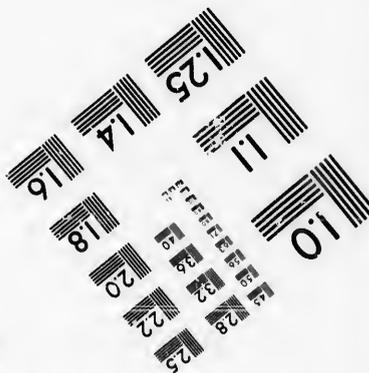
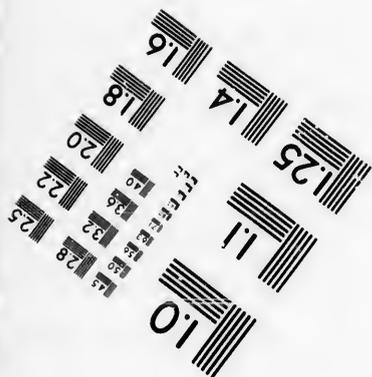
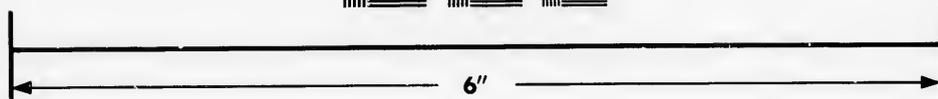
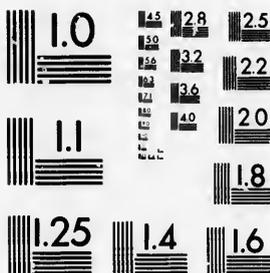


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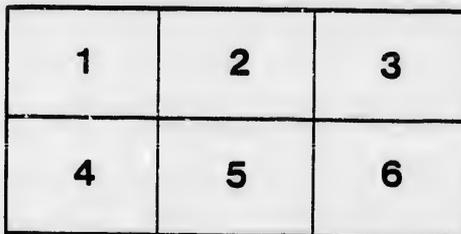
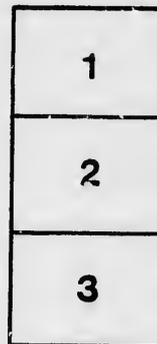
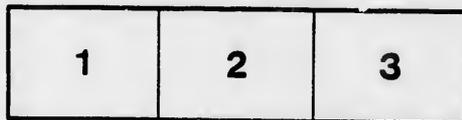
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THE KAMINISTIQUIA AFFAIR

The Parliamentary Investigation.

REVIEW OF THE EVIDENCE.

THE "JOB" EXPLODED

WHY THE TERMINUS WAS SELECTED.

THE NEEBING HOTEL.

Testimony Before the Senate Committee.

(From the OTTAWA FREE PRESS, July 4th, 1878.)

Perhaps no single action of the present Reform Government has given rise to more and greater misrepresentations than the selection of the Lake Superior terminus of the Canada Pacific Railway, and certainly none has been more free from the very suspicion of favoritism or corruption in the opinion of unprejudiced and reflecting observers of public events. For two years, or more, the people of Canada have been treated to a surfeit of slanders, on the part of Conservative speakers and journals, in connection with what has been called the "Kaministiquia Land Job," which includes also that special delight of the Opposition, the Neebing Hotel. It is a healthy sign of a better state of affairs in Canacian politics when matters of this kind necessarily form the chief ground of attack upon an administration, however unfortunate it may be that our country contains a class of people who can consent to resort to such a necessity. It is the earnest desire of the writer of these lines to speak without exaggeration or undue party bias, but the

conviction cannot be overcome that this and other charges of a similar nature are made with singular insincerity, and for the single purpose of so injuring the characters of our present rulers, that they may be supplanted by their assailants. The administration of Mr. Mackenzie and his colleagues has been remarkably free from either blunders or crimes; after nearly five years of office, it speaks volumes for their capacity and integrity, that their opponents can neither discover nor invent any greater or graver charges than this miserable Neebing Hotel affair, the Steel Rails purchase and others of a like character. It may not, perhaps, appear singular to those conversant with the history of the Conservative party during the last twenty years, that their leaders prove themselves unscrupulous enough to resort to any expedient in order to regain that place and power from which they were so summarily hurled by an indignant and outraged people a few years ago, but it is cause for extreme regret that the Senate of Canada could lend itself to the promulgation of charges that escape being mischievous, simply because they are so contemptible. Well knowing how badly the 'Kaministiquia Land Job' would fare in the popular branch of the legislature, the investigation was carried on before a Committee of the Senate, a large majority of whose members were bitter partizans, prepared to go almost any length to serve the interests of their party. The report made by that Committee, together with all the evidence taken in connection with the matter, have been published, and it is proposed to show from these how groundless have been the charges of wrongdoing in the selection of Fort William as the Lake Superior terminus of the Pacific Railway.

In considering the subject where questions or propositions actually present themselves, and it will be best, as well as most convenient, to discuss each separately.

(1.) Was the choice of the terminus a judicious one?

