

4 GREAT WINCHESTER STREET,
LONDON, 30th March, 1878.

Attorney General for Canada vs. Haws.

DEAR SIR,—We wrote you on the 15th November last, among other things, informing you that up to that time we had traced that John Haws had made a profit of £300 upon the transaction of 500 tons of rails manufactured by the Ebbw Vale Company.

As stated in that letter, Messrs. R. & Co. and B. & Co. persisted in their refusal to give the information voluntarily, and we have had to examine the parties representing those houses of business before the examiner of the Court of Chancery.

The result of the examination of Mr. S. (representing the firm of Messrs. R. & Co.) has been to disclose that John Haws made a concealed profit of £780 out of the transaction of the lightship called "The Halifax."

The London Agent of B. & Co. has been examined, and the result of his examination has been to show that Haws purchased through a firm of Messrs. S., of London and Liverpool, 1,460 tons of steel rails at £14 7s. 6d. per ton, whereas he charged the Government at the rate of 15 guineas per ton, thus making a profit upon this transaction of £2,470. It is possible there may have been some brokerages at Liverpool, but we may safely say that John Haws made a profit of upwards of £2,000 upon the transaction.

The examination of Mr. S. has disclosed that he was aware that John Haws was acting as agent of the Government of Canada, and that he was party to Haws deceiving the Government in the matter, and we considered it our duty to take the opinion of our Counsel as to whether, under that state of circumstances, the Government had any remedy as against Messrs. R. & Co.

Enclosed we beg to send you copy of the joint opinion of J. Chitty, Q.C., and J. Millar, our Counsel, and from which you will see they consider that firm have rendered themselves liable to recoup to the Government the sum of £780 improperly allowed to John Haws & Co.

We shall be glad to know whether we have your instructions to proceed against this firm.

We have made particular enquiry of Messrs. S. as to whether they were aware that Haws was acting as agent of the Government. They, however, deny all knowledge of this, and at present we do not see that we have any right as against them.

We are proceeding to get a formal certificate from the officers of the Court that Haws is liable to pay to the Government the sums of concealed profit we have ascertained he has made. There is, however, we believe, no chance of getting anything out of him; the last we have heard of him is that he is somewhere in the South Seas.

We shall be glad of your further instructions as to proceeding against Messrs. R. & Co., and making further investigations as to the other parties implicated in these transactions, and we have the honor to be,

Dear Sir,

Your faithful servant,

(Signed) BISCHOFF, BOMPAS & BISCHOFF.

Z. A. LAST, Esq.,
Deputy Minister of Justice, Ottawa.