Works Department and they concluded that the Chief Commissioner was a good-natured, jolly fellow, who had a great many friends all over the country, so they said, "we can't succeed in that direction." Then they turned their attention to the Surveyor General's Department. They thought that by trying around among all the employees in that branch of the service they would find a weak spot, and after getting a Committee of the House and putting the country to an enormous expense in summoning witnesses, they secured an investigation which ended in smoke. They now proposed to take charge of this goodly land, as Joshua did Jericho, and that the Government would tumble to pieces at the sound of the Ram's Horn. They proposed, by blowing their horns loud and long, and by belittling the supporters of the Government to come into office and give the country the benefit of their wonderful policy. They really imagined that through their efforts the Government would be left at home, and that they would have nothing to do but come in and enjoy the sweets of office. If they did this, it would never be by their own ingenuity.

Now, he challenged these gentlemen to show, in any way, before the people of the country, that he had ever received a dollar, either directly or indirectly by contract or otherwise, from the revenues of the Province, over and above his pay, as a member. Could these hon. gentlemen say the same? The hon. member for Sunbury (Mr. Covert) said the hon. gentleman from Saint John (Mr. Elder) was disqualified from sitting and voting in the Assembly on account of his doing some printing for the Chief Superintendent of Education, who was a subordinate of the Government, to the amount of $750. He would like to know if that was Mr. Covert's opinion still.

Mr. Covert—The Statutes say so.

Mr. Ryan would apply the law evenly then, and to this end he asked hon. members to turn to pages 159 and 160 of the Auditor General's Report, and they would find a parallel case to that of Mr. Elder. One K. F. Burns, of Gloucester, there appeared to have supplied to a subordinate of the Government Lumber to a considerable amount. One Contract——"

Mr. Burns—Did you say Contract?

Mr. Ryan—Yes, just the same kind of Contract as that of Mr. Elder. There was one item of $22.63 for lumber, another item of $200 for lumber, and yet another of $800. He merely presented the facts as they were put down in the Auditor General's Report. The whole of these items amounted to the snug little sum of $1,022.63, besides $500 for a Wharf.

Mr. Burns—The hon. gentleman had better stick to the facts.

Mr. Ryan—I am doing so. This Wharf——

Mr. Burns—There is no such thing among the items he has read, and I suggest that the hon. gentleman stick to the truth and not mis-state the facts or draw wrong inferences.

Mr. Ryan said that he stated only what was in the Public Accounts, which showed that the hon. gentleman did get $500 some two years ago for a Wharf, and so far as he knew there was no account to show that any attempt had yet been made to build it.

Mr. Burns said the hon. gentleman would find the accounts in the proper place if he looked for them.

Mr. Ryan said when he had previously named this Wharf, he said they could get no money to build a Wharf in his County, the hon. gentleman said that Albert County was not big enough to build a Wharf in, so he supposed it was on this account it was floated around to Gloucester, and so far as he knew, it was still afloat, as neither he, nor any one else, had since been able to discover it. Now, if Mr. Elder was disqualified from sitting and voting in the House because he did a comparatively small job of printing, the hon. member from Gloucester was also disqualified, and he would recommend that they pair off.

The hon. member for Kent (Mr. O'Leary) had alluded to that side of the House in a gentlemanly way, and had also made a good and telling speech in favor of his Railway, which he gave him credit for, but if the Richibucto people had taken as much pains to hurry up their arrangements, get their Company in good position, and have their Contract signed, as the Elgin Company did, they would have had their road. Their want of success seemed to be attributable as much to their own disputes and neglect as to any action or inaction of the Government.