(2.) Was the Government guided solely by considerations for the public interest in making the choice?

(3.) Having regard to all the circumstances was the value paid reasonable and just?

In the discussion of matters bearing on these questions nothing will be advanced but what cannot be supported by evidence; indeed, it is intended to allow the evidence to speak for itself on every possible occasion.

(1.) Was the choice of the terminus a judicious one? Originally there were three points contending for the honor and advantage of the terminus—Nepigon, Prince Arthur's Landing, and Fort William. The former, however, was early abandoned as impracticable, the choice virtually resting between the other two. In coming to a decision, the consideration of greatest importance, of course, was the question of a harbor. The future had to be regarded as well as the present; accommodation for a trade we all expect to see developed in the course of years had to be provided, and it was desirable to do it at a cost somewhat commensurate with our present circumstances. Of course, a present economy which the conditions of the future might prove to be a false one, could not be justified; not more could an increased expenditure to make an artificial harbor when the most perfect of natural ones was equally available, and at a comparatively moderate cost. Touching the relative merits of the Kaministiquia and Prince Arthur's Landing it may be said that the evidence strongly favored the former:

Mr. Wm. Murdoch, a civil engineer, who made surveys at Nepigon, Prince Arthur's Landing and Fort William, and who was a hostile witness, owing, it is presumed, to his dismissal by Mr. Mackenzie in 1874, testified that the river opened earlier than Thunder Bay. When asked which was the better as a harbor, the reply was, "I favor the Kaministiquia as a harbor." On this point however, perhaps the evidence by practical seamen would be of more value, and naturally a large number of them were examined.

Mr. Archibald McMaugh, captain of the propeller Ocean, and who has navigated the upper lakes for years, was asked: "What is your conclusion as to the relative advantages of the two points as a harbor? Answer—"The conclusion I would come to is that the one is a har-

bor and the other is not." Q—"Which is the harbor?" A—"The river is the harbor." Q—"Are you clear about the superiority of one harbor over the other?"

A—"Yes; I have no hesitation in saying that the Kaministiquia is superior to the other; I would not look upon, or could not look upon the Landing as a harbor; I look upon it as a dock on the lake shore."

Q—"Could 20 or 30 good sized vessels be on the Kaministiquia at the same time, lying there as in a harbor, and leave room to go about for other vessels that would arrive at the terminus?" A—"I know that they could from practical experience, for it is as wide in a good many places as the Chicago River; it is almost as wide as the widest part of the Chicago River at the railway dock, and I have been all through both harbors."

Q—"How does the Kaministiquia, in its present state, compare with the Chicago River as it was then (before the removal of the bar)?" A—"I should say the Kaministiquia, in its present state, compares very favorably with what the Chicago River was. It has a much better entrance than we can get through at any time." Q—"With further dredging in the mouth of the river, do you suppose that the facilities for approaching Prince Arthur's Landing are any better than they would be at the Kaministiquia?" A—"If the Kaministiquia was sufficiently dredged I should think there would be no difficulty at any time for a vessel to go there, and compared with the other place, it would be safer—in fact it would be taking a land-locked harbor in preference to running on to the shore of the Bay. At present Prince Arthur's Landing is affected with the southeast winds. There is a fetch of twenty to thirty miles with the wind from about southeast round to east northeast. There would be a sweep also from Thunder Cape to the Landing of about fourteen miles, and the opening is somewhere between eight or nine miles wide to Isle Royale." Q—"Can you make any comparison between Thunder Bay and Hamilton Bay?" A—"Nothing further than that there would be a much longer sweep of sea in Thunder Bay from any of those points than there would be in Hamilton Bay; along the Great Western dock at Hamilton is a very unsafe place for vessels to lie in an easterly wind."

Robert McMaugh, captain of the propeller Dominion, was called and sworn.

Q—"Had you any difficulty in entering

the river?" A—"No, none whatever. The first time I went up I went in after night." Q—"What is your opinion of the Kaministiquia as a harbor?" A—"I think it is a splendid harbor." Q—"How are the facilities for dockage? Does the character of the bank afford an opportunity for building docks readily?" A—"I think so. The banks are good up at the railway station, I know they are." Q—"What is your opinion of it as compared with Prince Arthur's Landing for a harbor and dockage?" A—"I would not consider Prince Arthur's Landing a harbor at all; it is a mere dock on the bay."

James McMaugh, Captain of the propeller Sovereign, called and sworn: Q—"Will you give us your experience of the two places as a desirable harbor for vessels?" A—"I do not think there is any comparison at all. We know that Prince Arthur's Landing is no harbor as it is, and the Kaministiquia is one of the best harbors on the whole chain of lakes, in my opinion. You are sheltered there from wind from all quarters. They have no effect whatever on it." Q—"What number of vessels do you suppose the Kaministiquia is capable of receiving and allowing to unload?" A—"You could get a large fleet of vessels in there." Q—"Do you know the nature of the soil on the banks, whether it will be very easy to widen particular points on the river?" A—"I do not think there would be any trouble." Q—"What would be your opinion of the requirements of Prince Arthur's Landing to make it equal to the Kaministiquia? Are you a civil engineer?" A—"I am civil engineer enough to know that it would require a good deal of money. I doubt very much if the Dominion has enough to make the harbor there as safe as the Kaministiquia."

