

whether it is not a very much more difficult and expensive country than that between Montreal and Kingston, to which the observation as to £6,500 applied. —*Ans.* I presume that when Messrs. Galt & Holton stated their having had tenders to contract at £6,500 per mile, they contemplated making a road similar to the Ogdensburgh Road, which had been referred to by the Committee, as a satisfactory work, and I have already stated that the Toronto and Sarnia Road, so far as it is constructed, has been pronounced very superior, and I believe it is so. By more competent judges than myself, I have heard it so pronounced to be, whilst there is no question but that the country over which it runs is a far more difficult route on which to construct a Railway, than that of the Ogdensburgh Road, or than that between Montreal and Kingston.

*Ques. 433.* In reply to question 306, you state that Gzowski & Co. were to be paid in cash. Are you aware that it was made a condition attached to the adoption by the Toronto and Guelph Company of the contract executed in London, that that firm should assume the whole of the stock taken by the City of Toronto, and other Municipalities in the Toronto and Guelph Company at par, amounting to £145,000.—That the City of Toronto decided not to transfer the stock to Gzowski & Co. believing it to be worth more than par, and now hold the same. And that Gzowski & Co. did accept the transfers of the other Municipal stock to the amount of £45,000, and paid the same in full to the Grand Trunk Company?—*Ans.* I have no personal knowledge of the conditions upon which Messrs. Gzowski & Co. assumed the contract entered into in London, nor that they were bound to assume the whole of the stock taken in the Toronto and Guelph Railway Company by the Corporation of the City of Toronto; but I do know that they paid £45,000 to the Grand Trunk Company for stock taken in the Toronto and Guelph Road by other Municipalities.

*Ques. 434.* Have you ever heard any complaints of the manner in which Gzowski & Co. executed their contract for the construction of the Road from Toronto to Stratford, or of the character of the stations or equipment furnished by them? On the contrary, are not all the reports concerning that road that have reached you, of the most favorable character?—*Ans.* I have already stated, that which is a fact, that I have not heard of any complaints regarding the construction of the line west of Toronto.

*Ques. 435.* In reply to question 324, it would appear that Gzowski & Co. had made claims for deduction of interest charged by the Grand Trunk Company against them, of about £35,000. Please to state whether this was not the preliminary account submitted, which, after conference with you, was reduced to three items, amounting to about £23,000, which were, as you have stated, submitted by mutual consent to arbitration. Also, please to state whether you are not aware that the award is now in the hands of the President of the Company, and in favor of Gzowski & Co. for about £12,000?—*Ans.* In reply, I beg to state, that about two months ago I called upon Messrs. Gzowski & Co. to send in their account against the Company—they did so—when it was found that their claims for abatement of interest, increased the balance in their favor from about £3,500, at which it stood upon the books in Canada, to about £43,000. On examining into the account as by them stated, it was considered that equitably a portion of their claim for interest should be admitted, but there would yet remain over £23,000, of difference. The two accounts, therefore, were submitted to the arbitration of Mr. Eccles and Mr. Cameron, as already stated. Hon. John Ross this day informed me the award had been made and was in his hands, and that about £12,000 of Messrs. Gzowski and Co.'s claim had been given in their favor.