And now, a word about this wonderful and celebrated Agricultural Report. A well known paper—that was, well known in Fredericton—called the *Farmer*, said the other day that he was the only member in the House, outside of the Government, who justified the Government in publishing advertisements of farming implements made by outsiders and leaving out implements which were the manufacture of our own Province. The fact was that at the time he saw this wonderful delivery in the *Farmer* he had neither seen the Agricultural Report nor expressed any opinion on its contents. He knew nothing about it, and had not yet read the first Report brought down. He had one Report in his possession, but an hon. member immediately borrowed it and had not yet brought it back to him. He would now say, however, in reference to the Agricultural Report which he held in his hand that it was the best Report on the subject that he had ever seen issued in this Province—the contents of the other he knew nothing about. If the Government put in advertisements from Ontario to the exclusion of those of our own Province, they did wrong, but was it not shown that they did all in their power to secure the advertisements of New Brunswick manufacturers? They asked them for rates and prices, and when our own manufacturers neglected to furnish them, while the Ontario manufacturers did so, would it have been fair to exclude the latter? If implements could be obtained cheaper in Ontario than here, he thought the farmers should know it. It was the duty of the Government to let them know it, and certainly it was the farmers' privilege to buy where they could obtain the implements the cheapest.

The hon. member from Kent (Mr. Johnson) said they slighted the French by saying, in the Agricultural Report, that they had but few wants and were easily satisfied. He understood, of course, that their domestic wants only were alluded to, and he thought the reference a complimentary one. Certainly, nothing political could be taken out of the words, for no such meaning was implied in the paragraph. The French people, however, could be well assured that the political wants of their special representative here were of an entirely different character, for they were neither few nor yet easily satisfied.

The hon. gentleman from Sunbury, as well as other hon. gentlemen, seemed to be considerably exercised over Government intentions, and members' expectations in reference to seats in the Upper House, and the vacancy in the Government. He presumed the member for Sunbury ought to know something of such matters, and could speak feelingly on the subject. It might be that one vacancy in the Government had not been filled to exactly meet his views any more than a seat in the Upper House was a few years ago, and the secret of his dissatisfaction was after all, perhaps, only, that "Archie sits in Johnny's chair."

Having made these few observations he would only add that it was his intention to vote against the amendment of that hon. member, and for the motion of the Hon. Provincial Secretary.

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Editor "Miramichi Advance," Chatham, N. B.

Miramichi Advance.

CHATHAM, THURSDAY, APRIL 25, 1878.

The O'Leary Scandal.

The local public mind is exercised to no small extent over the subject of the charge made in the House of Assembly by Henry O'Leary, Esq., against Hon. Messrs. Kelly and Young of the Executive Council, the chief figure, hereabouts, in the matter being that of the Hon. Chief Commissioner. When the charge was first made, it attracted little attention in the Assembly because it was vaguely made, and Mr. O'Leary had the reputation of allowing his zeal for the Richibucto Railway to run away with his discretion and it was an understood thing that both that gentleman and Mr. Johnson, his colleague, had a *carte blanche* to unburden their minds of any facts and fancies with which they might stow them from time to time, because it seemed to relieve them, while it hurt nobody else. It was an admitted fact that the Government had not treated the Richibucto Company with the consideration extended to some other companies, that it had, in fact, rather discriminated against that Company, that the blame rested, in a way understood by politicians, but not by the general public, chiefly upon the two representatives of the County and that even some members of the Government, in their individual capacity, were not backward in encouraging Messrs. O'Leary and Johnson in ventilating their Railway grievances. Conspicuous among the members of the Government who were, above others, in sympathy with Kent and her Railway interests, was Hon. Mr. Kelly—a fact proved by that gentleman testifying under oath that he had the permission of His Honor, the Lieut. Governor, to state—"this question has never been before the Council, but it has received my warmest support."

In the course of his speech on the motion to go into Supply Mr. O'Leary stated, in effect, among a number of other things, that two members of the Government, in consideration of Mr. J. C. Brown cancelling certain private claims which he held against them had guaranteed to him that the Contract for the Richibucto Railway would be signed in June 1876.