James B. Symes, Captain of the steamer Manitoba, called and sworn:

Q. Give me your experience of the times in the spring and fall that you have been up there, taking from 1869?—I have kept a log ever since I ran up Lake Superior, and before coming down here I took a list of the first and last trips from the ship's log, which is as follows:—

ABSTRACT OF SHIP'S LOG.

"1869. Arrived at Thunder Bay, May 18th. Bay full of ice. No ice in the river. Left Thunder Bay, November 4th. No ice in Bay or river."

"1870. Arrived in Thunder Bay, May 8th. No ice in Bay or river. Left November 7th. No ice in bay or river."

"1871. Left Thunder Bay, November 27th. Ice making very fast in bay. River frozen; 22 below zero."

"1872. Arrived in Thunder Bay, May 18th. Could not get to the landing for ice; landed passengers in small boats 1½ miles east of Prince Arthur's Landing. River clear of ice. Took in nine cords of wood from Fort William out to the steamer in H.B.C. Schooner. Left November 15th; no ice in bay or river."

"1873. Arrived at Thunder Bay, May 12th. Bay full of ice from Thunder Cape to Welcome Islands, but clear from Welcome Islands to Prince Arthur's Landing. No ice in the river. Left November 13th; no ice in Bay or river."

"1874. Arrived in Thunder Bay, May 16th. Ice from Thunder Cape to Welcome Islands; clear from Welcome Island to Prince Arthur's Landing. River clear of ice. Left October 13th; no ice in Bay or river."

"1875. Arrived in Thunder Bay, May 23rd. Bay full of ice from Thunder Cape to Prince Arthur's Landing; solid ice east of Welcome Islands clear to the west ("Chicoora") lying at anchor at the mouth of the Kaministiquia, landing his passengers in small boats at Fort William. She could not get to the landing for ice. Left October 5th; no ice in bay or river."

"1876. Arrived in Thunder Bay, May 19th. Bay full of ice from Welcome Islands to Prince Arthur's Landing. Went up the river and discharged load at Fort William and returned to Sarnia. Left November 1st; no ice in bay or river."

"1877. Arrived in Thunder Bay, May 21st; no ice in bay or river. Left October 20th; no ice in bay or river."

Q. Have you had any experience of Prince Arthur's Landing in stormy weather?—Yes; I have been calling at Prince Arthur's Landing before and ever since it has been a landing.

Q. Have you had any experience of gales there? Yes; I have been there in all sorts of weather.

Q. Give us your experience of its attractions as a harbor?—I had to leave it twice and run to Welcome Islands to come to anchor; once in the fall of 1873.

and the other in 1874, I think, I am not quite positive as to the time.

Q. Were the docks constructed at that time?—Yes.

Q. Was it not safe to have staid alongside of the dock?—No; the boat would have got on top of the dock; the fenders could not keep her off.

Q. What is the range of the wind there?—The wind from the E.N.E. has a run of 20 miles on to the docks; and from the south-east, from Thunder Cape, 14 miles.

Q. What is your opinion of the river as a harbor and the facilities which it affords for vessels entering it?—My opinion about the river as a harbor is that there is no better.

Q. Is any harbor better on Lake Superior?—Not that I know of, and I know every harbor on the north shore of Lake Superior, that is, after the entrance is once completed.

Q. Is it equal to a considerable trade and a large number of vessels?—Yes; there is no difficulty about making dockage.

Q. "What in your opinion would be necessary to make Prince Arthur's Landing equal to the Kaministiquia as a harbor? Could it be made equal?" A. "No; I do not think it could, not without shutting it in altogether, because the one is open and the other perfectly shnt in."

Q. "You speak as a mariner, not as an engineer?" A. "I speak from taking Fort William in comparison with Milwaukee, Chicago, and other rivers that I have been in the habit of running in."

Q. "How do the facilities in the Kaministiquia—capable of being made—compare with Chicago?" A. "In the Kaministiquia you can turn a vessel almost in every place, while in the Chicago River it is impossible to turn except at given points; you have to take a vessel into slips before you can turn her round in the Chicago River."

Q. "Do you think there would be an undertow at the Landing?" A. "I do, because you cannot construct a dock on the lake shore without creating an undertow. The moment the sea strikes the vessel it has to disperse, and the moment it strikes the dock it creates the undertow."

Q. "What would be the effect of it on a vessel unloading at an elevator?" A. "With an undertow they could not keep the leg of the elevator in; even at Sarnia they cannot keep the leg of the elevator in, sometimes on account of the undertow."

John S. Moor, captain of the propeller "Asia," in reply to a question, said "As a harbor I would prefer the river."

