

charter is to be paid to the charterers and may be deducted by them out of the first payment."

We again quote from Mr. Macpherson the following tabulated statement of the loss on transportation, and adding to it the item, to which we have referred, of ten shillings per ton excessive payment, on the transport of rails to British Columbia, **WE HAVE AN ACTUAL LOSS IN THE MERELY MATTER OF TRANSPORTATION OF OVER NINE AND A HALF THOUSAND DOLLARS.**

On the 5th January, 1875, the Government bought 5,000 tons of steel rails from Messrs. Cox & Green, of Montreal, at £10 stg. per ton f.o.b. in England, and two days afterwards (on the 7th January, 1875) the Government bought from Cooper, Fairman & Co., without competition, 5,187 tons at £10 1/2 s. per ton, also f.o.b. in England, for British Columbia.

The country's loss by this act of favoritism was 10s. stg. per ton, and amounted to..... \$12,604

In November, 1871, Messrs. Darling & Co., of Montreal, tendered 100 tons and upwards at \$37 per ton, and at the same time Cooper, Fairman & Co. tendered at \$101 per ton. Cooper, Fairman & Co. got a contract for 100 tons.

The country's loss by this act of favoritism was..... 1,325

In 1875, Messrs. Guest & Co., of England, supplied the Canadian Government with 10,000 tons of steel rails, and when tendering for the rails in November, 1874, they offered to deliver them at Duluth at \$1 per ton more than at Montreal, or, including insurance, \$1.10 more per ton. Messrs. Cooper, Fairman & Co., acting for themselves and on behalf of Messrs. Norris & Neelon, of St. Catharines, and Messrs. Hope & Co., of Hamilton, were paid at the rate of \$2.20 per ton.

The country's loss by this act of favoritism and mismanagement was \$2.04 per ton on 10,000 tons, and amounted to..... 20,400

In April, 1875, the Red River Transportation Company tendered for the transport of rails from Winnipeg to Winnipeg at 15 (U.S. currency) per ton of 2,200 pounds. Messrs. Fuller & Line, of Hamilton, tendered for the same service at \$13.50 (U.S. currency) per ton of rails, (including the usual ton of rails, 2,240 pounds.) The Red River Company got the contract, and transported 15,441 tons.

The difference in the rate of freight and in the ton weight together amounted to \$3.80 per ton.

The country's loss by this act of favoritism or mismanagement was \$3.80 per ton on 15,441 tons, and amounted to \$10,965 United States currency, and in gold to..... 41,960

The loss on the four transactions which I have enumerated amounts to..... \$79,338

These rails, sufficient to lay five hundred miles of railway, were purchased in January of 1874. How thoroughly unnecessary was the purchase at that time will appear from the return brought down during the last session of Parliament. That return had relation to the number of miles actually laid, down to January 1878; and according to the return on contract No. 13 were 32 1/2 miles laid, on No. 14 there were 6 miles and on No. 25, 8 1/2 miles, making in all 47 miles, **REQUIRING LESS THAN ONE-TENTH THE ENTIRE QUANTITY OF RAILS PURCHASED, AND THIS THREE YEARS AFTER THE CONTRACTS WERE MADE FOR THOSE RAILS.** It is true that some ten or eleven thousand tons have been used on the Intercolonial Railway, but they were used in violation of the law, because the pretence was that those rails were purchased under the general authority of the Pacific Railway Act. It is also true that, in order to get rid of them, the Picton Branch was laid anew with steel rails, before being handed over as a free gift to a private Company; but that, certainly, could not have been in the contemplation of Mr. Mackenzie, at the time he purchased them. We have got therefore, as a result of this transaction, the fact of a purchase of a far larger quantity of steel rails than can possibly be required, in a falling market and at a loss to the country of nearly two millions dollars, simply that Mr. Charles Mackenzie might be enabled to draw out of the firm of Cooper, Fairman & Co. the capital which he had put into it, and thus escape the loss, which the commercial record of the last three years shows must have been inevitable but for those transactions.