At the time this statement was made there was some enquiry as to who was meant, but it was put down, as usual, to Mr. O'Leary's zeal and as meaning nothing. It so stood until Mr. Tweedie (who was absent from Fredericton when Mr. O'Leary spoke and had read the statement in the Official Report in one of the papers) brought it up in the Assembly, demanding an explanation from the Government. An enquiry from the Government side as to who was meant brought Mr. O'Leary out more bluntly, and when he declared that Messrs Kelly and Young where the gentlemen referred to the former indignantly repelled the charge for himself, and the Secretary for Mr. Young, and investigation was challenged. Next day Mr. O'Leary formulated the charge which has now become a part of the political history of the Province and which we shall discuss as briefly as possible. Mr. O'Leary's charge was as follows:—

"An agreement was made between the Hon. Wm. M. Kelly, Chief Commissioner of Public Works and member of the Executive Council of this Province, acting for himself and also for the Hon. Robert Young, President of the Executive Council, on the one part, and John C. Brown acting for himself and certain other Railway Contractors on the other part, whereby the former agreed to use their influence and position as members of the Government of this Province to procure for the said John C. Brown and certain other Railway Contractors a contract for the building of the Kent Northern Railway, the consideration being that the said John C. Brown and others should relinquish certain claims which he or they had against the said Hon. Wm. M. Kelly and Hon. Robert Young or against the Chatham Branch Railway Company of which they were stockholders, and that such claim or claims were surrendered for such consideration."

Having very closely watched the proceedings of the Committee appointed to investigate the above charge we are in a position to present the facts as clearly, perhaps, as any journal in the Province, and as they particularly affect this County through a gentleman who has represented it ever since Confederation, we believe they will be carefully scanned.

We are quite well aware of the fact that differences of opinion very naturally arise in connection with such subjects, and especially so when the evidence is very voluminous, as it is in the present case. The fact, too, that an election is approaching in which one of the gentlemen charged is interested, tends to keep the matter before the public, those who join in promoting agitation on the subject, too often allowing prejudice to warp their judgment and lead them to pronounce one way or the other when they, no doubt, must feel that they do so without that knowledge of the facts which would justify jurymen in arriving at a conclusion. The Committee who investigated the charge was composed of the accuser, Henry O'Leary, Esq., and Messrs. Robert Marshall, Robert Robinson, Wm. Beveridge, and Thomas Cottrell—men, who might be relied upon to act fairly under ordinary circumstances. It was brought up as an objection that an accuser should not also act as judge, as Mr. O'Leary had to do, and there was comment on the fact that Mr. Cottrell represented Charlotte, was dependent to a considerable extent on John C. Brown's friends for re-election and that he declared when the Committee was moved for that he seconded Mr. O'Leary because Brown belonged to his County and he wanted to see him get fair play. So fully did Mr. Cottrell recognise the fact that he was personally interested in the matter that he absented himself when the vote was taken in just the same way as Mr. Kelly, one of the gentlemen charged, did. These objections were, however, not pressed.

A good deal has been said in reference to the complexion of the Committee and we, therefore, mention the above facts, in passing, and add that the other three members of Committee, though they were known to be supporters of Government measures, had no personal interest in the charge or those against whom it was brought.

The first point with which we shall deal is that out of which the Brown claim arose and in the settlement of which Messrs. Kelly and Young were charged with acting corruptly. Mr. Brown, who was the first witness called, went quite fully into this point, and we shall deal with it this week, leaving other important points for future consideration.