William Kingsford, Civil Engineer, for six or eight years in the employ of the Government, and a strong Conservative, when under examination, begged to read a report on the survey of the Kaministiquia made in April, 1877, from which the following extracts are taken: "The River Kaministiquia possesses the advantage of forming an excellent harbor for shipping, offering perfect protection from all winds. It presents a marked parallelism to the rivers which have led to the commercial pre-eminence of Chicago and Milwaukee. *No other waters in this vicinity extend the same safe haven to vessels loading and discharging.* The winds passing with extreme violence over the bay create seas extremely heavy, which render the mooring of vessels at any exposed wharf impossible. * * *

The width of the river is generally 350 feet, and it is evident that we have here a harbor of rare capacity, equal to any of the requirements of commerce which the enterprise calling it into being may create, giving efficient protection to shipping, with every convenience for wharf construction." And he added: "I think you have to guard against periodical storms on Lake Superior, which some day will tell a very serious tale." Asked as to the relative cost of the two harbors, Mr. Kingsford said: "I hold that Prince Arthur's Landing should be 18 feet in depth. My estimate is \$643,000 for a harbor of 18 feet and permanent work. By making the river 17 feet deep, 100 feet wide, and 200 feet wide through the bar, the cost of dredging would be \$81,700. To make it only 100 feet across the bar it would be \$64,000." In reply to another question the witness said: "I consider the Kaministiquia is just the same as the harbor at Chicago or Milwaukee."

Mr. John Mackellar, an old resident of the locality, testified that in the fall of 1877 the steamer Frances Smith went out from the Landing for the river to seek shelter, the weather being too rough to admit of her lying at the dock. He also said: "I have seen the steamer Ontario, in 1874, come within a hundred yards of the dock, and leave it, and I have seen boats in 1870 take up their anchors and run to Welcome Islands for shelter. That was before there was a dock at the Landing. The bay is like

any other expanse of water. The winds blow there as well as they will on Lake Ontario or any other open bay."

Q—*Was the Government guided solely by considerations for the public interest in making the choice?*

Much of the evidence already given tends very strongly to a satisfactory assurance on this point. It is only necessary to further add the following:—

Hon. Alex. Mackenzie testified:

Q—I should like to ask you first as to the selection of the Kaministiquia for the terminus of the Pacific Railway—how it was arrived at?—When I took charge of the Public Works Department, an engineer of the name of Murdoch had been sent to survey the line from the Kaministiquia River, or, more particularly, from Thunder Bay. I do not know that it was from the Kaministiquia River, westward. When we obtained information regarding the work, in the spring we (that is Mr. Fleming, Mr. Trudeau, my deputy and myself), had repeated consultations about it, and my own impression was that it would be better to bring the railway to Pointe de Meurons, that being the head of the deep water navigation in the Kaministiquia River, so as to have the whole length of the river for harbor purposes, and save so many miles of railroad. Mr. Murdoch, I understand, had in the meantime surveyed a portion of the river bank where it was ultimately located. Mr. Fleming, Mr. Trudeau (my deputy) and myself had frequent consultations about it. I knew nothing technically myself. I had been in the Kaministiquia River, and knew generally what sort of a river it was, the formation of the banks, the depth of the water, and also the depth of water on the bar. I had that general information; and Mr. Fleming seemed to be quite clear, as well as Mr. Trudeau, that that was the best place to locate it. I coincided with that view, and it was selected by general acquiescence of the heads of the Department; the Chief Engineer; I also understood the district engineer, my deputy and myself.

Q—Your own opinion, however, was that the site should have been higher up than the point ultimately chosen?—Yes, it was my impression, and Mr. Fleming and Mr. Murdoch both said the high banks above would make it practically impossible to get to any point high up on the river bank.

Q—It was then brought down to the nearest available point?—It was brought to where it is. I do not remember all the reasons, as it was in general consultation of an oral character rather than written communications; but it was brought where it is wholly by the engineer and by me.

What more is needed? Surely nothing; a clearer case could not have been made out, if the Select Committee of the Senate had gone to work to justify the selection made by the Government. Mr. Mackenzie, anxious to save the expense of every mile of railway he possibly could, was himself favorable to locating the terminus at a point further up the river, but from this he was dissuaded by the engineers in connection with the Department, the high banks of the river at that place being held as an almost insuperable obstacle to the construction of docks. Between the Kaministiquia River and Prince Arthur's Landing, the Minister had really no choice; his professional advisers favored the former; his own common sense also favored it, and the weight of all the testimony taken since goes to justify the wisdom of the selection. At this terminus it is expected that in time a large commercial city will grow up. Let us see for a moment how it will compare, as to situation, with the leading cities of the world. From Mr. Kingsford's evidence it will be seen that the Kaministiquia "presents a marked parallelism to the rivers which have led to the commercial pre-eminence of Chicago and Milwaukee." Taking other American cities, we notice that Detroit is situated on a river, and Cleveland, Buffalo, Oswego, New York, Philadelphia, Baltimore, Richmond, Wilmington, Mobile and New Orleans, all either lake or seaports, and all carefully hugging the river for perfect harborage. In the old world we find London, Liverpool, Glasgow, Dublin, Belfast, Cork, Lyons, Marseilles, St. Petersburg, Calcutta, Peking—in fact nearly all of them—situated on rivers. That the same wise forethought was displayed in selecting the site of that future Canadian city, which is destined to grow on the shores of that mighty lake, is cause for thankfulness and congratulation.