Brown swore that the Directors of the Road when he first went upon it in 1873 were Messrs. Winslow, Letson, Kelly, Snowball and Morrison, and he says "Mr. Kelly was the Director with whom I did the principal part of the business." Mr. Brown made a preliminary survey of the road for the Company, for which he charged and was paid $1,818.07. He furnished an estimate of quantities, which was put in evidence and he subsequently tendered for and received a contract for the work of construction, based on his own estimate—the contract price being $65,727.87. When he took the contract the Directors understood that he was to take $10,000 in stock which was to go, to that extent, to reduce the amount to be paid for the work. Mr. Brown denies having promised to take the stock, but other witnesses show that prior to the meeting at the Royal Hotel, St. John, when the corrupt bargain was alleged to have taken place, Mr. Kelly believed Brown did promise to take the stock. The evidence on this point is as follows:—

Mr. Brown—"I did not promise or lead the Company to believe I would take $10,000 stock in the Chatham Branch Railway, provided I got the contract. Was not willing to subscribe stock until that night at the Royal Hotel.

Mr. Kelly—[Question by Cottrell] When Brown entered into a contract to build the Chatham Branch Railway did he take stock in the road or agree to do so?

Answer—He agreed to do so verbally, gave me the information to say to the Company that if he got the contract he would take $10,000 in stock.

Mr. D. Shirreff Secretary of the Company—I had *always* understood from Mr. Kelly that Mr. Brown *was to take* $10,000 in stock. Mr. Kelly telegraphed to Chatham. He was to meet him in St. John with the Stock Book.

On his return to Chatham, after the meeting at the Royal Hotel, I met Mr. Snowball, one of the Directors of the Chatham Railway Company, who asked me if Mr. Brown had subscribed his stock. I said "yes," and Mr. Snowball remarked, "then Kelly has effected the settlement."

Hon. J. H. Crawford sworn:—[By Mr. O'Leary] What is your occupation?

A Barrister-at-law.

Q [By Mr. O'Leary] Did Mr. Brown employ you at any time to transact any business for him in connexion with the Chatham Branch?

A Mr. Brown came to me, I think, in a friendly way to get my advice. He said he had a large claim against the Chatham Branch and wanted to know if I would assist him in getting it. I told him I would do all I could for him, and I think he said if it could not be got in any other way, he would have to sue the Company. I told him it might be necessary for him to sue the Company before he got his claim, but if he did sue the Company I should prefer his getting some one else to bring the action. I told him, however, I would see the person he named and see what could be done towards a settlement. I saw Mr. Kelly, the person he named, about the matter. I do not recollect the exact time, but think it was in the fall of 1875 or in the winter of 1875-76. Mr. Kelly then informed me that there was not near the amount due that Mr. Brown claimed.

He claimed $16,000 or $17,000. I think Mr. Kelly claimed that *Brown had agreed to take stock* which he had not done, and that his claim *should be reduced by the amount of that stock.* From the claim Mr. Kelly said further reductions should be made for expenses incurred by the Company for land damages and for repairing breaks in the road caused by banks falling, and for some things in the contract that Brown had agreed to do. He would not undertake to say what all these things were, but Kelly said that, taking out these, there would be only a balance due Brown of $7,000 or $8,000. Then Mr. Kelly made some offer through me to Mr. Brown, which offer Brown, I think, correctly stated in his evidence before the committee.

In a letter written by Mr. Crawford to Brown on 31st Jan. 1876, five months before the meeting at the Royal—Crawford refers to Kelly's offer of the stock, so that, taken together with the whole of the above evidence, shows clearly that there was some understanding concerning Brown's taking stock, that Mr. Kelly believed he promised to take it, that he led his co-Directors to believe the same thing and that when Brown swore that he was not asked to take stock "until that night at the Royal," he was stating an untruth or equivocating in a very serious manner for a man under oath.

The next point is a rebate of $13,000 which was deducted from $65,727.87, the amount of Brown's contract. This, it is claimed by some, went into Mr. Kelly's pocket. Mr. Brown's evidence in reference to this $13,000 is as follows:—

Q. (By Mr. O'Leary.) Was there not a private understanding existing between you and Kelly at the time the Chatham Branch Railway Contract was signed that he should have a certain amount out of it for himself

A. I answered before that Mr. Kelly was to have an interest in the work.

Q. (By Mr. O'Leary.) Was not the understanding on account of its peculiar nature regarded by you as a secret understanding, and one which should not be made public?