(3.) *Having regard to all the circumstances, was the value paid reasonable and just?*

It may be necessary to say at the out-

set that, had Messrs. Oliver, Davidson & Co. an interest in any of those lands, it is extremely probable nothing would ever have been said about the value paid for them. Mr. Oliver especially was known as a prominent member of the Reform party, and having a shrewd suspicion of how similar matters were managed under the old King, Sir John, these scandal-mongers thought that possibly the Minister played into his hands in order to give him an advantage. It is needless to say that not a tittle of proof of this was forthcoming, but much evidence to show that every matter connected with the expropriation of the land, as well as the selection of the site, was conducted with absolute and unimpeachable honesty and fairness. The Government were not responsible for the actions of Oliver, Davidson & Co.; the members of the firm are wealthy and speculative, and to make themselves sure of reaping a benefit from the terminus they purchased largely at Sault-Ste. Marie, Nepigon, and Prince Arthur's Landing, as well as on the Kaministiquia. They were determined to strike the terminus, wherever it might be, and between all those points they were pretty safe to do it. This, really, is all that ought to be necessary in explaining the Government's connection with Oliver, Davidson & Co. For anything with which Mr. Mackenzie is concerned, the firm might just as well have been Brown, Jones & Robinson. The Government cannot stop private speculation, and unless these gentlemen had been prohibited from purchasing land at Nepigon, Prince Arthur's Landing, and Fort William, it was quite impossible that the Government could escape dealing with them when the necessary expropriations for the terminus came to be made.

In answering this last question, the evidence as in the case of the other two, will be allowed to speak for itself. It will be well, however, to understand exactly the course pursued in making the valuations, although, of course, it was the same as in all cases of a similar nature. The law provides for it—provides for the appointment of valuers, and lays down rules to govern them. Nothing was done in connection with this matter that was not usual in all others like it. Here is Mr. Mackenzie's simple statement, made under oath, as to the appointment of the valuers:—I wrote to Mr. Pardee,

Commissioner of Crown Lands for Ontario, stating that we had to obtain the services of a Provincial land surveyor to work out afresh many of the boundaries in the townships and in the town plot through which the railway was to run, and that it would be necessary for us to get a petition from the residents under the Surveyors' Act to make such fresh definition of the boundary legal; and I wished at the same time to use such surveyor as valuator. Not knowing any suitable person myself, I said I would be glad if he would name some person to me who was acquainted with that country, and had done work there for the Department—a man in whom we could have confidence. He recommended Mr. Wilson, of whom I knew nothing, never having met him to my knowledge; but we accepted his recommendation. I then telegraphed to Robert Reid, of London, to ask him if he would accept the position of valuator with Mr. Wilson, which he agreed to do.

Mr. Wilson was and is a Conservative; Mr. Reid is a Reformer. Of their qualifications for the duty imposed upon them not a single doubt has ever been expressed. They entered upon their work with the simple object of performing their duty, and they did it impartially. The first thing to do was to determine the basis on which values should be placed on the lands. For a year or two previously parties had been active in speculation in anticipation of the terminus being fixed at Fort William. Lots had changed hands at good figures, and, to show that the transactions were in good faith, many of the lots had been improved and built upon. They had a regular marketable value at the time, and the valuers had no option but to pay that value. The basis mutually agreed upon was the prevailing price in 1875, the time the terminus was fixed; any other would have been manifestly unfair. As far back as 1872 or 1873, according to Mr. Wilson's evidence, half-acre lots in the town plot were held at forty and fifty dollars each. In 1875 Mr. John McKellar, down the river from the plot, was asking two hundred and fifty dollars for lots along the front street running on top of the bank of the river. They were asking two hundred and fifty dollars for fifty feet frontage. Mr. Wilson also testified that the Prince Arthur Landing Railway Company paid considerably more for their right of way

that was paid by the Government—indeed, for that portion of it passing through the town plot they paid at the rate of \$1,100 per acre." He added: "If the same area had been taken out of Prince Arthur's Landing as the Government reserve at the town plot, it would have taken up two-thirds of the whole town, and would have cost an enormous sum of money." He also said that, in the judgment of the valutors, "the object was to buy land as cheaply as possible at a uniform price, and not to allow an increased price in one place more than in another." To suppose anything else would be to argue that the valutors were a pair of knaves and imbeciles. Mr. P. J. Brown testified that the firm of Oliver, Davidson & Co. had invested "something over one hundred thousand dollars in lands at Fort William." This witness gave the prices at which lots had been sold previous to the valuation, and also what had been allowed for them on the part of the Government. Lot 22, south of Frederiek street, had been sold for \$250 in 1874, and the valutors allowed \$290. Lots 35 and 36, north of Gore street, sold for \$250, and the valutors allowed \$275. Lot 24, north of Frederieka street, sold for \$275, and the same was allowed for it. Part of lot 32, north of the Gore, was sold for \$300, and the valutors allowed \$189, but the owner refused to accept it and threatened arbitration, and the whole amount was afterwards refunded to him. In Mr. Brown's opinion, which was supported by that of Mr. Bethune, Q.C., Toronto, the case would have gone against the Government if it had been left to arbitration, on the ground that the purchaser had bought it in good faith, and without notice of the same having been appropriated by the Government. Mr. Brown further testified:—

Q. Do you know anything of lot 26 on the south side of Frederieka street?—Yes; that lot had been sold and subdivided a dozen times during the winter of 1875, at Fort William. It has been subdivided into seven parcels.