A. Yes, I suppose it was.

Q. (By Mr. O'Leary.) Was not the $10,000 the sum mentioned by Mr. Kelly in the first instance as the amount which he ought to receive for himself?

A. I cannot remember exactly, but I believe so.

Q. (By Mr. O'Leary). Did not Mr. Kelly subsequent to the time that he said his share should be $10,000 say to you that he must have $3,000 more, or words to that effect?

A. The understanding between us was for $13,000.

Q. (By Mr. O'Leary.) Did Kelly not tell you that Alex. Morrison and Winslow wanted something out of it?

A. There was a conversation, but I cannot remember exactly what it was.

Q. (By Mr. O'Leary.) Did I understand you to say that the money paid you on your contract was all coming through Kelly's hands?

A. Yes, probably all.

Q. (By Mr. O'Leary.) Was the sum of $13,000 to be only so much deducted from your contract price, of which the Company was to get the benefit, or was it not for Mr. Kelly himself?

A. It was not to be deducted from the company; don't believe Mr. Kelly got it or made anything out of it.

Q. (By Mr. O'Leary.) Were the officers or any of the stockholders of the Chatham Branch Railway Company ever made aware, so far as you know, of the private understanding had with you and Kelly?

A. No.

WEDNESDAY, 3rd April, 1878.

Committee met pursuant to adjournment at 4 o'clock, p. m. All present.

John C. Brown resumed;

Q. (By Mr. O'Leary.) How do you explain your statement that you do not believe Mr. Kelly has made anything out of the $13,000?

A. I mean that if Mr. Kelly, as he has intimated, has paid thirteen or fourteen thousand dollars for work not included in my contract, and the Company not having repaid him, he could not have made anything out of it.

Q. (By Mr. O'Leary.) Do you mean, then, that instead of having the money in his pocket Mr. Kelly has it in a claim against the Company if he has paid out what he says he has?

A. Probably may have.

Q. (By Mr. O'Leary.) How much have you received to date on account of your contract of $65,727?

A. About $40,000.

Mr. Brown's evidence under Mr. O'Leary's questioning as shown above seems to be elicited for the purpose of showing that there was, as Mr. O'Leary puts it, an "understanding, on account "of its peculiar nature regarded by Mr. "Brown as a secret understanding and "one which was not to be made public" that Mr. Brown was to allow the $13,000 to Mr. Kelly for his own benefit. Mr. Brown, in fact, says, "I suppose it was." Yet we find in Mr. Brown's account, put in by himself against "the Chatham Branch Railway Company" in paper No. 9 in the evidence of J. C. Brown, this very $13,000 credited *to the Company* as *per. centage.* Now, if the understanding was a secret one, between Messrs. Kelly and Brown, how came Mr. Brown, long before the Royal Hotel meeting, to submit that account between himself and the Compay with the $13,000 plainly set forth and credited to the Company in it?

To ascertain, however, whether Mr. Kelly really did or did not get $13,000 out of the money which came into his hands in connection with the Chatham Railway we will refer to the accounts.

Mr. Brown admits above that he received about $40,000 but the amount submitted by him in evidence shows that he gives credit for $37,017.62 of which he says he gave Mr. Kelly back $500 one day in the stable of the latter at Chatham. This, however, Mr. Kelly flatly denies. We take, then, this account—

	$37,017.62
Add discounts and expenses charged in Mr. Kelly's ac.	1,650.00
Paid Gillespie	200.00
Survey	1,818.07
Cash as per Royal Hotel Settlement	3,000.00
And a sum, items of which are explained below	9,885.70
	$53,571.39

It may be said Mr. Brown stated that the $1,818.07 for the Survey should not be deducted from his contract, but as it was paid on Chatham Railway account, and we are now finding out where the money in Mr. Kelly's hands went to, the question as to whether it was paid on contract or outside thereof makes no difference whatever.