Q. Do you know their names?—There is Driscoll of Kineardine, and Cameron of Kineardine.

Q. Do you know what they paid?—I have a memorandum here, an abstract taken from the registry office, which shows that on 5th of February, 1875, Ambrose Cyrette, who is the patentee from the Crown, sold twenty perches to

John Park, a merchant at Prince Arthur's Landing for \$150. Then John Park divided that piece, and sold ten perches to D. Cameron of Kineardine, who was his partner in the business at Prince Arthur's Landing for \$350; and ten perches to John W. Driscoll of Kineardine, merchant, for \$500. On the same day, the 5th of February, 1875, Cyrette sold to Andrew Boulanger 35 perches for \$200. Boulanger sold that to Thomas Marks, of Prince Arthur's Landing, for the same money, and he was the owner when the reserve was taken. Then Cyrette sold 29½ perches to John C. Hoskings, who keeps a hotel, I think, at Prince Arthur's Landing, for \$150. Hoskings sold that parcel to John Park, and John Park sold half of it to William Ramsay of Toronto for \$330.

Q. What is the sum total for that lot?—The sum total would be between \$1,500 and \$1,600.

Q. What is the date of that sale to Ramsay?—June 6th, 1876. The first sale was in February, 1875.

Q. What sale occurred in February, 1875?—From Cyrette to Park; Cyrette to Boulanger; and Cyrette to John C. Hoskings.

Q. When was the sale to Boulanger?—In February.

Q. Can you give the valutors list and state how much was allowed for those lots. Take for instance, he paid, you say, \$189, and he purchased in 1875?—Yes.

Q. What did the valutors allow to Hoskings?—That \$275, under the names of John Park, \$50, and William Ramsay, \$100, or \$160 for that parcel.

Q. That would be ten dollars more than they paid? What was Ramsay allowed?—One hundred dollars—that is for the part of the Hoskings purchase.

Q. What did Ramsay's purchase cost him?—Three hundred and thirty dollars.

Q.—Did he lose that \$230?—I suppose so. I had considerable correspondence with him, and he speaks very harshly of Mr. Park who conveyed it to him.

Q. Take Cameron's case; he was allowed \$100. What did that lot cost him?—Three hundred or three hundred and fifty dollars. It appears on the abstract.

Q. Then he lost \$250?—Yes; he told me he had paid \$350, I think it was. Marks paid \$200, and got \$80. He lost \$120.

Q. Did he make a row about it? He did.

Q. Did he appeal against the valuation?—He came to me several times, but I told him I could do nothing, as the valuers made that award. Finally, he took the money, but it was several months afterwards when he got it.

Q. What did Nicholson pay?—I do not know what he paid; he got \$40. to Prince Arthur's Landing, as compared with its present terminus at Fort William?—I would say if the station were to be placed, say where the Government reserve is at Prince Arthur's Landing, taking the lots in the town plot (and I believe there are two surveys adjoining the town plot of Prince Arthur's Landing, two parcels of land that have been subdivided) I am sure one hundred thousand dollars would not have covered the amount—that is, including the balance of the lots at Fort William, and running through the McKellar and other property adjoining Fort William.

Q. Confine your remarks to where any line would have entered Prince Arthur's Landing through the building portion of it to have sufficient doekage frontage for the purpose of the railway?—I should say \$100,000; I had several conversations with the late Mr. Hazlewood on the subject, and he estimated it at more than that.

Q. Are you an engineer?—I am not speaking as an engineer; I am not an engineer.

Q. Then you are not competent to speak professionally as to it?—Only as to the value of the land, upon which I consider myself capable of judging.

Q. Then you say that the land damages would have been fully double at Prince Arthur's Landing what it was at Fort William?—Yes; I say so, because the lots are all dotted with buildings.

Of the general valuation Mr. Reid testified as follows:

Q. Were you aware that if the price asked was, in your judgment, excessive—that you had another tribunal—that of arbitration, to go to?—So far as my own judgment is concerned, it would be regulated by circumstances. I did not know the country or the values of land further than the circumstances concerning the case. I ascertained what parties had paid for lots, and the rates they were selling for, and was perfectly satisfied that we laid down the basis that half acre lots were worth from \$250 to \$300, according to location; that was the basis of our valuation. Of course there

were some cases we could hardly close on that basis.

Q. The average of the whole would be higher than that?—Yes, but it was made up by parties who had paid a great deal more, and they would not take less without going to arbitration. We closed by giving \$25 to \$50 extra in cases where they had paid more for the lots.

Q. What is the conclusion in your mind? Would the Government have saved, or would you have been enabled to obtain a less price, if you had gone to arbitration?—I am positive we could not. In any case where there was an attempt to get excessive prices, as there was in one or two cases—for instance, one lot that was sold and cut up they valued at nearly \$2,000—it was resisted. It was lot number 26, South Fredericka Street; we valued it at \$350. It was a large lot, considered to be specially valuable, and I am not sure but what we went up to \$400 value for it.

Of some particular cases, Mr. Reid gave the following evidence: There was Mr. Robert Thompson, of Daluth, we had also to arrange with him, but he placed his case in the hands of a lawyer there, to deal with me. He said he had been offered \$400 for his lot—\$275 was the value we fixed upon it, but we finally closed with him for \$300.

Q. Do you think better terms would have been made if it had gone to arbitration?—No; I think not.

Q. How do you know that?—I don't know, but I think not. Then there was Mrs. Newton in Daluth, whom we had to deal with.

Q. Did you arrange with her?—Yes.

Q. How much did you give her?—\$300.

Q. How long did she hold her lot?—She had held her lot for some years. Those parties would rather not sell; they preferred to keep their lots.

Q. What did she want for her lot?—\$400. Then there is a Mr. Charles Bakæ held lot No. 2, Water street, east.

Q. Where did he live?—In Fort William.

Q. Is he living on his land there?—Yes; he bought forty feet frontage of that from Mr. McLeod, and paid \$160 for it.

Q. Did you satisfy yourself that he actually paid the money?—Yes; there is no doubt of that at all. He put up two buildings for a store and bake-house. He

was carrying on a little bakery at the time. He claimed \$400, of course there was some damage to his business, taking away his lot and bake-house, but we finally closed with him for \$300. It included the two buildings he had put up for baking purposes. There is a Wm. McCarron who bought from Cyrette 25 feet of lot No. 1, Water street, in 1874. He paid \$600 for that lot and the building.

Q. When had the building upon it been erected?—It had been up some years. We thought that he had been imposed upon, and had paid too much money on the property. However, we closed with him for \$550, for what he had paid \$600 in 1874.

Q. Had you any doubt on your own mind from the evidence you took that he had really paid \$600 for it in 1874?—No; none whatever. Then there is the Wake land property which is still in abeyance, lot No. 11, Hector street.

Q. What is the reason it is not settled for?—He would not take our offer. He had been offered \$1,000 for it.

Q. What did you offer him for it?—Five hundred and fifty dollars. Five hundred dollars was the value we put on on it, but we came to \$550.

Q. How long had he held it?—He had lived there at one time for over four or five years before that.

According to Mr. Reid those terrible people, Oliver, Davidson & Co., fared pretty much as the others; wonderful as it may seem the valuers quietly proceeded to deal out to them precisely the same measure of justice and consideration as was shown to those whose names are not half so well known. Here is Mr. Reid's evidence as to their property:—

Q. Describe to us how you arranged for the lands of Oliver, Davidson & Co.?

—We went into Mr. Oliver's office and saw either him or his book-keeper, and told him to make out a list of their lots that they owned there. In a day or two they made up a list and sent it in to us, the number of lots they owned, and put their valuation on them. It was several days after we had asked for it.

Q. Did you accept their valuation?—We took their list and occupied two or three days looking it over and examining it, carefully going over the land, and we pulled it down a good deal—reduced it considerably. We finally came to a figure that we would allow them. We presented it to them. They disputed

some things, but on the whole, I think we got our own valuation fixed upon.

Q. Relatively to the amounts paid to other parties, were the figures given them in excess of those given to other parties, considering the position of the lots?—No; they were not; they were rather under.

Q. You think you effected a better arrangement with them?—Yes; taking the two lots together—lot number six and the town plot—the town plot lots were pretty much the same.

In fact one member of the firm, Mr. Davidson, testified that he "got less from the Government for Mrs. Davidson's lots than anybody else."

In all this valuation, where so many different individuals were concerned, and so many different properties were considered, it would probably be strange if some isolated cases did not occur in which some hostile and unscrupulous critic could not hang a suspicion. Honest and reasonable people, however, will admit, from the foregoing, that the valuers discharged the onerous duties exacted of them with great carefulness and skill.

Q. And Driscoll?—Driscoll got \$100.

Q. What did he lose?—Two hundred and ninety dollars.

Q. You have been Reeve of the Municipality of Shuniah and own property at Prince Arthur's Landing, and are capable of answering the question I am about to put to you. What would have been, in your judgment, the relative cost to the country if the railway had been extended with honesty and fidelity. They had many things to consider of which we who stand in judgment over them have no knowledge whatever; that they succeeded in a manner, upon which a most searching and prolonged investigation utterly failed to cast the least discredit, speaks highly for the good judgment and integrity of themselves and the Minister who appointed them.