Mr. Brown also says he had no right to pay the $1,650 for interest, but Mr. Kelly's evidence shows that he made the charge because he had to raise money for Brown, get his friends to endorse for large amounts and make several trips to St. John, etc., the above sum of $1,650 being all he received for his expense and trouble in the matter.

Now all the money Mr. Kelly ever had in his hands was the Government Subsidy of $4,000 a mile and Government stock, $3,000 per mile, or in all $56,000. Deducting the above $53,571.39 from this sum $56,000, which was all that passed into Mr. Kelly's hands, and we have, on the basis of Mr. Brown's figures, a balance of $2,535.61 to be accounted for, unless we also add the $500 which Brown says he handed to Mr. Kelly in his stable, which would make Mr. Brown show that Mr. Kelly had kept back $3,035.61.

Mr. Kelly's account of the expenditures made by him out of the $56,000 is given in his evidence as follows:—

Hon. Wm. M. Kelly—sworn.

Q [By Mr. Young] Did you make any payments to Mr. Brown on account of the Chatham Branch Railway.

A Yes.

Q [By Mr. Young] In making these payments were you acting for yourself or for the Chatham Branch Railway?

A. I was acting for the Chatham Branch Railway on Co[illegible]

Q [By Mr. Young] Can you state what amount you paid Brown?

A $44,710.34.

Q [By Mr. Young] Do you remember and can you state the amount you have paid since on account of C. B. Railway Company?

A $9,885.70 is the amount I have paid besides what I have paid Mr. Brown. Some was paid while Mr. Brown was there, some at very first and some after he [Mr. B] left there.

Q [By Mr. O'Leary] How do you make up the statement of $44,710.34 as paid John C. Brown?

A I paid for stock which Brown assumed, $1,818.07; Nov 11, 1873, cash $3,000; Dec 15, do $1,500; Jan 5, 1874, do $120; 19th, do $3,000; Feb 15, do $3,500; March 18, do 1,460; March 21, do $1,000; April 22, do $3,000; May 19, do $2,960; June 15, do $500; July 2, do $2,000; 30th, do $3,000; Aug 15, do $3,000; Sept 1, do $1,200; Sept 18 do $3,800; Oct 21, do $1,500; D. T. Johnstone, $202.27; Nov 72, cash $3,200; Nov 13, do $1,100; 13th, do $500; March 22, 1876, cash $200; June 1, do $3,000; paid for interest and other expenses $1,650, making a total of $44,710.34.

Q [By Mr. O'Leary] You stated that you paid on account of the Chatham Branch Railway $9,885.70; please inform us how that amount was made up?

A Seal $25; L. J. Tweedie, law expenses, $100; A. D. Shirreff, secretary, $100; advertising $50; Smellie, engineer, $200; excavation around station building $81.10; Orr & Ritchey $90; Baldwin 119.40; F. J. Letson account $29.80; on account of station building $818.90; work on building and platform $1,629; land damages $787.50. Towards track laying $1,750; on account of two passenger cars and engine $4,000; coal $80; A. D. Shirreff, expenses to St. John, $25, making in all $9,885.70.

Add the $44,710.34 and $9,885.70 together and they amount to $54,596.04, leaving a balance of $1,403.95 out of the $56,000 which Mr. Kelly had in his hands. In giving his evidence Mr. Kelly stated in reply to Mr. O'Leary—

There are matters now pending for which the sum of $1,403.96 is in hand to arrange.

Now, it may be a very convenient thing for certain gentlemen to endeavor to impress the public mind with the idea that Mr. Kelly pocketed $13,000 of Chatham Branch Railway money, but we present in the above the only figures given in evidence, and they show that he is not chargeable with one cent's worth of fraud in the whole transaction, unless Mr. John C. Brown's statement is to be swallowed whole and that differs from Mr. Kelly's only to the amount of $1,631.65. We prefer,—looking at all the circumstances, and with our knowledge of Mr. Brown's way of attending to his business while here,—to believe Mr. Kelly rather than Mr. Brown.

We leave the matter here for the present and will return to it in a future issue for the purpose of dealing with the alleged corrupt bargain in reference to the Kent Northern Railway.

The Northwest Hatching House.

A little more than a year ago—viz on the 4th April—a charge was preferred against the management of the Northwest Miramichi Hatching House. It was to the effect that not more than one half of the ova represented to be in that establishment were to be found there and that deception had been practiced upon the Department of Fisheries in connection therewith. The charge being pressed closely the Minister sent Samuel Wilmot, Esq., the Chief Superintendent of Fish Culture, to Miramichi, directing him to examine into the matter, calling to his assistance the gentleman who formulated the charge as well as others who could throw light upon the past and present working of the Hatchery. Mr. Wilmot came to Miramichi and, without acquainting the gentlemen referred to with his arrival, proceeded to the Establishment with two persons implicated in the charges and finding, there, the third, made an estimate of the ova in the trays.

It appears that after the deception had been exposed—viz on 9th April—the officer in immediate charge having caused Overseer Hogan of Newcastle to give the alarm, Inspector Venning hastened from St. John to the Establishment and announced as an offset to the charge made, that there had been recent large losses of ova, which had been reported to the Department, from time to time as they occurred. In fact our local cotemporary at Newcastle, who always speaks so readily for Mr. Mitchell and Inspector Venning, denounced the ADVANCE roundly for daring to hint that there had been anything wrong in the whole matter and published articles and paragraphs on the subject, which demolished all the charges, to the entire satisfaction of itself and, as it probably hoped, the public.

It is needless to say that we had taken much pains to fully enquire into the merits of the matter of the Hatching House, before giving publicity to the charge referred to, and when we first exposed the deception being practiced in connection which it, and subsequently declared that it was an absolute and hopeless failure, we did so only after such enquiries and upon such evidence as could not be contradicted or refuted. We are now, after waiting long for the official records in connection with the matter in a position to show by them that our charges were true and that the contradictions of them by the *Advocate* and the Inspector of Fisheries were evidently intended only to mislead the local public mind and relieve the latter from the odium to which his official misconduct exposed him.

We claimed that the Department was deceived in reference to the number of ova in the establishment. The Inspector endeavored to show that there had been a sudden loss. Mr. Wilmot after making enquiries in the company and with the assistance of Messrs. Venning, Shaesgreen and Hogan, the persons implicated, only—thus reports to the Minister:—

This great loss of fish eggs being of such an extraordinary nature, the statement of their numbers on the trays so conflicting, and the cause of their mortality as related being untenable, has not been satisfactorily explained; I am therefore compelled, however unpleasant it may be, in following out the dictates of my judgement, to say that the true cause of the difficulty and loss of ova at the Miramichi Fish-Breading Establishment, has resulted, in my opinion, from incompetency or neglect, or both, on the part of the officer in charge of the building, and that deception has been resorted to in order to cover up the actual state of affairs.

Incompetency has been shown either in the incorrect method of counting the eggs when first taken, or in the improper mode of impregnating them, whereby the number became so greatly reduced on the 16th April, to what they were represented to be when first laid on the hatching trays in the previous month of March.

Neglect must have been practised to allow such an extraordinary percentage of ova to die (assuming that the alleged numbers were laid down and properly fertilized) as it would be almost impossible, even with the most ordinary care, (and quite unprecedented elsewhere) that the enormous loss of fifty per cent of the whole should take place in so short a time, and at that advanced period of incubation when the embryos had become almost perfect fry, and possessed great powers of endurance and vitality.

Deception, I fear, has been resorted to in order to cover up incompetency or neglect, by attributing the falling off in numbers and the death of the eggs, to sedimentary matter in the water, and to alleged injury in the use of zinc trays.