And now we come to that Neebing Hotel affair, perhaps the most contemptible of all the slanders which a political party could stoop to use against another. It is so contemptible that one's common sense and dignity are offended by being obliged to discuss it at all. The whole affair involves a sum of only five thousand dollars, and if every charge, every claim made by the Opposition in connection with it, be admitted, the verdict of the Government's extravagance and corruption would probably reach the enor-

mous sum of three or four hundred dollars. Even Senator Aikins will not deny that the hotel was worth something, and in his most desperate moments he has not been known to accuse the Government of a greater crime than the squandering of the sum mentioned. The circumstances are briefly stated thus: Before it became known that Fort William had been elected as the terminus a number of gentlemen formed a company to build an hotel at this place. The members of the company were Allan Oliver, Jos. Davidson, Brown & Wells, J. J. Vickers, Geo. Faulkener, J. S. McHannay, A. Mitchell, J. Duckworth, W. D. Mackenzie, John Ritchie, Robert Hay (now the Conservative candidate for Centre Toronto), Robert Henry, John McNab, S. J. Keith, and J. D. Henderson, nearly all of Toronto and of both shades of politics. The undertaking was a purely business one, but unfortunately the firm of Oliver, Davidson & Co. was mixed up with it, and that, of course, is enough to stamp the whole affair as the basest of political conspiracies—in the eyes of your genuine Conservative. A builder, Mr. J. D. Henderson, mentioned as a stockholder, was assigned half the shares on the understanding that he would put up the building. Work was begun early in 1875 and when the valutors visited Fort William the following year the hotel was well advanced towards completion. The building was rough in its construction, especially when compared with others in older and more civilized districts; but from the evidence taken before the Committee, it would seem to have been of a tolerably substantial character, and exactly what would be expected in a "western town," just springing into existence. It came within the limits of the Government reserve, however, and had to be appropriated. In valuing it Messrs. Reid and Wilson took exact cost as nearly as could be ascertained, and with a reasonable allowance for damages, a sum of five thousand and twenty-nine dollars was allowed. It may have been excessive, but surely it is fair to assume that the valutors were in a better position to judge of the reasonableness of the amount than any of those Conservative orators who have so much to say about it, and they were at least equally anxious to do the strictest justice between the company and the Government. Apart

from every other consideration, the public will be disposed to place implicit reliance on the judgment of the valutors, who had no possible interest of any kind to serve other than the simple carrying out of a fair and equitable bargain between the two parties. They were honorable men, and in discharging the position to which they were appointed there is not the slightest reason to believe that they had any desire to favor one party more than another; indeed, the supposition is all the other way, and there was not a particle of evidence throughout the whole investigation to indicate anything to the contrary. The testimony of Henderson, Oliver, Davidson, Leys and other interested parties may be entirely disregarded, although it may be stated that the first mentioned, in his examination, showed himself to be a person of very loose scruples, and his evidence was distinctly contradicted in several important points by all the others. There is good reason to believe that nothing would ever have been heard by the Neebing Hotel had not Henderson disputed with Mr. Davidson over a payment of sixteen dollars, which the former claimed as due to him. Two practical builders, Mr. Durrand of London, and Mr. Law of Meaford, made estimates of the cost, the former from measurements supplied him by Mr. Reid, and the latter from measurements made by himself. Mr. Durrand expressed it as his opinion that \$2,500 would have been a reasonable allowance for the building as it came into the hands of the Government. Mr. Law went more into detail, examined carefully the whole structure from cellar to roof, and declared on oath that the building was worth \$3,000. The amount allowed by the valutors was \$3,450, the difference between that sum and \$5,029, the total value being made up by the price of the land, unused material and damages or interest. But it must not be too hurriedly concluded that the sum of \$450, the difference between the estimate made by the valutors and that made by Mr. Law, was in reality a gift to the Hotel Company, or that the country suffered to that extent through the incapacity or worse, of the valutors. There is no reason to believe that the accounts of all work and material, which were supplied to them by the Managers of the Company, were other than correct, and had the law experienced all the dis-

advantages of building on that remote district, it is possible his estimate would have quite covered the amount finally fixed upon by the valuers. At any rate, the public are bound to assume that the value was a fairly reasonable one or accept the only other alternative and believe that Messrs. Wilson and Reid were corrupt and sanctioned a corrupt bargain. This no one has dared even to hint at as yet, and it is not probable that anyone will.

Such is the whole story of the Neebing Hotel. Photographs of the building were circulated and even published last season, taken from the most disadvantageous point; some of them were vile caricatures, constructed

from the imagination, and it was a favorite pastime at Conservative pic-nics to hold one of these up to view in order to create a laugh. It is only fair to admit that the laugh followed as a matter of course; indeed, so far did they carry this most excellent joke that soon all that was necessary to provoke the innocent merriment of a field of Conservative pic-nickers was to pronounce the two words, "Neebing Hotel!" The laugh will not come so readily again; the Senate Committee, quite contrary to their wishes, have dispelled many delusions which have surrounded, not only the Neebing Hotel, but all other matters connected with the Lake Superior terminus of the Canadian Pacific Railway.