As this is the second occurrence of a similar unfortunate and serious loss of salmon ova at the Miramichi Salmon Breeding Establishment, I feel it incumbent upon me to make these plain statements of my views with regard to the working of that institution. Of the loss there in 1875, I very plainly stated to your Department that it was caused by negligence and want of attention to the work; I am of the same opinion still. Of the loss of 1876, I am compelled to say that incompetency, added to mistatements of the number of ova, and of other facts, have produced results similar to the season of 1875.

In November last the *Advocate* contained the following.

"We are authorized to say that the charges in connection with the Miramichi Hatching House, made against the Inspector of Fisheries by the Manager of the *Advance*, are malicious falsehoods in every particular. *When Mr. Wilmot's report is published, the truth of this statement will be made manifest*, and the cotnemptible meanness of the slanderer disgrace no one but himself."

Replying to the above we said. "We "will not contradict the *Advocate's* state-"ments, quoted above, but ask its "readers to bear in mind the words we "have italicised until the Report refer-"red to appears."

From the above extract, taken from "the report referred to" our readers will judge of the matter in dispute. If any further proof that the Inspector had brought discredit upon himself in the whole matter were necessary we might point to the fact that he has been relieved by the Minister of the supervision of the Hatching House.

It will not surprise anyone, we presume, to learn that the Inspector has made several reports to the Department charging Mr. Wilmot with ignorance of the whole matter and evidently intended to show that Mr. Venning, alone, is capable of managing fish culture on the Miramichi, but not only is Mr. Venning expelled from the supervision of the Hatching House, but he is thus "taken down" by Mr. Wilmot who, in a Report addressed to the Minister says:—

This envious and quarrelsome disposition on the part of Mr. Venning, has of late become very conspicuous towards me, but as the matter is not of public or official importance, no comment is required. I desire however to express regret that such unpleasantness should exist, as the want of unity of purpose and mutuality of interests between officers must more or less retard the success of any undertaking which you may be desirous of confiding to them.

When the Department will act upon the advice indirectly given in the latter part of the above paragraph we do not know, but so long as Mr. Venning is allowed to mismanage the fishery interests still left to his control the Department may continue to expect only trouble and annoyance.

Respecting the future of the Hatching House we have the same opinion concerning it which we expressed a year ago. We repeat that the stream on which it is situated proceeds from a boggy lake, the bottom of which is composed of dead vegetable matter. It runs, for the most part, sluggishly over similar bottom, there being only small runs of quick water before it reaches the pond above the Hatching House, and when the stream is agitated by Spring freshets it becomes filled with fine particles of the dead vegetable matter, which it seems impossible to protect the eggs and fry from. It was erroneously reported last year that great mortality took place about the first of April, which was incorrect. When the ova is washed as it was with great attention by Mr. Shaesgreen last Spring, the sediment does not damage it to any appreciable extent, but it requires very little experience to convince any person that it is at the time when the embryos free themselves from the shell or *sac* and become breathing creatures, the dead vegetable matter affects them.

Heretofore the few fry that have been produced in the establishment have been liberated at a much too early period after hatching, those having the supervision of the work knowing that the increasing mortality would soon leave none to be liberated. Fish culturists tell us that the fry of the *Salmon Salar* do not commence to feed they until are three weeks old and that they ought to be fed for three or four weeks before being liberated. If they are liberated earlier they are very apt to die before getting accustomed to the change from the waters of the Hatchery to those of the open river, besides being too young to protect themselves from other fishes which prey upon them. We, therefore, hope the fry will be kept this year until they are able to take care of themselves. This, we think, cannot be done with safety in the Hatching House, and if not they should be removed to one of the many places on the river where the water is good.

Above all things it is to be hoped that we shall see less of ill-tempered bickerings between officers in high position in the Department, than that which characterises the official correspondence before us.